

Supplement

Federated Hermes Sustainable European Equity Fund

a sub-fund of Federated Hermes Investment
Funds public limited company, an umbrella fund
with segregated liability between sub-funds

Investment Manager – Hermes Investment Management Limited

The date of this Supplement No. 2 is 28 March 2022

This Supplement contains information relating to the Fund. This Supplement forms part of and should be read in conjunction with the prospectus of the Company dated 1 December 2021 as may be amended or updated from time to time (the “Prospectus”).

Funds of the Company in existence as at the date of this Supplement are set out in the Global Supplement.

Unless the context requires otherwise, capitalised terms used in this Supplement shall have the meaning attributed to them in the Prospectus.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, or other financial adviser.

The Directors of the Company, whose names appear under the heading “Management and Administration” in the Prospectus, accept responsibility for the information contained in the Prospectus and in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

Index

Profile of a Typical Investor	1
Investment Objective and Policies	2
Risk Factors.....	7
Dealing Information	8
Share Class Information	9
Capacity Management	10
Initial Offer of Shares.....	11

Profile of a Typical Investor

The Fund may be suitable for investors seeking capital growth over at least a three to five year time horizon who understand and accept the associated level of risk attached to the Fund. For more information please refer to the section entitled "Risk Factors".

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Investment Objective and Policies

Investment Objective

The investment objectives of the Fund are to: (i) achieve long-term capital growth over a rolling five-year period; and (ii) have a reduced environmental footprint compared to the Benchmark (as defined below).

Investment Policy

The Fund is an Article 9 fund for the purpose of Regulation (EU) 2019/2088 of the European Parliament and the Council on sustainability-related disclosures in the financial services sector (SFDR). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852.

The Fund will seek to achieve its objective by investing at least 80% in a diversified portfolio of equity securities and/or equity-related securities of, or relating to, companies in, or companies that derive a large proportion of their revenues from, the developed and emerging European market region (including Russia and Turkey). These companies will be listed and/or traded on a Regulated Market worldwide.

In aiming to achieve superior long-term returns (i.e. returns that are superior in the sense that they provide positive benefit to the environment and society as well as long-term returns), the Investment Manager will also exclude investment in the following companies (based on information available to the Investment Manager on these companies)

- Companies that generate over 5% of their revenues from the extraction or exploration of fossil fuels or from the use of fossil Fuels for electricity generation;
- Electricity utility companies with a carbon intensity not aligned with a below 1.5 degrees scenario;
- Companies that generate revenue from the production of controversial weapons and companies that generate over 5% of their revenues from production of conventional weapons;
- Companies that generate over 5% of their revenues from nuclear power;
- Companies that generate revenues from the production of tobacco products and companies that receive over 5% of their revenues from tobacco distribution;
- Companies that generate over 2% of their revenues from gambling products;
- Companies that generate over 2% of their revenues from adult entertainment products;
- Companies that generate over 2% of their revenues from the production of alcohol and companies that receive over 5% of their revenues from alcohol distribution; and
- Companies that generate over 5% of their revenue from GMO crop production.

In addition, the Investment Manager excludes companies that are in contravention of the principles of the UN Global Compact.

Investment Strategy

A high conviction (i.e. taking large positions in a small number of stocks), actively managed portfolio using a disciplined bottom-up stock selection process, within a thematic framework. The Investment Manager will seek to invest in European companies with accelerating levels of income and cash flow that can demonstrate sustainable growth over the long term. Independent research is undertaken in order to identify companies and industries undergoing fundamental change that are not recognised by other investors in the market. Generally, the Investment Manager focuses on entities with a free market capitalisation of EUR1 billion or more.

The Fund aims to reduce the environmental footprint in comparison to the Benchmark and this is measured (using available third party data relating to the carbon, water and waste metrics detailed below) by comparing the following characteristics of the European companies in respect of which the Fund holds equity with the Benchmark: (i) total carbon emissions normalised by the market value of the portfolio, expressed in tons CO₂ per \$ million invested; (ii) the total waste (landfill, nuclear and incinerated) for a portfolio normalised by the market value of the portfolio, tonnes per \$ million invested; and (iii) the total water used (cooling, processed and purchased) normalised by the market value of the portfolio, m³ per \$ million invested.

The opportunity that this strategy targets is investment in European companies identified as 'sustainable leaders' in order to capture the growth of such companies, which can compound over time. Our definition of a 'sustainable leader' is predicated on three primary considerations and we consider these as part of a bottom-up process. Firstly, business model; the Investment Manager seeks to understand historic financial metrics and competitive dynamics (using Porter's Five Forces analysis will be used to identify a company's competitive advantage and the effect on the company's position in the market. The Five Forces consider how suppliers, buyers, market entrants, substitute products and competitor rivalry affect the profitability of a company) and, in conjunction with our thematic analysis outlined below, identify those who are capable of sustaining strong growth over the long-term.

Secondly, the Investment Manager considers how well companies manage environmental, social and governance ("ESG") factors. ESG includes environmental items (such as how companies limit their emissions), social issues (such as how they manage diversity in the workforce) and governance (such as how the board is structured). The Investment Manager assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes and third party providers such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others. The Investment Manager believes that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging its knowledge of and direct contact and engagement with companies. The Investment Manager's approach to ESG integration in its investment analysis draws upon both internal and external sources where an ESG score is assigned to each company within its investment universe. The percentage of ESG-analysed companies in the fund will always be between 90%-100%. As a result of the consideration of ESG factors, the Fund's weighted average ESG rating will be better than the weighted average ESG rating of the Benchmark after eliminating the worst 20% of securities.

Our third consideration involves a thematic analysis whereby we seek to understand the broader benefit or cost of each company. As well as looking at European companies which do no

significant harm, the Investment Manager also looks beyond this and, where appropriate, the portfolio will actively target those companies seeking to improve their effect on people and the planet through their products or services. This can be summarised as: (i) companies that avoid harm (i.e. companies that do not cause harm to the environment or society); (ii) companies that provide benefits to all stakeholders (i.e. companies that provide benefits to its shareholders, customers and the wider community); and (iii) companies that contribute to solutions (i.e. companies that provide solutions to environmental or social issues, such as public health and welfare). The belief is that following this thematic approach to idea generation and focussing on companies which meet the 'sustainable leader' criteria facilitates the Fund's goal to achieve superior long-term returns.

The Fund's market exposure (which is exposure to the categories of Investments outlined below, and excludes cash held by the Fund) may vary in time and will typically range between 95%-100% for long positions and 0% for short positions of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These ranges are not limits and the actual exposures may from time to time fall outside these estimated ranges.

The Fund is actively managed by the Investment Manager in accordance with the criteria set out in this Supplement and will seek to achieve its objective to provide capital growth over a rolling period of any five years on an active basis, without reference to a benchmark. The Company shall use the MSCI Europe Index (the "**Benchmark**") for performance comparisons with the Fund on certain marketing materials (e.g. fund fact-sheets, investor reports, shareholder presentations etc), as deemed appropriate. The Benchmark is a free float adjusted market capitalisation weighted benchmark that is designed to measure the performance of shares in large and mid-sized companies, denominated in various currencies, which are listed in developed markets across Europe. As at the date of this Supplement, the Investment Manager has determined that this Benchmark may be used for such purposes.

In addition, the Fund will seek to achieve its investment objective to have a reduced environmental footprint compared to the Benchmark. The Investment Manager may (but is under no obligation to) invest in component securities of the Benchmark that meet the "sustainable leader" criteria set out above as well as in securities anticipated to enter or exit this Benchmark. The selection of securities remains at the entire discretion of the Investment Manager so the Fund's portfolio may include securities which are not part of the Benchmark. However, the Fund's portfolio composition will not be constrained in any way by the content of this Benchmark and the Benchmark is not aligned with the Fund's sustainable investment objective. For the avoidance of doubt the Fund's objective is not to track the performance of the Benchmark. The Fund does not charge any performance fees and, accordingly, no fees are paid to the Investment Manager on the basis of outperformance of the Benchmark.

Categories of Investments

With the exception of permitted investments in unlisted securities, Eligible CIS, FDIs, cash and cash equivalents (for example, overnight deposits for efficient portfolio management purposes as detailed below), Investments of the Fund will be listed or traded on a Regulated Market.

Equity: The Fund may invest in a diversified portfolio of equity securities (such as ordinary shares, preference shares and/or rights) and/or equity-related securities (such as GDRs and ADRs) of, or relating to, companies in, or that derive a large proportion of their revenues from, the developed and emerging European market region. Investment in or exposure to such

securities will be on a long-only basis. The Fund will continuously invest at least 66.67% of its net assets in equity assets as defined in sec. 2 para. 8 of the German Investment Tax Act (2018).

Eligible CIS: The Fund may acquire units/shares of Eligible CIS, including exchange-traded funds and other sub-funds of the Company, where such Eligible CIS satisfy the requirements of the Central Bank. Investment in or exposure to such schemes will be on a long-only basis.

Methods of Access and Efficient Portfolio Management

The Fund may gain exposure to the aforementioned equity and/or equity related securities and/or Eligible CIS through the use of FDIs and/or through investment in Convertible Debt Securities. A decision to use FDIs may be made for reasons such as efficiency (i.e. it may be cheaper to gain exposure to an underlying Investment than to purchase the Investment directly).

FDIs may also be used for efficient portfolio management purposes (for example, to assist in cash flow management, for cost effectiveness and for gaining exposure to certain markets and securities in a quicker and/or more efficient manner).

The FDIs that may be used by the Fund for such purposes include Warrants, Futures and Forward Currency Exchange Contracts.

For efficient portfolio management purposes the Fund may invest in and/or gain exposure to financial indices, hold cash and/or invest in money market collective investment schemes (to, for example, equitise cash) subject to the conditions and limits of the Central Bank. Please see the section headed "Investment in FDIs and Efficient Portfolio Management" in the Prospectus for more information.

Any indices to which exposure is achieved will be in line with the investment strategy of the Fund. If utilised, details of the financial indices in which the Fund invests and/or gains exposure to will be found via www.hermes-investment.com/financial-indices.

For the avoidance of doubt, the Fund does not enter into repurchase and reverse repurchase agreements and/or engage in stock lending.

Cash Management

The Fund's use of FDIs may result in it holding a portion of its Net Asset Value in cash or collateral holdings and in such circumstances the Fund may seek to implement an effective cash management policy. In pursuit of this policy the Fund may invest in collective investment schemes and money market instruments (such as short-dated government-backed securities, floating-rate notes, commercial paper, certificates of deposit, call accounts, treasury bills and treasury notes) and FDIs (of the type noted above).

Leverage and Global Exposure

The Fund may be leveraged up to 10% of its Net Asset Value. That is, the total exposure associated with the investments of the Fund, including investments in FDIs, may amount to 110% of the Net Asset Value of the Fund. The Fund's global exposure will be calculated using the commitment approach.

Currency Hedging Policy

The Fund may enter into transactions for the purposes of hedging the currency exposure in accordance with the sections entitled “Hedging at Portfolio Level” and “Hedging at Share Class Level against Base Currency” in the Prospectus.

Investment Restrictions

The Fund may invest up to 10% of its Net Asset Value in Russian listed or traded securities. Any such investment shall be limited to those securities which are listed or traded on the Moscow Exchange.

Risk Factors

Potential investors and Shareholders are referred to the section of the Prospectus entitled "Risk Factors". Regard should be had to the risks outlined under the heading "General Risk Factors" as each of these risk factors will be relevant in the context of an investment in the Fund.

In addition, investors should specifically refer to the following risks that appear under the heading "Fund Specific Risk Factors", as these relate to risks arising as a result of the Fund's Investments and/or portfolio management techniques:

Risk	Prospectus page reference
Sustainability Risk	25
Depository Receipts Risk	31
Emerging Markets Risk	32
Equity Risk	34
Futures Risk	37
Russian Investment Risk	39
Small and Mid-Cap Companies Risk	42
Warrants Risk	42

Dealing Information

Dealing Deadline	9.30 am (Irish time) on the relevant Dealing Day.
Valuation	The Valuation Point will be 12 noon (Irish time) on each Dealing Day. The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the latest mid-market price as at the Valuation Point when no last traded price is available.
Income Equalisation	The Fund operates Income Equalisation.
Timing of Payment for Subscriptions	Payment must be received by the Administrator by close of business on the third Business Day following the applicable Dealing Day.
Timing of Payment for Redemptions	Redemption proceeds will be paid on the third Business Day following the relevant Dealing Day.
Administrator's Fee	Up to 0.04% of the Net Asset Value of the Fund accrued and calculated daily and payable monthly in arrears. The Fund will also pay other costs to the Administrator such as transfer agency charges and transaction fees. Details are set out in the Prospectus in the section entitled "Fees and Expenses".
Depositary's Fee	The Fund will bear transaction and custody charges which are calculated on the basis of the assets held. The Fund will also pay a depositary fee of up to 0.0110% of its Net Asset Value to the Depositary. The Fund will also pay other costs to the Depositary such as out-of-pocket expenses and sub-custodial fees and expenses. Details are set out in the Prospectus in the section entitled "Fees and Expenses".
Other Fees and Expenses	The Fund shall bear its attributable proportion of the organisational and operating expenses of the Company (including any establishment expenses). Details of these and of other fees and expenses relating to the Company are set out in the Prospectus in the section entitled "Fees and Expenses".
Compulsory Redemption Threshold	All the Shares of the Fund may be compulsorily redeemed at the discretion of the Directors if, after the first anniversary of the first issue of Shares of the Fund, the Net Asset Value of the Fund falls below GBP100,000,000 for any period of time.

Share Class Information

Fees

Class	Management Fee (Max)
A	1.50%
F	0.75%
I	0.75%
K	0.60%
L	0.60%
M	0.45%
P	0.75%
R	1.50%
T*	0.00%
W	0.50%
X	0.25%
Z**	0.00%

*Shareholders in the Class T Shares will be subject to a fee with regard to their investment in the Fund based on the Client Agreement between them and the Investment Manager or its affiliate. This fee will not exceed 1% per annum of the value of the Shareholder's holding in the Fund. The Investment Manager (or its affiliate, if relevant) reserves the right to repurchase the entire holding of Shares of any Shareholder (deducting any amount owed for unpaid investment management fees), if the relevant Client Agreement is terminated for any reason whatsoever.

**Shareholders in the Class Z Shares will be subject to a fee with regard to their investment in the Fund based on the Client Agreement between them and the Investment Manager or its affiliate. This fee will not exceed 3% per annum of the value of the Shareholder's holding in the Fund. The Investment Manager (or its affiliate, if relevant) reserves the right to repurchase the entire holding of Shares of any Shareholder (deducting any amount owed for unpaid investment management fees), if the relevant Client Agreement is terminated for any reason whatsoever.

Minimum Transactions

Class	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount	Minimum Holding Amount	Minimum Redemption Amount
A	USD 1,000	No minimum	USD 1,000	No minimum
F	GBP 100,000	No minimum	GBP 100,000	No minimum
I	USD 1,000,000	No minimum	USD 1,000,000	No minimum
K	USD 100,000,000	No minimum	USD 100,000,000	No minimum
L	GBP 100,000,000	No minimum	GBP 100,000,000	No minimum
M	GBP 200,000,000	No minimum	GBP 200,000,000	No minimum
P	GBP 400,000	No minimum	GBP 400,000	No minimum
R	EUR 1,000	No minimum	EUR 1,000	No minimum
T	GBP 1,000	No minimum	GBP 1,000	No minimum
W	GBP 1,000	No minimum	GBP 1,000	No minimum
X	GBP 10,000,000	No minimum	GBP 10,000,000	No minimum
Z	Per Client Agreement	Per Client Agreement	Per Client Agreement	Per Client Agreement

The above amounts can be paid in the currency stated or its foreign currency equivalent.

Capacity Management

The Directors may, at their absolute discretion, impose capacity management related constraints on the Fund. Please see the section headed "Capacity Management" in the Prospectus for more information. Details about whether the Fund is currently under capacity management constraints will be published on the Manager's website: www.hermes-investment.com/capacitymanagement.

Initial Offer of Shares

As more particularly described in the Prospectus, the Company offers 17 Classes of Shares with various distribution policies, distribution frequencies, hedging policies and currencies in each Class.

The table below sets out details of the Classes of Shares in the Fund approved by the Central Bank, and the Classes which are available for purchase as at the date of this Supplement. Unless otherwise indicated by (*), the currency available in each Class of Shares set out below are available in hedged and unhedged versions.

Currency	Accumulating	Distributing Annually	Distributing Semi Annually	Distributing Quarterly	Distributing Monthly	Distributing Quarterly**	Distributing Monthly**
GBP	A	A1	A2	A3	A4	A5	A6
EUR*	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD							
CHF							
SEK							
NOK							
DKK							
HKD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
SGD							
AUD							
CNH							
CAD							
JPY							
GBP	F	F1	F2	F3	F4	F5	F6
EUR*	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD							
CHF							
SEK							
NOK							
DKK							
HKD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
SGD							
AUD							
CNH							
CAD							
JPY							
GBP	I	I1	I2	I3	I4	I5	I6
EUR*	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD							
CHF							
SEK							
NOK							
DKK							

HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							
GBP	K	K1	K2	K3	K4	K5	K6
EUR							
USD*							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							
GBP	L	L1	L2	L3	L4	L5	L6
EUR*							
USD							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							
GBP	M	M1	M2	M3	M4	M5	M6
EUR*							
USD							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							

JPY														
GBP	P	P1	P2	P3	P4	P5	P6							
EUR*	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged							
USD														
CHF														
SEK														
NOK														
DKK														
HKD														
SGD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged							
AUD														
CNH														
CAD														
JPY														
GBP								R	R1	R2	R3	R4	R5	R6
EUR*								Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD														
CHF														
SEK														
NOK														
DKK														
HKD														
SGD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged							
AUD														
CNH														
CAD														
JPY														
GBP								T		T2				
EUR*								Unhedged		Unhedged				
USD	Hedged	Hedged												
GBP	W	W1	W2	W3	W4	W5	W6							
EUR*	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged							
USD														
CHF														
SEK														
NOK														
DKK														
HKD														
SGD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged							
AUD														
CNH														
JPY														
								X	X1	X2	X3	X4	X5	X6

GBP							
EUR*							
USD	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
CHF							
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
JPY							
GPB	Z	Z1	Z2	Z3	Z4	Z5	Z6
EUR*							
USD							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							

*Hedged EUR Shares are not available.

** Certain Fees and Expenses are charged against Capital

Share Classes which have received subscriptions have a price available, which can be found via www.hermes-investment.com/products. Where no price is available for a Share Class in respect to Share Classes that have not received subscriptions, the Initial Offer Period will start at 9 a.m. on 2 December 2021 and close at 5 p.m. on 1 June 2022.

The Initial Offer Price per Share Class shall be determined by reference to the currency denomination of the Share Class and is as follows:

GBP	EUR	USD	CHF	SEK	NOK	DKK	HKD	SGD	AUD	CNH	CAD	JPY
1	2	2	2	20	20	10	20	3	3	10	2	200

The base currency of the Fund is Euro.