

Federated Hermes International Leaders Fund

6/30/22

Fund facts

Performance inception date

9/30/98

Benchmark

MSCI EAFE Index

Morningstar category

Foreign Large Blend

Lipper classification

International Large-Cp Core Fds

Fund assets

\$903.0 million

Ticker symbols

R6 Shares - FGRSX

Institutional Shares - FGFLX

A Shares - FGFAF

C Shares - FGFCX

R Shares - FGFRX

Key investment team

Richard Winkowski, Jr.

Dariusz Czoch, CFA

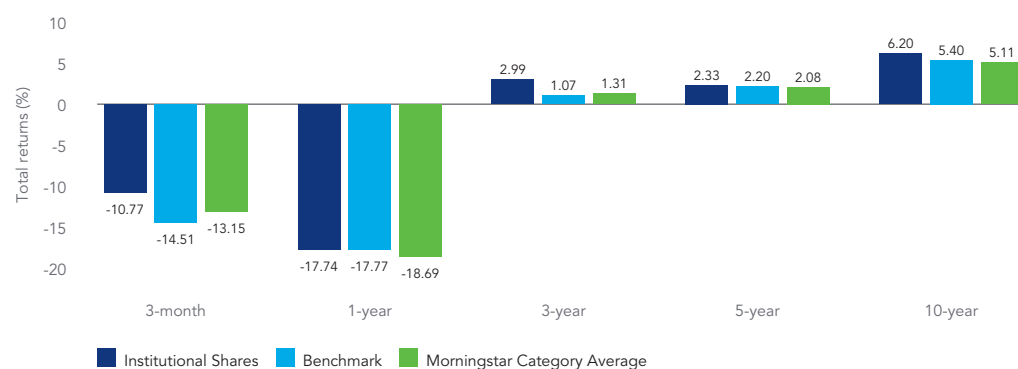
Fund description

The fund seeks to provide long-term capital growth by investing primarily in developed-market stocks of high-quality, foreign companies that appear to be trading below their intrinsic value. The fund's high-conviction portfolio typically consists of 50 to 100 companies.

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	-10.76	-17.00	-17.70	3.04	2.39	6.22	7.12	1.01	0.92
Institutional Shares	-10.77	-17.02	-17.74	2.99	2.33	6.20	7.09	1.08	0.97
A Shares (NAV)	-10.81	-17.11	-17.94	2.73	2.07	5.93	7.19	1.36	1.23
A Shares (MOP)	-15.71	-21.68	-22.46	0.82	0.93	5.33	6.94	1.36	1.23
Benchmark	-14.51	-19.57	-17.77	1.07	2.20	5.40	-	-	-



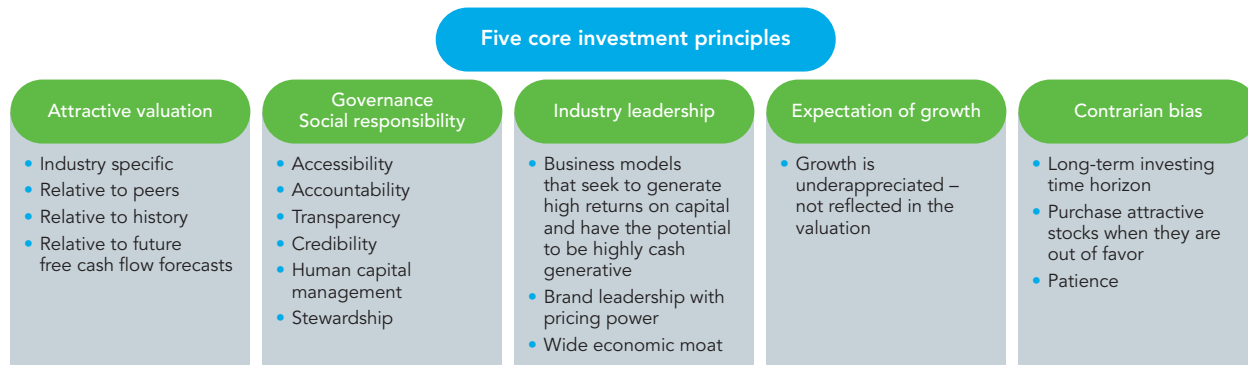
Calendar year total returns (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Institutional Shares	5.02	15.77	27.02	-20.66	28.30	-2.68	-1.94	-4.20	27.44	30.41
Benchmark	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81	-4.90	22.78	17.32
Morningstar Category Average	9.72	9.30	21.59	-14.59	25.12	0.79	-1.59	-4.98	19.44	18.29

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* 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 2/1/23 or the date of the fund's next effective prospectus.

Investment process



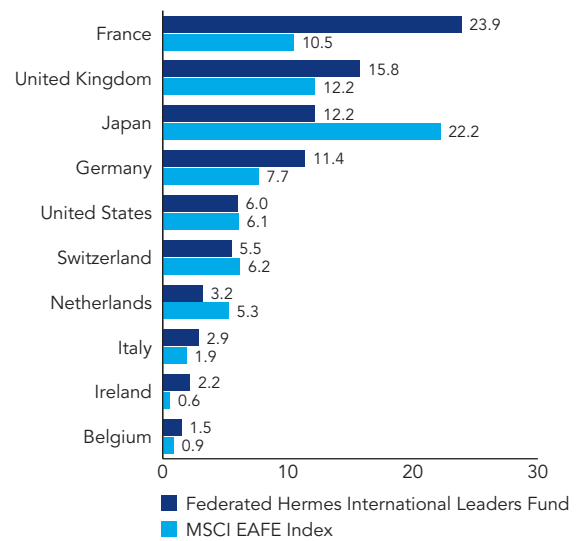
Portfolio statistics

Weighted median P/E (LTM)	18.4x
Weighted median P/E (NTM)	13.5x
Weighted median market cap	\$45.6 b
Weighted median price/book	1.9x
Number of securities	73

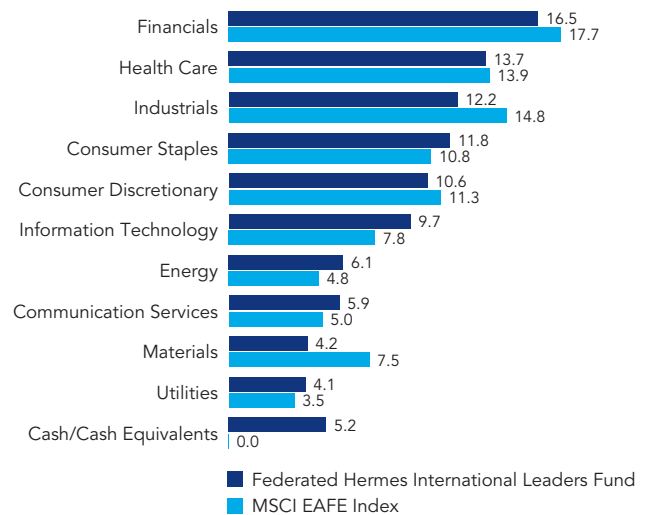
Top holdings (%)

Edenred <i>France</i>	3.7
AstraZeneca PLC <i>United Kingdom</i>	3.4
Bayer AG <i>Germany</i>	2.8
Deutsche Telekom AG <i>Germany</i>	2.3
Imperial Brands PLC <i>United Kingdom</i>	2.3
Shell PLC <i>Netherlands</i>	2.3
TotalEnergies SE <i>France</i>	2.3
Worldline SA <i>France</i>	2.3
Nestle S.A. <i>United States</i>	2.1
Enel S.p.A <i>Italy</i>	2.0
Total % of portfolio	25.5

Top country weightings (%)



Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 6/30/22 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

- Inflation
- Central bank policy rate hikes
- Ukraine invasion
- Supply chain bottlenecks
- European energy crisis

Looking Back

Fears of a potential recession grew as the global economic recovery showed signs of fading. Concerns mounted as inflation reached its highest level since the 1980s, forcing central banks to tighten policy rates. The ongoing war in Ukraine placed further upward pressure on energy pricing as reduced oil and gas exports out of Russia further amplified existing supply constraints. While pricing pressures persisted globally, the most acute price spikes were experienced in Europe, where consumers faced surging energy costs multiples higher than one year earlier. To alleviate the burden of higher food and energy costs faced by many households across Europe and the U.S., governments considered various supportive measures, including windfall taxes, tax holidays and subsidies. Concerned about a potential energy crisis this upcoming winter, European nations rushed to find alternative supplies and fill their natural gas storage. Flows out of Russia slowed in mid-June following a technical issue with the Nord Stream 1 pipeline, prompting Germany to escalate its emergency gas plan in hopes of averting a crisis. In the U.S., gasoline prices reached an all-time high ahead of the summer driving season as refiners endured higher input costs coupled with a lack of labor and equipment.

Inflationary pressures, capacity constraints and supply chain bottlenecks led to weaker manufacturing globally. Eurozone manufacturing expanded by its lowest level since April 2020 on declining orders while production fell for the first time in two years. New orders declined to a 17-month low in the U.K., leading to a two-year low in output. In the U.S., factory activity grew at its slowest pace since July 2020 while in Japan, manufacturing declined to a four-month low.

Yields across Europe reached multi-year highs on the prospect of higher interest rates before retreating amid growing recession concerns. The U.S. Dollar Index (DXY) strengthened to its highest level in 20 years while the Japanese yen fell to its lowest level since 1998 and the euro fell close to parity with the dollar, its lowest level since 2002.

Performance

Federated International Leaders Fund (A Shares at NAV) returned -10.81% for the quarter ending June 30, 2022. That compares to its benchmark, the MSCI EAFE Index, which returned -14.51% during the period. As a result, the fund outperformed the benchmark by 3.70%.

Performance contributors

- Stock selection in eight of the eleven sectors
- Subaru Corp was the fund's largest stock contributor
- Deutsche Telekom AG and Imperial Brands plc were also notable contributors

Performance detractors

- Stock selection in Utilities and Health Care sectors
- The largest stock detractors were Lonza Group AG, Siemens AG and ASML Holding NV

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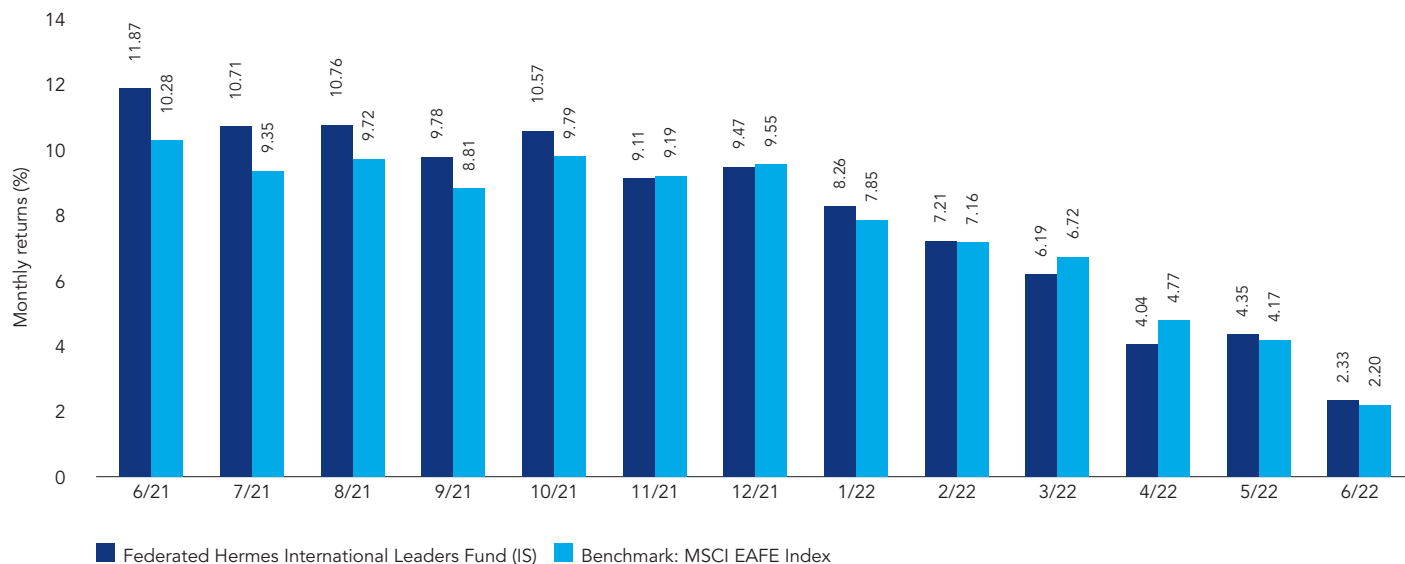
How we are positioned

International equity markets are in for a bumpy ride in the second half of the year. High inflation, surging fuel and food costs and the war in Ukraine will put pressure on corporate earnings. Business and consumer demand will soften, impacting GDP growth rates in Europe and the U.K. Europe and the U.K. will teeter on a recession as the European Central Bank and Bank of England become more focused on fighting inflation by tightening their previously loose monetary policies. The severity and length of the potential recession will largely depend on whether Russia allows natural gas to continue to flow to customers in Europe. While it is challenging to predict what Vladimir Putin will do, it appears that he is becoming more likely to weaponize his oil and gas reserves. We are incrementally more constructive on emerging markets, especially China. The geopolitical environment in China remains stressed, but its economy and equity markets are showing signs of a recovery. China is easing monetary policy and introducing aggressive fiscal stimulus programs to support GDP growth. The Central Government is relaxing its regulatory campaign which should allow the large technology companies to return to growth.

Expect a bumpy ride in the months ahead with the kind of market where experienced active management is needed.

See disclosure section for important disclosures and definitions.

5-year rolling returns vs. MSCI EAFE Index (%)



Source: Morningstar, Inc. Performance for 5-year periods (1-month shift) from 7/1/17 - 6/30/22.

Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses. Timeframe based on current management style of Federated Hermes International Leaders Fund.

Risk statistics

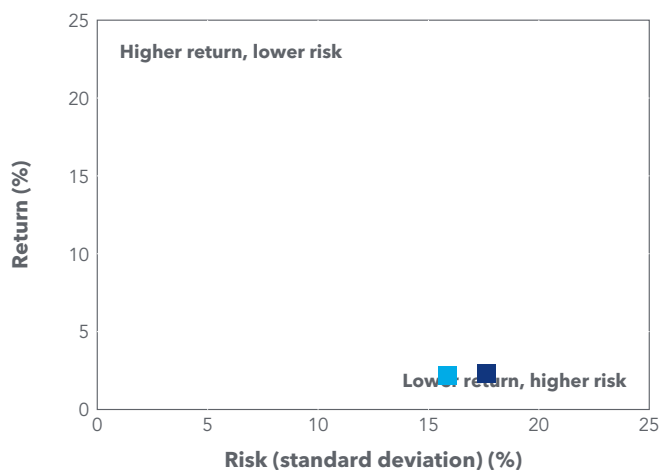
	3-year	5-year	7-year	10-year
Standard deviation	18.96	17.65	16.92	15.67
Alpha	2.01	0.25	-0.51	0.62
Beta	1.02	1.08	1.07	1.07
R²	93.70	93.57	92.69	90.66

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

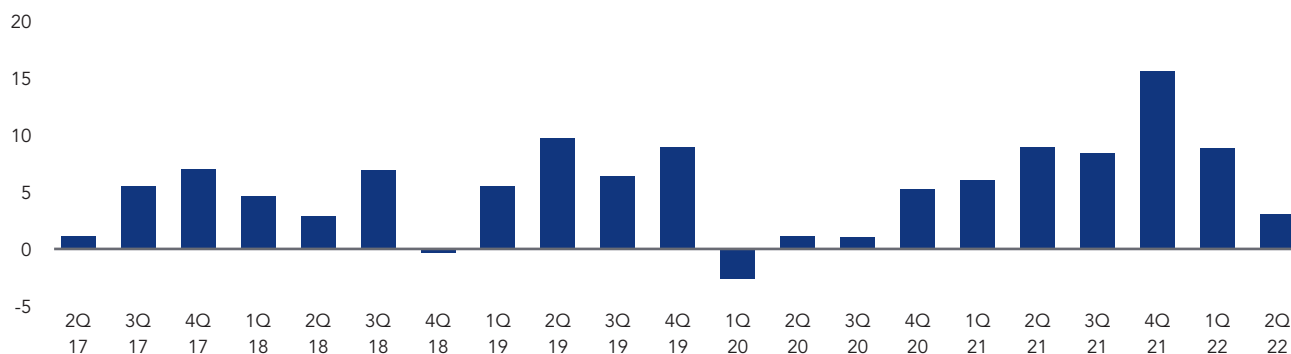
5-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Leaders Fund (IS)	17.65	2.33
MSCI EAFE Index	15.87	2.20

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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	38	16	45	–
	Morningstar Category Rank	237 of 754 funds	121 of 699 funds	264 of 607 funds	–
IS Shares	Morningstar Category % Rank	39	16	47	12
	Morningstar Category Rank	242 of 754 funds	127 of 699 funds	277 of 607 funds	39 of 414 funds
A Shares	Morningstar Category % Rank	42	20	57	16
	Morningstar Category Rank	267 of 754 funds	152 of 699 funds	331 of 607 funds	58 of 414 funds

Lipper International Large-Cp Core Fds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	51	23	36	–
	Lipper Classification Rank	78 of 152 funds	30 of 135 funds	41 of 116 funds	–
IS Shares	Lipper Classification % Rank	53	23	39	4
	Lipper Classification Rank	80 of 152 funds	31 of 135 funds	45 of 116 funds	3 of 82 funds
A Shares	Lipper Classification % Rank	57	28	49	13
	Lipper Classification Rank	86 of 152 funds	38 of 135 funds	57 of 116 funds	10 of 82 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 Leaders 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's Institutional Shares commenced operations on June 21, 2010. For the period prior to the commencement of operations for the Institutional Shares, the performance information shown is for the fund's A Shares. The performance of the A Shares has not been adjusted to reflect the expenses of the Institutional Shares since the Institutional Shares have a lower expense ratio than the expense ratio of the A Shares. The performance of the A Shares has been adjusted to reflect the absence of sales charges and to remove any voluntary waiver of the fund's expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the Institutional Shares.

The fund's R6 Shares commenced operations on August 8, 2013. For the period prior to the commencement of operations of the R6 Shares, the R6 Shares performance information shown is for the A Shares. The performance of the A Shares has not been adjusted to reflect the expenses of the R6 Shares, since the R6 Shares have a lower expense ratio than the expense ratio of the A Shares. The performance of the A Shares has been adjusted to reflect the absence of sales charges and to remove any voluntary waiver of fund expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the R6 Shares.

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.

Definitions

Alpha shows how much or how little return is generated, given the risk a portfolio takes. A portfolio with an alpha greater than 0 has earned more than expected given its beta—meaning the portfolio has generated excess return without increasing risk. A portfolio with a negative alpha is producing a lower return than would be expected given its risk.

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.

R-squared indicates what percentage of a portfolio's movement in performance is explained by movement in performance of the market. R-squared ranges from 0 to 100, and a score of 100 suggests that all movements of a portfolio's performance are completely explained by movements in the market as measured by the fund's benchmark.

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

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 P/E (LTM—latest 12 months) is a ratio comparing share price to earnings per share using data from the previous 12 months.

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

MSCI EAFE Index is an equity index which captures large- and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

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