

Federated Hermes International Equity Fund

9/30/22

Fund facts

Performance inception date

8/1/97

Benchmark

MSCI ACWI ex USA Index

Morningstar category

Foreign Large Blend

Lipper classification

International Multi-Cp Gro Fds

Fund assets

\$1.2 billion

Ticker symbols

R6 Shares - PEIRX

Institutional Shares - PIUIX

A Shares - PMIEX

C Shares - PIUCX

Key investment team

Martin Schulz

Calvin Zhang

Bernard R. Horn, Jr.

Sumanta Biswas, CFA

Bin Xiao, CFA

Jason Crawshaw

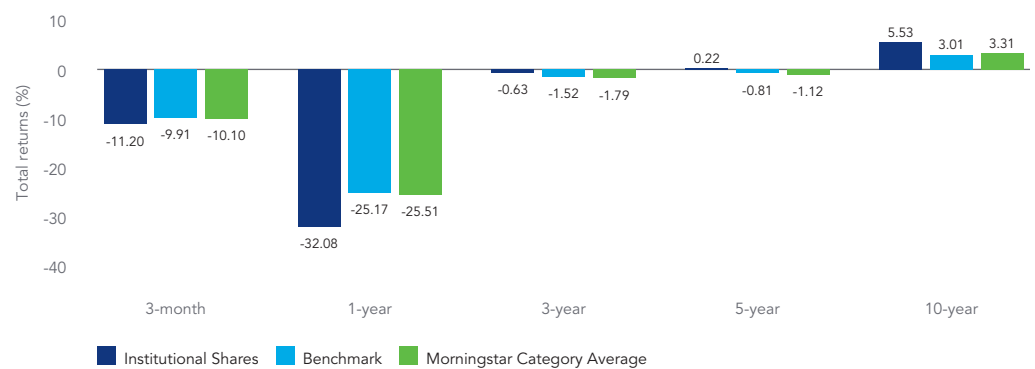
Fund description

The fund seeks long-term capital appreciation by investing primarily in equity securities that are tied to numerous countries throughout the world in both developed and emerging markets. Employing a top-down approach to country selection and a bottom-up security selection process, the fund may invest in companies of any capitalization, and its allocation is typically split between growth and value stocks.

Average annual total returns (%)

Performance shown is before tax.

	3-month	YTD	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6 Shares	-11.19	-31.97	-32.06	-0.59	0.26	5.55	4.62	1.41	0.90
Institutional Shares	-11.20	-31.98	-32.08	-0.63	0.22	5.53	4.61	1.49	0.94
A Shares (NAV)	-11.24	-32.13	-32.25	-0.88	-0.05	5.23	4.32	1.74	1.19
A Shares (MOP)	-16.11	-35.87	-35.98	-2.73	-1.17	4.63	4.09	1.74	1.19
Benchmark	-9.91	-26.50	-25.17	-1.52	-0.81	3.01	-	-	-



Calendar year total returns (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Institutional Shares	8.03	21.78	22.53	-12.54	33.27	0.49	1.00	-5.12	29.90	23.47
Benchmark	7.82	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87	15.30	-
Morningstar Category Average	9.72	9.30	21.59	-14.59	25.12	0.79	-1.59	-4.98	19.44	18.29

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedInvestors.com. Maximum offering price figures reflect the maximum sales charge of 5.5% for A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund. Total returns for periods of less than one year are cumulative.

* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 8/1/23 or the date of the fund's next effective prospectus.

Investment process – two distinct managers



Portfolio statistics

Weighted median P/E (NTM)	11.2x
Weighted median market cap	\$15.1 b
Weighted median price/book	1.9x
Number of securities	65

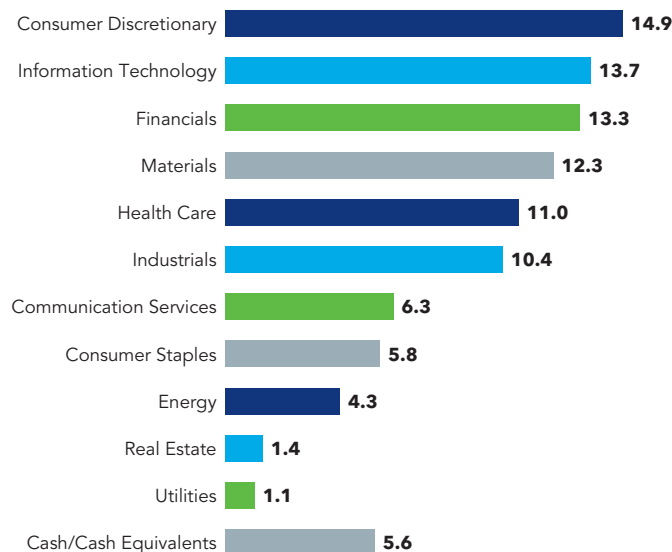
Top holdings (%)

Federated Hermes International Growth Fund <i>United States</i>	50.3
Popular, Inc. <i>Puerto Rico</i>	1.5
Marubeni Corp. <i>Japan</i>	1.3
Hannover Rueck SE <i>Germany</i>	1.2
The Toronto-Dominion Bank <i>Canada</i>	1.2
Brother Industries, Ltd. <i>Japan</i>	1.1
Jazz Pharmaceuticals Plc. <i>Ireland</i>	1.1
KDDI Corporation <i>Japan</i>	1.1
Methanex Corporation <i>Canada</i>	1.1
Publicis Groupe Sa <i>France</i>	1.1
Total % of portfolio	61.0

Top country weightings (%)

Japan	14.1	Sweden	3.1
United Kingdom	12.2	Ireland	2.8
Canada	7.2	Singapore	2.4
South Korea	6.6	Taiwan	2.3
France	5.6	Netherlands	2.1
Germany	5.4	Belgium	2.1
China	4.9	Italy	1.5
Switzerland	4.2	Chile	1.5
Norway	3.8	Cash/Cash Equivalents	5.6

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 9/30/22 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Highlights

- International stock markets broadly underperformed relative to the U.S., driven by the emerging markets
- Volatility remained elevated due to ongoing concerns around persistent inflation, tightening monetary policies, and Covid lockdowns in China
- The U.S. dollar strengthened
- Internationally, growth slightly outperformed value in a mild reversal of the trend earlier this year
- Most commodity prices declined as recession fears escalated. Natural gas proved to be one notable exception due to constraints on Russian supply
- Inflation pressures remained, leading the U.S. Federal Reserve and many other central banks to continue to raise interest rates
- The Federated Hermes International Equity Fund slightly underperformed its benchmark due to underperformance of both growth and value components

Looking back

The war in Ukraine escalated as Russia mobilized more troops and Ukraine made advances. Meanwhile most central banks became more hawkish, raising interest rates at a faster pace. Although commodity prices pulled back broadly in the quarter, inflation remained stubbornly high. Investors increasingly considered the risk of central banks overtightening monetary policy resulting in a global recession. Value and high dividend yield stocks underperformed, a reversal after strong outperformance earlier in the year, driven by a slowing global economy and alternative opportunities in fixed income from the backup in yields. Consumer discretionary stocks also witnessed a reversal, making up some lost ground after being the worst performing sector in the prior quarter.

The MSCI Europe Index underperformed as a worsening energy crisis, commodity shortages, global rate hikes, and a rising probability of recession pressured the region's stocks. Manufacturing activity declined across most of the continent and began to signal a contraction. Services also softened further. Inflationary pressures continued to build across the continent potentially affecting corporate profits, and energy price spikes may further endanger the U.K. and European recoveries for the foreseeable future. Adding fuel to the fire, the U.K., led by new Prime Minister Liz Truss, shocked markets after announcing sweeping tax cuts which investors feared would drive inflation and therefore interest rates higher.

The MSCI Japan Index declined less than most other developed markets despite the weakening yen which fell to multi-year lows, prompting the Japanese Ministry of Finance to intervene in support of the currency as the BOJ in its generational fight against deflation continued to maintain its yield curve control policy. Tourism-related stocks climbed after a series of announcements gradually lifted all border restrictions for vaccinated travelers. Although global macroeconomic uncertainty remains, rising share buybacks, the weak yen tailwind for exporters, and relatively fewer country-specific risk factors supported sentiment.

The Shanghai Shenzhen CSI 300 Index was the worst performer, losing the ground gained in the prior quarter. The yuan continued to weaken. Despite supportive monetary policy, investor sentiment soured in response to a weak housing market, Covid flareups, and ongoing geopolitical tension with the U.S. Sentiment also reflected diminishing hopes for the upcoming Communist Party Congress in October to catalyze a shift in China's zero-Covid containment policy.

Indian markets sharply rebounded in a reversal from the prior quarter, driven by foreign investors and expectations for persistent economic growth despite the weakening global macroenvironment. The rupee continued to weaken. As a net importer of oil, India also benefited from a pullback in crude prices which helped corporate margins and market sentiment.

Southeast Asian markets outperformed again as the MSCI ASEAN Index declined less than other regions. Manufacturing PMIs remained expansionary and even strengthened in most countries except Malaysia which slipped into contractionary territory. Broadly speaking, the region's central banks have lagged in tightening as inflation remained relatively low, but several began to play catch-up in the quarter, hiking rates for the first time or more than expected. Meanwhile, the recovery in international travel and leisure continued to make progress.

In another reversal from last quarter, Latin America outperformed the rest of the emerging markets driven by Argentina, Brazil, and Chile. The MSCI LATAM Index gained more than 3% during the quarter while the MSCI EM Index declined. Central banks in the region largely continued tightening due to persistent inflation, but in Brazil's case the tightening cycle may be nearing its end as disinflation appears to be the new normal. Political risk in Chile decreased following voters' rejection of a new constitution. All eyes are focused on the second round of the presidential election in Brazil in the fourth quarter. Further aggressive monetary policy and high exposure to commodities, particularly some of those in low supply, continues to offset political risks and improve the region's terms of trade. However, stubborn inflation and spillover effects from slowing global growth could prove headwinds through 2023.

Performance

The Federated Hermes International Equity Fund returned -11.2% (Institutional Shares at NAV) for the quarter ending September 30, 2022. That compares to its benchmark, the MSCI ACWI ex USA index, which returned -9.9% during the period.

Performance contributors

- Positive country allocation effects came from overweights to Argentina and Chile, along with an underweight to China
- Positive sector allocation effects came from an overweight to materials, along with underweights to real estate and utilities

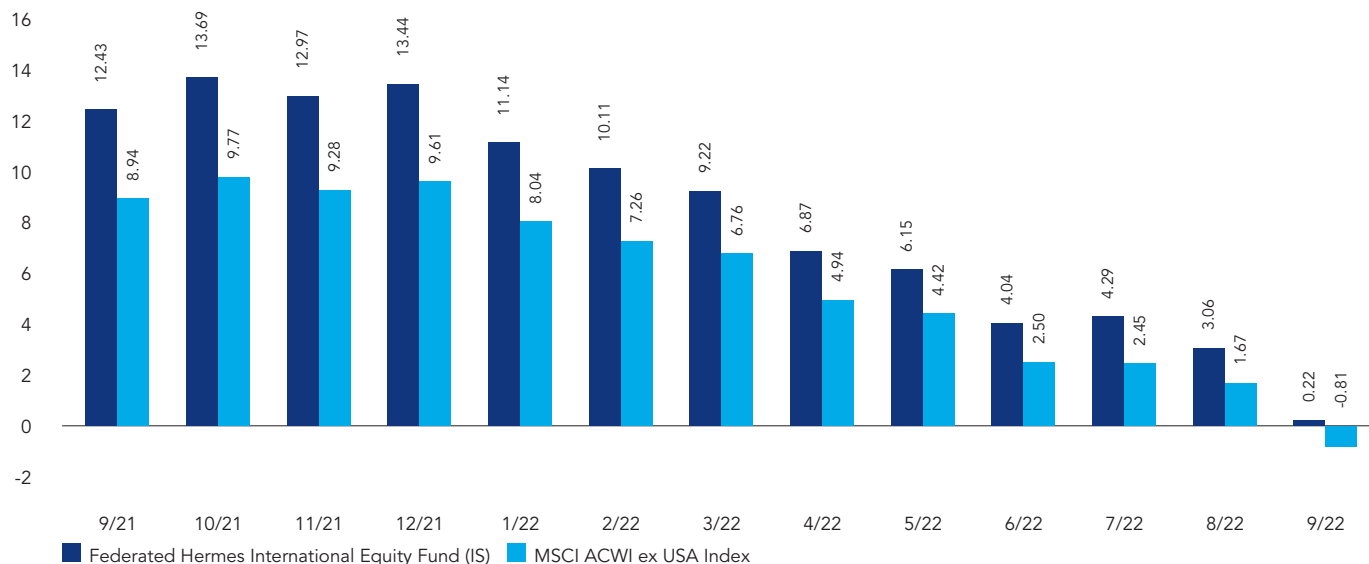
Performance detractors

- Negative country allocation effects came from overweights to Korea and Norway, along with an underweight to India
- Negative sector allocation effects came from an overweight to consumer discretionary, along with underweights to financials and consumer staples

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See disclosure section for important disclosures and definitions.

5-year rolling returns vs. MSCI ACWI ex USA Index (%)



Source: Morningstar, Inc. Performance for 5-year periods (1-month shift) from 10/1/17 - 9/30/22.

Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

Risk statistics

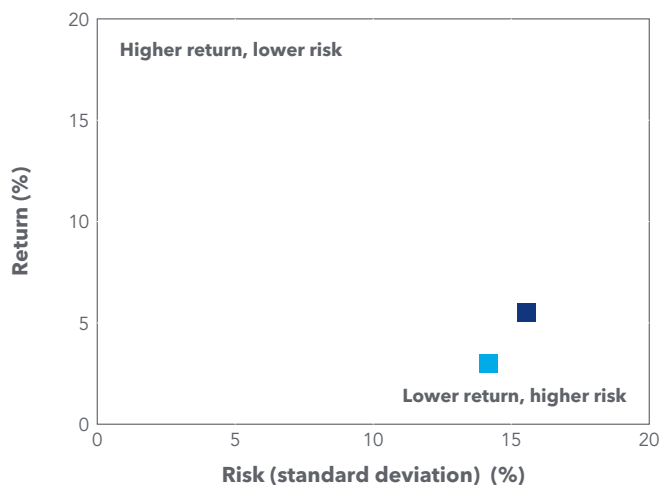
	3-year	5-year	7-year	10-year
Standard deviation	21.75	18.95	17.13	15.55
Beta	1.15	1.13	1.09	1.05
Correlation	0.98	0.98	0.97	0.96
Up capture ratio	118.53	111.33	108.53	108.58
Down capture ratio	113.15	106.00	104.71	96.15

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI ACWI ex USA Index

See disclosure section for important definitions.

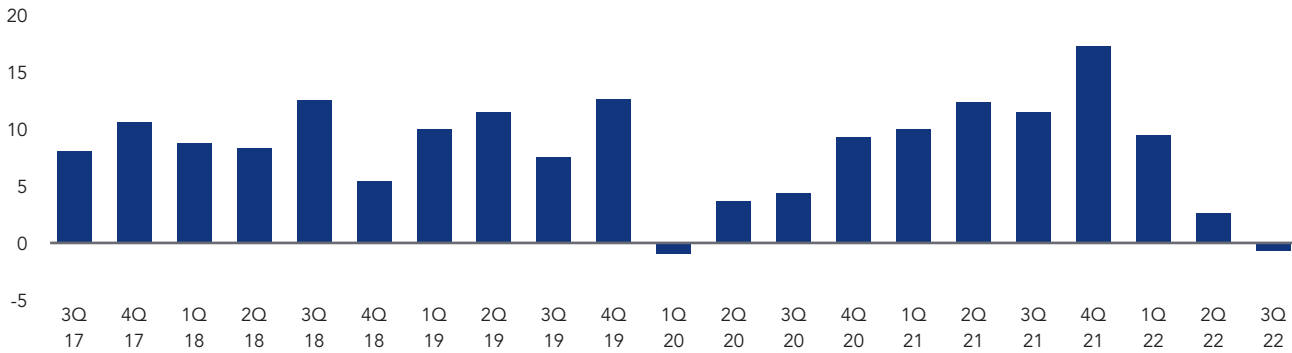
10-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Equity Fund (IS)	15.55	5.53
MSCI ACWI ex USA Index	14.16	3.01

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3-year rolling returns - IS (%)



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Category rankings

Morningstar Foreign Large Blend Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	97	22	-	-
	Morningstar Category Rank	723 of 750 funds	180 of 701 funds	-	-
IS Shares	Morningstar Category % Rank	97	22	16	3
	Morningstar Category Rank	724 of 750 funds	181 of 701 funds	91 of 610 funds	10 of 419 funds
A Shares	Morningstar Category % Rank	97	27	19	6
	Morningstar Category Rank	726 of 750 funds	208 of 701 funds	108 of 610 funds	18 of 419 funds

Lipper International Multi-Cap Growth Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	47	22	-	-
	Lipper Classification Rank	124 of 263 funds	55 of 254 funds	-	-
IS Shares	Lipper Classification % Rank	48	23	27	13
	Lipper Classification Rank	125 of 263 funds	57 of 254 funds	61 of 228 funds	19 of 154 funds
A Shares	Lipper Classification % Rank	48	31	32	14
	Lipper Classification Rank	126 of 263 funds	77 of 254 funds	71 of 228 funds	21 of 154 funds

Past performance is no guarantee of future results. Rankings are based on total return and do not take sales charges into account.

Federated Hermes International Equity Fund

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the summary prospectus or prospectus before investing.

The fund is the successor to the PNC International Equity Fund ("predecessor fund"), a portfolio of PNC Funds, pursuant to a reorganization involving the Fund and the predecessor fund on November 15, 2019. Prior to the date of the reorganization, the fund had no investment operations. Accordingly, the performance information, for periods prior to the reorganization is historical information for the predecessor fund. The predecessor fund was managed by the same portfolio management team as the fund, had an identical investment objective and substantially identical strategies, policies and restrictions.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

International investing involves special risks, including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

Prices of emerging market and frontier market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

Due to their relatively high valuations, growth stocks are typically more volatile than value stocks.

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance at times, particularly in late stages of a market advance.

The fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

Definitions

Beta measures a portfolio's volatility relative to the market. A beta greater than 1.00 suggests the portfolio has historically been more volatile than the market as measured by the fund's benchmark. A beta less than 1.00 suggests the portfolio has historically had less volatility relative to the market.

Correlation is the degree to which one variable (here, the fund's returns) fluctuates relative to another (the returns of the fund's benchmark). Correlation ranges from 1.00, when two variables move identically in the same direction, to -1.00, when two variables move identically in the opposite direction.

Standard deviation is a historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

Up capture ratio/down capture ratio is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns and how badly the manager was affected by periods of negative benchmark returns. The up-market capture ratio is a measure of a manager's performance in up markets relative to the index during the same period. For example, a ratio value of 115 indicates that the manager has outperformed the market index by 15% in periods when the index has risen. The down-market capture ratio is the direct opposite of

the up-market capture ratio, gauging performance of the manager relative to the index in down markets. A ratio value of 80 would indicate the manager had declined on 80% as much as the declining overall market, indicating relative outperformance.

Weighted average dividend yield is a weighted average of the dividends of all the stocks in a portfolio.

Weighted average EPS growth next 5 years is the weighted average annual growth rate of fiscal year earnings-per-share for the next five years for a given corporation.

Weighted median P/E (NTM—next 12 months) is a ratio comparing share price to earnings-per-share using estimated data for the next 12 months.

Weighted median market cap is the calculation representing the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

Weighted median price/book is a ratio comparing share price to book value or assets minus liabilities.

MSCI ACWI ex USA Index captures large- and mid-cap representation across 22 of 23 developed markets (DM) countries (excluding the U.S.) and 27 emerging markets (EM) countries. The index covers approximately 85% of the global equity opportunity set outside the U.S.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

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