

# Annual Shareholder Report

July 31, 2023



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Share Class | Ticker    **A** | QASCX    **C** | QCSCX    Institutional | QISCX    **R6** | QLSCX

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## Federated Hermes MDT Small Cap Core Fund

*Fund Established 2005*

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A Portfolio of Federated Hermes MDT Series

Dear Valued Shareholder,

We are pleased to present the Annual Shareholder Report for your fund covering the period from August 1, 2022 through July 31, 2023. This report includes Management's Discussion of Fund Performance, a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

As a global leader in active, responsible investment management, Federated Hermes is guided by our conviction that responsible investing is the best way to create wealth over the long term. The company provides capabilities across a wide range of asset classes to investors around the world.

In addition, [FederatedHermes.com/us](https://FederatedHermes.com/us) offers quick and easy access to valuable resources that include timely fund updates, economic and market insights from our investment strategists and financial planning tools. You can also access many of those insights by following us on Twitter (@FederatedHermes) and LinkedIn.

Thank you for investing with us. We hope you find this information useful and look forward to keeping you informed.

Sincerely,

A handwritten signature in cursive script, reading "J. Christopher Donahue".

J. Christopher Donahue, President

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**Not FDIC Insured • May Lose Value • No Bank Guarantee**

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# Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes MDT Small Cap Core Fund (the "Fund"), based on net asset value for the 12-month reporting period ended July 31, 2023, was 6.23% for Class A Shares, 5.35% for Class C Shares, 6.47% for Institutional Shares and 6.47% for Class R6 Shares. The total return for the Russell 2000<sup>®</sup> Index (R2000),<sup>1</sup> the Fund's broad-based securities market index, was 7.91% for the same period. The total return of the Morningstar Small Blend Funds Average (MSBFA),<sup>2</sup> a peer group average for the Fund, was 7.81% during the same period. The Fund's and MSBFA's total returns for the most recently completed fiscal year reflected actual cash flows, transaction costs and expenses, which were not reflected in the total return of the R2000.

During the reporting period, the Fund's investment strategy focused on stock selection. This was the most significant factor affecting the Fund's performance relative to the R2000 during the period.

The following discussion will focus on the performance of the Fund's Class R6 Shares relative to the R2000.

## MARKET OVERVIEW

The reporting period began with three sharp market turns in the first six months (August 2022 – January 2023), leaving the Russell 3000 Index (R3000)<sup>3</sup> with a fiscal year-to-date return of 0.06% at the end of January. There was one more downturn in February (R3000 at -2.34% for the month), but then inflation numbers started declining, employment numbers held steady, and the R3000 turned weakly positive. In June and July there were more favorable macroeconomic reports and the market began to think that the Federal Reserve might actually be able to engineer a "soft landing," so the R3000 strengthened. For the full fiscal year, the R3000 returned 12.65%. Growth stocks outran value stocks (the Russell 3000 Growth Index (R3000G)<sup>4</sup> returned 16.97% while the Russell 3000 Value Index<sup>5</sup> returned 8.03%), and large-cap stocks outran small-cap stocks<sup>6</sup> (the mega-cap Russell Top 200 Index (RT200)<sup>7</sup> returned 14.39% while the Russell Midcap Index<sup>8</sup> returned 8.75% and the small-cap R2000 returned 7.91%). The higher returns of the R3000G and the RT200 were largely attributable to the very high returns of the "Magnificent 7"<sup>9</sup> technology stocks, which, by themselves, provided 5.04% of the R3000's 12.65% return.

The best performing sectors in the R2000 during the reporting period were Energy (+24.53%), Consumer Discretionary (+16.31%) and Industrials (+15.73%). Underperforming sectors during the same period included Communication Services (-6.55%), Utilities (-6.42%) and Real Estate (-4.91%).

## STOCK SELECTION

The Fund buys stocks with many different combinations of fundamental and technical characteristics that have signaled market outperformance historically. The primary reason for the underperformance of the reporting period was unfavorable stock selection among both young companies with strong technical factors and neutral to high analyst conviction, and companies with high structural earnings and low to neutral analyst conviction. There was an offset to the underperformance from favorable stock selection among stocks with depressed 1-year returns but little recent need for external financing. The Fund's sector exposures remained close to R2000 weights; there were no significant overweight or underweight positions at the end of the reporting period. Weak stock selection in the Information Technology and Financials sectors established the underperformance of the Fund, while strong stock selection in the Industrials, Consumer Staples and Communication Services sectors provided a partial offset to the underperformance.

Individual stocks enhancing the Fund's performance during the reporting period included Prometheus Biosciences, Inc., e.l.f. Beauty, Inc. and PROG Holdings, Inc.

Individual stocks detracting from the Fund's performance during the reporting period included Semtech Corporation, Customers Bancorp, Inc. and Atea Pharmaceuticals, Inc.

- 1 *Please see the footnotes to the line graph below for definitions of, and further information about, the R2000.*
- 2 *Please see the footnotes to the line graph below for definitions of, and further information about, the Morningstar peer group average.*
- 3 *The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 96% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.\**
- 4 *The Russell 3000® Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Growth Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad growth market. The Russell 3000® Growth Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.\**
- 5 *The Russell 3000® Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000® Value Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad value market. The Russell 3000® Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.\**
- 6 *Small-cap stocks may be less liquid and subject to greater price volatility than large-cap stocks.*

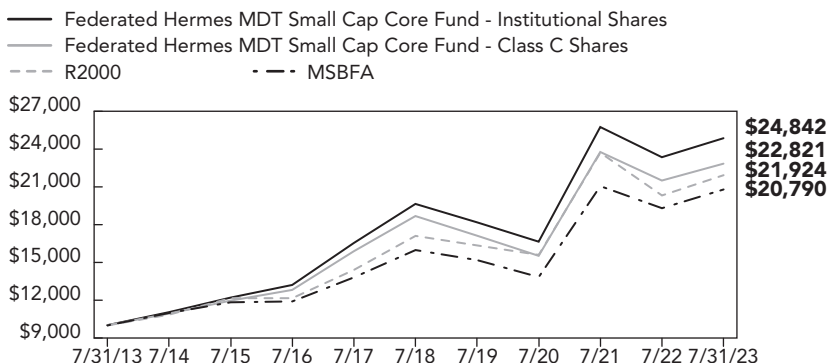
- 7 The Russell Top 200<sup>®</sup> Index measures the performance of the largest cap segment of the U.S. equity universe. The Russell Top 200<sup>®</sup> Index is a subset of the Russell 3000<sup>®</sup> Index. It includes approximately 200 of the largest securities based on a combination of their market cap and current index membership and represents approximately 71% of the capitalization of the Russell 3000<sup>®</sup> Index. The Russell Top 200<sup>®</sup> Index is constructed to provide a comprehensive and unbiased barometer for this very large cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.\*
- 8 The Russell Midcap<sup>®</sup> Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 3000 Index. Based on current index membership and market cap, it includes approximately 800 companies that fall between the larger companies in the Russell Top 200 Index and the smaller companies in the Russell 2000 Index. The Russell Midcap<sup>®</sup> Index represents approximately 23% of the total market capitalization of the Russell 3000 Index. The Russell Midcap<sup>®</sup> Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Russell Midcap Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.\*
- 9 The "Magnificent 7" includes Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA and Tesla.
- \* The index is unmanaged, and it is not possible to invest directly in an index.

## FUND PERFORMANCE AND GROWTH OF A \$10,000 INVESTMENT

The graph below illustrates the hypothetical investment of \$10,000<sup>1</sup> in the Federated Hermes MDT Small Cap Core Fund (the “Fund”) from July 31, 2013 to July 31, 2023, compared to the Russell 2000<sup>®</sup> Index (R2000)<sup>2</sup> and the Morningstar Small Blend Funds Average (MSBFA).<sup>3</sup> The Average Annual Total Return table below shows returns for each class averaged over the stated periods.

### GROWTH OF A \$10,000 INVESTMENT

#### Growth of \$10,000 as of July 31, 2023



■ Total returns shown for Class C Shares include the maximum contingent deferred sales charge of 1.00%, as applicable.

The Fund offers multiple share classes whose performance may be greater than or less than its other share class(es) due to differences in sales charges and expenses. See the Average Annual Total Returns table below for the returns of additional classes not shown in the line graph above.

#### Average Annual Total Returns for the Period Ended 7/31/2023

(returns reflect all applicable sales charges and contingent deferred sales charges as specified below in footnote #1)

	1 Year	5 Years	10 Years
<b>Class A Shares</b>	0.37%	3.39%	8.63%
<b>Class C Shares</b>	4.35%	3.76%	8.60%
<b>Institutional Shares</b>	6.47%	4.83%	9.53%
<b>Class R6 Shares<sup>4</sup></b>	6.47%	4.84%	9.46%
R2000	7.91%	5.09%	8.17%
MSBFA	7.81%	5.90%	8.13%

**Performance data 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. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit [FederatedHermes.com/us](https://FederatedHermes.com/us) or call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured.**

- 1 Represents a hypothetical investment of \$10,000 in the Fund after deducting applicable sales charges: for Class A Shares, the maximum sales charge of 5.50% (\$10,000 investment minus \$550 sales charge = \$9,450); for Class C Shares, a 1.00% contingent deferred sales charge would be applied on any redemption less than one year from the purchase date. The Fund's performance assumes the reinvestment of all dividends and distributions. The R2000 and MSBFA have been adjusted to reflect reinvestment of dividends on securities.
- 2 The R2000 measures the performance of the small-cap segment of the U.S. equity universe. The R2000 is a subset of the Russell 3000® Index representing approximately 6% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The R2000 is constructed to provide a comprehensive and unbiased small-cap barometer, and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The R2000 is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index. The R2000 is not adjusted to reflect sales charges, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund's performance.
- 3 Morningstar figures represent the average of the total returns reported by all the funds designated by Morningstar as falling into the respective category indicated. They do not reflect sales charges. The Morningstar figures in the Growth of a \$10,000 Investment line graph are based on historical return information published by Morningstar and reflect the return of the funds comprising the category in the year of publication. Because the funds designated by Morningstar as falling into the category can change over time, the Morningstar figures in the line graph may not match the Morningstar figures in the Average Annual Total Returns table, which reflect the return of the funds that currently comprise the category.
- 4 The Fund's Class R6 Shares commenced operations on June 29, 2016. For the period prior to the commencement of operations of the Class R6 Shares, the Class R6 Shares performance information shown is for the Fund's Institutional Shares, adjusted to reflect expenses of the Class R6 Shares for each period for which the gross expenses of Class R6 Shares would have exceeded the actual expenses paid by the Fund's Institutional Shares.

# Portfolio of Investments Summary Table (unaudited)

At July 31, 2023, the Fund's sector composition<sup>1</sup> was as follows:

<b>Sector Composition</b>	<b>Percentage of Total Net Assets</b>
Industrials	17.3%
Health Care	16.2%
Financials	14.7%
Information Technology	12.4%
Consumer Discretionary	10.9%
Energy	8.2%
Real Estate	5.4%
Consumer Staples	4.4%
Materials	3.8%
Communication Services	2.4%
Utilities	2.3%
Securities Lending Collateral <sup>2</sup>	2.5%
Cash Equivalents <sup>3</sup>	0.8%
Other Assets and Liabilities—Net <sup>4</sup>	(1.3)%
<b>TOTAL</b>	<b>100%</b>

- 1 Except for Securities Lending Collateral, Cash Equivalents and Other Assets and Liabilities, sector classifications are based upon, and individual portfolio securities are assigned to, the classifications of the Global Industry Classification System (GICS), except that the Adviser assigns a classification to securities not classified by the GICS and to securities for which the Adviser does not have access to the classification made by the GICS.
- 2 Represents cash collateral received for portfolio securities on loan that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements.
- 3 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements other than those representing cash collateral for securities lending.
- 4 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

# Portfolio of Investments

July 31, 2023

Shares		Value
COMMON STOCKS—98.0%		
<b>Communication Services—2.4%</b>		
214,287	<sup>1</sup> AMC Networks, Inc.	\$ 2,704,302
39,176	<sup>1</sup> Atlanta Braves Holdings, Inc.	1,595,247
221,489	<sup>1</sup> CarGurus, Inc.	5,018,941
313,960	<sup>1</sup> Cinemark Holdings, Inc.	5,239,992
405,549	<sup>1</sup> Eventbrite, Inc.	4,667,869
134,647	Gray Television, Inc.	1,275,107
1,104,805	<sup>1</sup> iHeartMedia, Inc.	5,225,728
151,617	<sup>2</sup> Lumen Technologies, Inc.	271,394
419,844	<sup>1</sup> Vimeo Holdings, Inc.	1,729,757
	<b>TOTAL</b>	<b>27,728,337</b>
<b>Consumer Discretionary—10.9%</b>		
409,891	<sup>1</sup> 2U, Inc.	1,959,279
243,417	<sup>1</sup> Abercrombie & Fitch Co., Class A	9,641,747
65,080	Big Lots, Inc.	667,070
108,580	Bloomin Brands, Inc.	2,917,545
22,937	Camping World Holdings, Inc.	734,672
94,149	<sup>1</sup> Chegg, Inc.	953,729
1,003,788	Clarus Corp.	8,933,713
180,173	<sup>1,2</sup> ContextLogic, Inc.	1,711,644
48,566	<sup>1</sup> Duolingo, Inc.	7,536,958
389,225	<sup>1</sup> Goodyear Tire & Rubber Co.	6,258,738
297,956	<sup>1</sup> GoPro, Inc.	1,218,640
241,739	<sup>1,2</sup> Groupon, Inc.	1,909,738
133,870	<sup>1</sup> Inspired Entertainment, Inc.	1,685,423
86,232	International Game Technology PLC	2,917,229
143,920	<sup>1</sup> Lumber Liquidators, Inc.	565,606
31,893	<sup>1</sup> MCBC Holdings, Inc.	977,520
88,475	Murphy USA, Inc.	27,164,479
9,840	<sup>1</sup> ODP Corp./The	490,819
767,214	<sup>1</sup> Qurate Retail, Inc.	782,558
211,645	<sup>1,2</sup> Red Robin Gourmet Burgers	3,079,435
23,877	Red Rock Resorts, Inc.	1,158,035
840,886	<sup>1</sup> Rush Street Interactive, Inc.	3,220,593
85,074	<sup>1</sup> Sally Beauty Holdings, Inc.	1,018,336
14,721	<sup>1</sup> Shake Shack, Inc.	1,143,233
18,313	<sup>1</sup> Taylor Morrison Home Corp.	886,715
101,990	Texas Roadhouse, Inc.	11,376,985

## Shares

## Value

## COMMON STOCKS—continued

**Consumer Discretionary—continued**

197,048	Upbound Group, Inc.	\$ 6,823,772
9,261	<sup>1</sup> Visteon Corp.	1,427,027
169,446	Waterstone Financial, Inc.	2,363,772
49,843	Wingstop, Inc.	8,402,533
17,332	Winnebago Industries, Inc.	1,192,442
443,689	<sup>1,2</sup> WW International, Inc.	5,168,977
	<b>TOTAL</b>	<b>126,288,962</b>

**Consumer Staples—4.4%**

128,342	<sup>1</sup> Bellring Brands, Inc.	4,613,895
115,274	Cal-Maine Foods, Inc.	5,324,506
9,416	Coca-Cola Bottling Co.	5,964,188
173,201	<sup>1</sup> elf Beauty, Inc.	20,216,021
64,174	Energizer Holdings, Inc.	2,291,012
149,546	<sup>1</sup> Hostess Brands, Inc.	3,595,086
7,007	Ingles Markets, Inc., Class A	594,193
81,876	Primo Water Corp.	1,160,183
72,542	SpartanNash Co.	1,627,842
125,811	<sup>1</sup> Sprouts Farmers Market, Inc.	4,938,082
32,728	Turning Point Brands, Inc.	780,563
	<b>TOTAL</b>	<b>51,105,571</b>

**Energy—8.2%**

102,648	<sup>1,2</sup> Amplify Energy Corp.	753,436
368,548	Ardmore Shipping Corp.	5,189,156
184,466	California Resources Corp.	9,841,261
58,239	<sup>1</sup> Callon Petroleum Corp.	2,187,457
16,120	Championx Corp.	573,872
35,552	Civitas Resources, Inc.	2,661,423
72,914	CONSOL Energy, Inc.	5,433,551
52,269	<sup>1</sup> Dorian LPG Ltd.	1,554,480
585,532	Equitrans Midstream Corp.	6,071,967
33,591	Golar LNG Ltd.	810,215
117,582	<sup>1</sup> Gulf Island Fabrication, Inc.	398,603
44,479	International Seaways, Inc.	1,907,704
12,147	<sup>1</sup> Nabors Industries Ltd.	1,487,886
145,767	<sup>1</sup> Oceaneering International, Inc.	3,272,469
160,820	PBF Energy, Inc.	7,629,301
52,641	RPC, Inc.	437,973
132,832	Scorpio Tankers, Inc.	6,248,417
82,705	SM Energy Co.	3,001,364
427,069	<sup>1</sup> US Silica Holdings, Inc.	5,556,168
63,665	<sup>1</sup> Vital Energy, Inc.	3,360,239

Shares		Value
	COMMON STOCKS—continued	
	<b>Energy—continued</b>	
324,898	<sup>1</sup> Weatherford International PLC	\$ 26,999,024
	TOTAL	95,375,966
	<b>Financials—14.7%</b>	
11,680	1st Source Corp.	547,792
59,774	Amalgamated Financial Corp.	1,193,089
8,875	A-Mark Precious Metals, Inc.	362,011
44,804	Artisan Partners Asset Management, Inc.	1,858,918
11,831	<sup>1</sup> AssetMark Financial Holdings, Inc.	353,747
839,866	<sup>1</sup> AvidXchange Holdings, Inc.	10,422,737
11,651	BancFirst Corp.	1,163,935
305,783	Byline Bancorp, Inc.	6,711,937
221,121	<sup>1</sup> Cantaloupe, Inc.	1,704,843
323,393	CNO Financial Group, Inc.	8,317,668
15,964	<sup>1</sup> Coastal Financial Corp.	721,094
1,280,397	Colony Credit Real Estate, Inc.	9,423,722
18,400	Equity Bancshares, Inc.	499,744
70,182	Financial Institutions, Inc.	1,346,091
30,902	First Business Financial Services, Inc.	1,050,359
917,621	First Foundation, Inc.	6,707,810
35,013	<sup>1</sup> Flywire Corp.	1,195,344
742,357	<sup>1</sup> Genworth Financial, Inc., Class A	4,350,212
1,126,817	<sup>1</sup> Green Dot Corp.	22,029,272
75,475	Heritage Commerce Corp.	724,560
43,522	Heritage Financial Corp.	816,473
82,788	Hometrust Bancshares, Inc.	2,012,576
115,519	Independent Bank Corp.- Michigan	2,386,623
126,044	<sup>2</sup> Invesco Mortgage Capital, Inc.	1,513,788
196,540	Jackson Financial, Inc.	6,489,751
34,869	Kinsale Capital Group, Inc.	12,993,235
119,501	Ladder Capital Corp.	1,313,316
108,743	<sup>1</sup> LendingTree, Inc.	2,653,329
139,774	Live Oak Bancshares, Inc.	5,293,241
9,934	<sup>1</sup> Mr. Cooper Group, Inc.	575,874
89,200	<sup>1</sup> NerdWallet, Inc.	999,932
117,548	OFG Bancorp.	3,936,683
167,014	<sup>1</sup> Oscar Health, Inc.	1,255,945
179,628	<sup>1</sup> Paysafe Ltd.	2,160,925
48,266	Peapack-Gladstone Financial Corp.	1,410,815
27,542	Preferred Bank Los Angeles, CA	1,819,975
318,828	<sup>1</sup> PROG Holdings, Inc.	12,938,040
106,522	QCR Holdings, Inc.	5,457,122

Shares		Value
COMMON STOCKS—continued		
<b>Financials—continued</b>		
231,876	<sup>1</sup> Remitly Global, Inc.	\$ 4,470,569
64,639	RLI Corp.	8,623,489
6,724	Selective Insurance Group, Inc.	693,850
141,670	<sup>1</sup> Siriuspoint Ltd.	1,323,198
529,100	<sup>1</sup> StoneCo Ltd.	7,666,659
53,720	Tiptree, Inc.	793,444
150,981	Western New England Bancorp, Inc.	1,010,063
	<b>TOTAL</b>	<b>171,293,800</b>
<b>Health Care—16.2%</b>		
70,733	<sup>1</sup> Acadia Pharmaceuticals, Inc.	2,068,233
199,467	<sup>1</sup> Alector, Inc.	1,368,344
52,991	<sup>1</sup> Alkermes, Inc.	1,551,576
108,494	<sup>1</sup> Alphatec Holdings, Inc.	1,917,089
234,363	<sup>1,2</sup> Alx Oncology Holdings, Inc.	1,431,958
13,636	<sup>1</sup> AMN Healthcare Services, Inc.	1,461,097
147,694	<sup>1</sup> Amphastar Pharmaceuticals, Inc.	8,963,549
67,201	<sup>1,2</sup> Arcellx, Inc.	2,301,634
35,678	<sup>1</sup> Arcus Biosciences, Inc.	709,992
415,495	<sup>1</sup> Atea Pharmaceuticals, Inc.	1,425,148
125,856	<sup>1</sup> Biohaven Ltd.	2,502,017
262,297	<sup>1</sup> Bridgebio Pharma, Inc.	9,183,018
770,563	<sup>1</sup> Cara Therapeutics, Inc.	2,565,975
26,516	<sup>1</sup> Catalyst Pharmaceutical Partners, Inc.	366,716
862,915	<sup>1</sup> Codexis, Inc.	3,106,494
59,821	<sup>1</sup> Collegium Pharmaceutical, Inc.	1,361,526
1,047,490	<sup>1</sup> Community Health Systems, Inc.	4,598,481
347,580	<sup>1</sup> Cross Country Healthcare, Inc.	8,967,564
170,399	<sup>1</sup> Emergent BioSolutions, Inc.	1,172,345
1,426,143	<sup>1</sup> Fate Therapeutics, Inc.	5,889,971
500,507	<sup>1,2</sup> Gossamer Bio, Inc.	675,684
18,495	<sup>1</sup> Haemonetics Corp.	1,705,979
429,850	<sup>1</sup> Hims & Hers Health, Inc.	3,855,755
32,501	<sup>1</sup> Immunovant, Inc.	741,998
111,540	<sup>1,2</sup> Innovage Holding Corp.	803,088
46,488	<sup>1</sup> Inogen, Inc.	379,807
66,135	<sup>1</sup> Intercept Group, Inc.	714,258
72,995	<sup>1</sup> Lantheus Holdings, Inc.	6,313,338
16,540	<sup>1</sup> Ligand Pharmaceuticals, Inc., Class B	1,107,022
67,607	<sup>1</sup> Livanova PLC	3,951,629
647,010	<sup>1</sup> MacroGenics, Inc.	3,086,238
1,778	<sup>1</sup> Medpace Holdings, Inc.	450,136

Shares		Value
COMMON STOCKS—continued		
<b>Health Care—continued</b>		
362,522	<sup>1</sup> MiMedx Group, Inc.	\$ 2,925,553
703,443	<sup>1,2</sup> Nektar Therapeutics	376,905
118,645	<sup>1</sup> NeoGenomics, Inc.	2,056,118
199,166	<sup>1</sup> NGM Biopharmaceuticals, Inc.	472,023
160,193	<sup>1,2</sup> Novavax, Inc.	1,486,591
21,122	<sup>1</sup> NuVasive, Inc.	870,438
365,171	<sup>1</sup> Nuvation Bio, Inc.	675,566
126,561	<sup>1</sup> Omnicell, Inc.	7,992,327
217,412	<sup>1</sup> OptimizeRX Corp	3,032,897
386,559	<sup>1</sup> OraSure Technologies, Inc.	1,824,558
280,858	Owens & Minor, Inc.	5,403,708
215,657	<sup>1</sup> Pacira BioSciences, Inc.	7,839,132
206,090	<sup>1</sup> Pediatrix Medical Group	2,829,616
76,998	<sup>1</sup> Phathom Pharmaceuticals, Inc.	1,171,140
818,474	<sup>1</sup> PMV Pharmaceuticals, Inc.	5,352,820
368,059	<sup>1</sup> Point Biopharma Global, Inc.	3,290,447
11,817	<sup>1</sup> Prestige Consumer Healthcare, Inc.	770,587
168,324	<sup>1,2</sup> Privia Health Group, Inc.	4,699,606
27,873	<sup>1</sup> Protagonist Therapeutics, Inc.	540,736
176,632	<sup>1</sup> RxSight, Inc.	5,894,210
24,262	<sup>1</sup> SAGE Therapeutics, Inc.	841,406
8,790	<sup>1</sup> Shockwave Medical, Inc.	2,290,674
199,624	<sup>1</sup> SI-BONE, Inc.	5,142,314
2,758,123	<sup>1,2</sup> Siga Technologies, Inc.	15,831,626
48,301	<sup>1</sup> Supernus Pharmaceuticals, Inc.	1,482,358
202,124	<sup>1</sup> Tactile Systems Technology, Inc.	4,630,661
210,502	<sup>1</sup> The Joint Corp.	2,841,777
848,046	<sup>1</sup> Vanda Pharmaceuticals, Inc.	4,901,706
111,975	<sup>1</sup> Vir Biotechnology, Inc.	1,576,608
274,488	<sup>1</sup> Voyager Therapeutics, Inc.	2,558,228
	<b>TOTAL</b>	<b>188,299,995</b>
<b>Industrials—17.3%</b>		
138,533	<sup>1</sup> ACV Auctions, Inc.	2,422,942
7,906	<sup>1</sup> Allegiant Travel Co.	977,972
12,662	<sup>1</sup> ASGN, Inc.	966,364
63,355	<sup>1</sup> Atkore, Inc.	10,052,538
17,596	<sup>1</sup> Beacon Roofing Supply, Inc.	1,507,449
95,177	Boise Cascade Co.	9,849,868
491,297	<sup>1</sup> BrightView Holdings, Inc.	3,787,900
8,115	<sup>1</sup> CBIZ, Inc.	429,202
167,066	<sup>1</sup> CECO Environmental Corp.	2,011,475

Shares		Value
	COMMON STOCKS—continued	
	<b>Industrials—continued</b>	
38,895	<sup>1</sup> Cimpress PLC	\$ 2,703,203
93,262	<sup>1</sup> Concrete Pumping Holdings, Inc.	752,624
466,259	<sup>1</sup> Conduent, Inc.	1,613,256
14,273	<sup>2</sup> Eagle Bulk Shipping, Inc.	659,270
46,593	Emcor Group, Inc.	10,019,359
1,760,760	<sup>1</sup> Enviri Corp.	16,603,967
58,231	<sup>1</sup> Exlservice Holding, Inc.	8,207,659
24,651	<sup>1,2</sup> Fluence Energy, Inc.	720,795
144,988	<sup>1</sup> Forrester Research, Inc.	4,620,768
108,303	<sup>1</sup> Franklin Covey Co.	5,160,638
76,629	Genco Shipping & Trading Ltd.	1,111,121
287,114	<sup>1</sup> GMS, Inc.	21,157,431
962,832	GrafTech International Ltd.	5,083,753
39,446	Healthcare Services Group, Inc.	497,414
77,964	Heidrick & Struggles International, Inc.	2,126,078
37,603	<sup>1</sup> Heritage-Crystal Clean, Inc.	1,732,370
83,808	Hurco Co., Inc.	1,951,888
52,535	<sup>1</sup> Huron Consulting Group, Inc.	4,968,235
87,791	Hyster-Yale Materials Handling, Inc.	4,192,898
228,478	<sup>1</sup> JELD-WEN Holding, Inc.	4,069,193
92,155	<sup>1</sup> Legalzoom.com, Inc.	1,408,128
250,392	<sup>1</sup> Manitowoc, Inc.	4,537,103
523,165	<sup>1</sup> Mistras Group, Inc.	4,049,297
86,533	<sup>1</sup> MRC Global, Inc.	976,958
255,850	<sup>1</sup> Now, Inc.	2,914,131
333,027	<sup>1</sup> Parsons Corp.	16,458,194
31,171	Resources Connection, Inc.	498,113
56,743	REV Group, Inc.	733,687
343,336	<sup>1</sup> SkyWest, Inc.	15,103,351
7,275	Tennant Co.	583,746
129,182	Terex Corp.	7,573,941
163,330	<sup>1</sup> Thermon Group Holdings, Inc.	4,509,541
95,360	<sup>1</sup> TrueBlue, Inc.	1,425,632
21,743	Universal Truckload Services, Inc.	675,990
116,379	<sup>1</sup> Upwork, Inc.	1,213,833
60,791	Veritiv Corp.	8,518,643
2,381	Watts Industries, Inc., Class A	444,128
	<b>TOTAL</b>	<b>201,582,046</b>
	<b>Information Technology—12.4%</b>	
484,225	<sup>1</sup> 8x8, Inc.	2,295,227
88,664	<sup>1</sup> Alarm.com Holdings, Inc.	4,895,139

## Shares

## Value

## COMMON STOCKS—continued

## Information Technology—continued

53,426	<sup>1</sup> Altair Engineering, Inc.	\$ 4,003,744
15,432	<sup>1</sup> AppFolio, Inc.	2,786,865
316,194	<sup>1</sup> Arlo Technologies, Inc.	3,591,964
582,320	<sup>1</sup> AvePoint, Inc.	3,610,384
52,642	<sup>1</sup> Box, Inc.	1,645,063
427,291	<sup>1</sup> Brightcove, Inc.	1,918,537
26,512	<sup>1</sup> Ceva, Inc.	720,066
18,492	<sup>1</sup> Commvault Systems, Inc.	1,441,082
108,033	Comtech Telecommunications Corp.	1,097,615
64,273	<sup>1,2</sup> Digitalocean Holdings, Inc.	3,182,799
101,529	<sup>1</sup> Extreme Networks, Inc.	2,699,656
39,079	<sup>1</sup> Freshworks, Inc.	729,214
142,458	<sup>1</sup> Intapp, Inc.	5,849,325
354,983	<sup>1</sup> LivePerson, Inc.	1,686,169
659,936	<sup>1</sup> LiveRamp Holdings, Inc.	18,834,573
127,536	<sup>1</sup> MaxLinear, Inc.	3,146,313
208,010	<sup>1</sup> Model N, Inc.	6,930,893
750,808	<sup>1</sup> ON24, Inc.	6,644,651
8,471	<sup>1</sup> Qualys, Inc.	1,175,775
718,262	<sup>1,2</sup> Rackspace Technology, Inc.	1,666,368
399,360	<sup>1</sup> Ribbon Communications, Inc.	1,269,965
115,121	<sup>1</sup> Rimini Street, Inc.	313,129
32,443	<sup>1</sup> Rogers Corp.	5,470,214
7,744	<sup>1</sup> Sanmina Corp.	475,946
124,574	Sapiens International Corp. NV	3,356,024
479,546	<sup>1</sup> SolarWinds Corp.	5,054,415
289,012	<sup>1</sup> Sprinklr, Inc.	4,057,728
20,472	<sup>1</sup> SPS Commerce, Inc.	3,692,944
332,025	<sup>1</sup> Squarespace, Inc.	11,003,308
29,828	<sup>1</sup> Synaptics, Inc.	2,693,767
409,547	<sup>1</sup> Telos Corp.	1,027,963
549,349	<sup>1</sup> Unisys Corp.	2,988,459
328,478	<sup>1</sup> Varonis Systems, Inc.	9,427,319
20,713	<sup>1</sup> Vishay Precision Group, Inc.	774,873
283,974	<sup>1</sup> Weave Communications, Inc.	3,407,688
163,673	Xerox Holdings Corp.	2,615,495
94,165	Xperi Holding Corp.	1,131,863
549,677	<sup>1</sup> Yext, Inc.	5,342,860
	TOTAL	144,655,382

## Materials—3.8%

91,249	<sup>1</sup> ATI, Inc.	4,350,752
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Shares		Value
COMMON STOCKS—continued		
<b>Materials—continued</b>		
86,576	Commercial Metals Corp.	\$ 4,953,879
30,627	<sup>1</sup> Constellium SE	584,669
185,996	<sup>1</sup> Intrepid Potash, Inc.	5,114,890
12,857	Koppers Holdings, Inc.	491,909
56,863	Kronos Worldwide, Inc.	531,669
113,379	<sup>1</sup> LSB Industries, Inc.	1,266,443
100,654	Myers Industries, Inc.	1,973,825
356,204	<sup>1</sup> O-I Glass, Inc.	8,178,444
115,487	<sup>1</sup> Summit Materials, Inc.	4,178,320
723,691	SunCoke Energy, Inc.	6,426,376
138,814	Warrior Met Coal, Inc.	6,142,520
	<b>TOTAL</b>	<b>44,193,696</b>
<b>Real Estate—5.4%</b>		
33,431	Alexander and Baldwin, Inc.	641,875
342,816	<sup>1</sup> Anywhere Real Estate, Inc.	2,872,798
403,792	Apartment Investment & Management Co., Class A	3,363,587
183,908	Armada Hoffer Properties, Inc.	2,284,137
2,632,532	Brandywine Realty Trust	13,294,287
317,608	City Office REIT, Inc.	1,737,316
38,645	Gladstone Land Corp.	646,917
496,246	Macerich Co. (The)	6,327,137
656,797	Newmark Group, Inc.	4,545,035
883,067	<sup>1,2</sup> Redfin Corp.	13,228,344
309,452	RMR Group, Inc./The	7,296,878
95,278	Service Properties Trust	808,910
1,004,349	Uniti Group, Inc.	5,604,268
	<b>TOTAL</b>	<b>62,651,489</b>
<b>Utilities—2.3%</b>		
7,820	Chesapeake Utilities Corp.	924,637
339,281	Clearway Energy, Inc.	8,370,062
24,247	New Jersey Resources Corp.	1,083,841
5,759	ONE Gas, Inc.	455,709
109,486	<sup>2</sup> Otter Tail Corp.	8,869,461
146,791	Portland General Electric Co.	6,997,527
	<b>TOTAL</b>	<b>26,701,237</b>
	<b>TOTAL COMMON STOCKS</b>	
	(IDENTIFIED COST \$941,185,292)	1,139,876,481
<b>INVESTMENT COMPANIES—3.3%</b>		
29,537,824	Federated Hermes Government Obligations Fund, Premier Shares, 5.16% <sup>3</sup>	29,537,824

Shares		Value
	INVESTMENT COMPANIES—continued	
8,767,295	Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares, 5.32% <sup>3</sup>	\$ 8,766,419
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$38,303,372)	38,304,243
	TOTAL INVESTMENT IN SECURITIES—101.3% (IDENTIFIED COST \$979,488,664) <sup>4</sup>	1,178,180,724
	OTHER ASSETS AND LIABILITIES - NET—(1.3)% <sup>5</sup>	(14,848,801)
	TOTAL NET ASSETS—100%	\$1,163,331,923

An affiliated company is a company in which the Fund, alone or in combination with other Federated Hermes funds, has ownership of at least 5% of the voting shares. Transactions with affiliated companies during the period ended July 31, 2023, were as follows:

<b>Affiliated</b>	<b>Value as of 7/31/2022</b>	<b>Purchases at Cost*</b>	<b>Proceeds from Sales*</b>
<b>Health Care:</b>			
Alector, Inc.**	\$ 9,059,233	\$ 1,318,365	\$ (7,721,877)
Amphastar Pharmaceuticals, Inc.	\$ 2,935,115	\$ 2,655,727	\$ (375,722)
Siga Technologies, Inc.	\$ —	\$17,599,196	\$ —
<b>Information Technology:</b>			
Brightcove, Inc.**	\$ 8,244,421	\$ —	\$ (5,181,698)
Affiliated issuers no longer in the portfolio at period end	\$ 3,522,384	\$ —	\$ (3,579,976)
TOTAL OF AFFILIATED COMPANIES TRANSACTIONS	\$23,761,153	\$21,573,288	\$(16,859,273)

Change in Unrealized Appreciation/ (Depreciation)*	Net Realized Gain/ (Loss)*	Value as of 7/31/2023	Shares Held as of 7/31/2023	Dividend Income*
\$ 2,833,906	\$(4,121,283)	\$ 1,368,344	199,467	\$ —
\$ 3,609,686	\$ 138,743	\$ 8,963,549	147,694	\$ —
\$(1,767,570)	\$ —	\$15,831,626	2,758,123	\$1,241,155
\$ 2,529,073	\$(3,673,259)	\$ 1,918,537	427,291	\$ —
\$ 1,912,934	\$(1,855,342)	\$ —	—	\$ —
\$ 9,118,029	\$(9,511,141)	\$28,082,056	3,532,575	\$1,241,155

\* A portion of the amount shown may have been recorded when the Fund no longer had ownership of at least 5% of the voting shares.

\*\* At July 31, 2023, the Fund no longer has ownership of at least 5% of the voting shares.

Transactions with affiliated investment companies, which are funds managed by the Adviser or an affiliate of the Adviser, during the period ended July 31, 2023, were as follows:

	<b>Federated Hermes Government Obligations Fund, Premier Shares*</b>	<b>Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares*</b>	<b>Total of Affiliated Transactions</b>
Value as of 7/31/2022	\$ 41,790,036	\$ 24,461,888	\$ 66,251,924
Purchases at Cost	\$ 186,263,252	\$ 312,239,450	\$ 498,502,702
Proceeds from Sales	\$(198,515,464)	\$(327,951,029)	\$(526,466,493)
Change in Unrealized Appreciation/ Depreciation	\$ —	\$ (1,016)	\$ (1,016)
Net Realized Gain/(Loss)	\$ —	\$ 17,126	\$ 17,126
Value as of 7/31/2023	\$ 29,537,824	\$ 8,766,419	\$ 38,304,243
Shares Held as of 7/31/2023	29,537,824	8,767,295	38,305,119
Dividend Income	\$ 803,992	\$ 847,762	\$ 1,651,754

\* All or a portion of the balance/activity for the fund relates to cash collateral received on securities lending transactions.

1 Non-income-producing security.

2 All or a portion of these securities are temporarily on loan to unaffiliated broker/dealers.

3 7-day net yield.

4 The cost of investments for federal tax purposes amounts to \$990,070,322.

5 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at July 31, 2023.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

As of July 31, 2023, all investments of the Fund utilized Level 1 inputs in valuing the Fund's assets carried at fair value.

The following acronym(s) are used throughout this portfolio:

REIT—Real Estate Investment Trust

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended July 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$20.57</b>	<b>\$26.48</b>	<b>\$17.19</b>	<b>\$18.87</b>	<b>\$21.19</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.05	0.04	(0.01)	0.04	0.01
Net realized and unrealized gain (loss)	1.15	(1.95)	9.35	(1.68)	(1.70)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>1.20</b>	<b>(1.91)</b>	<b>9.34</b>	<b>(1.64)</b>	<b>(1.69)</b>
<b>Less Distributions:</b>					
Distributions from net investment income	—	(0.04)	(0.05)	(0.04)	—
Distributions from net realized gain	(0.69)	(3.96)	—	—	(0.63)
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.69)</b>	<b>(4.00)</b>	<b>(0.05)</b>	<b>(0.04)</b>	<b>(0.63)</b>
<b>Net Asset Value, End of Period</b>	<b>\$21.08</b>	<b>\$20.57</b>	<b>\$26.48</b>	<b>\$17.19</b>	<b>\$18.87</b>
<b>Total Return<sup>2</sup></b>	<b>6.23%</b>	<b>(9.54)%</b>	<b>54.38%</b>	<b>(8.71)%</b>	<b>(7.69)%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>3</sup>	1.13%	1.13%	1.13%	1.13%	1.13%
Net investment income (loss)	0.26%	0.15%	(0.03)%	0.24%	0.07%
Expense waiver/reimbursement <sup>4</sup>	0.25%	0.23%	0.29%	0.31%	0.22%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$121,927	\$131,704	\$101,026	\$78,347	\$68,546
Portfolio turnover <sup>5</sup>	128%	124%	150%	223%	121%

1 Per share numbers have been calculated using the average shares method.

2 Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable.

3 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

4 This expense decrease is reflected in both the net expense and the net investment income (loss) ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

5 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class C Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended July 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$17.32</b>	<b>\$23.02</b>	<b>\$15.03</b>	<b>\$16.58</b>	<b>\$18.84</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	(0.10)	(0.13)	(0.15)	(0.08)	(0.12)
Net realized and unrealized gain (loss)	0.95	(1.61)	8.14	(1.47)	(1.51)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.85</b>	<b>(1.74)</b>	<b>7.99</b>	<b>(1.55)</b>	<b>(1.63)</b>
<b>Less Distributions:</b>					
Distributions from net realized gain	(0.69)	(3.96)	—	—	(0.63)
<b>Net Asset Value, End of Period</b>	<b>\$17.48</b>	<b>\$17.32</b>	<b>\$23.02</b>	<b>\$15.03</b>	<b>\$16.58</b>
<b>Total Return<sup>2</sup></b>	<b>5.35%</b>	<b>(10.30)%</b>	<b>53.16%</b>	<b>(9.35)%</b>	<b>(8.35)%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>3</sup>	1.98%	1.96%	1.88%	1.88%	1.88%
Net investment income (loss)	(0.59)%	(0.65)%	(0.78)%	(0.51)%	(0.69)%
Expense waiver/reimbursement <sup>4</sup>	0.06%	0.08%	0.18%	0.23%	0.28%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$24,784	\$26,809	\$29,567	\$22,720	\$28,411
Portfolio turnover <sup>5</sup>	128%	124%	150%	223%	121%

- Per share numbers have been calculated using the average shares method.*
- Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable.*
- Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.*
- This expense decrease is reflected in both the net expense and the net investment income (loss) ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.*
- Securities that mature are considered sales for purposes of this calculation.*

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended July 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$21.54</b>	<b>\$27.53</b>	<b>\$17.87</b>	<b>\$19.59</b>	<b>\$21.94</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.10	0.10	0.05	0.09	0.06
Net realized and unrealized gain (loss)	1.20	(2.04)	9.71	(1.74)	(1.76)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>1.30</b>	<b>(1.94)</b>	<b>9.76</b>	<b>(1.65)</b>	<b>(1.70)</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.04)	(0.09)	(0.10)	(0.07)	(0.02)
Distributions from net realized gain	(0.69)	(3.96)	—	—	(0.63)
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.73)</b>	<b>(4.05)</b>	<b>(0.10)</b>	<b>(0.07)</b>	<b>(0.65)</b>
<b>Net Asset Value, End of Period</b>	<b>\$22.11</b>	<b>\$21.54</b>	<b>\$27.53</b>	<b>\$17.87</b>	<b>\$19.59</b>
<b>Total Return<sup>2</sup></b>	<b>6.47%</b>	<b>(9.31)%</b>	<b>54.73%</b>	<b>(8.45)%</b>	<b>(7.45)%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>3</sup>	0.88%	0.88%	0.88%	0.88%	0.88%
Net investment income	0.51%	0.40%	0.21%	0.49%	0.31%
Expense waiver/reimbursement <sup>4</sup>	0.15%	0.15%	0.15%	0.18%	0.22%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$883,270	\$995,056	\$843,803	\$574,041	\$842,221
Portfolio turnover <sup>5</sup>	128%	124%	150%	223%	121%

1 Per share numbers have been calculated using the average shares method.

2 Based on net asset value.

3 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

4 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

5 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class R6 Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended July 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$21.55</b>	<b>\$27.54</b>	<b>\$17.87</b>	<b>\$19.59</b>	<b>\$21.94</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.11	0.11	0.06	0.09	0.06
Net realized and unrealized gain (loss)	1.20	(2.05)	9.71	(1.74)	(1.76)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>1.31</b>	<b>(1.94)</b>	<b>9.77</b>	<b>(1.65)</b>	<b>(1.70)</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.05)	(0.09)	(0.10)	(0.07)	(0.02)
Distributions from net realized gain	(0.69)	(3.96)	—	—	(0.63)
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.74)</b>	<b>(4.05)</b>	<b>(0.10)</b>	<b>(0.07)</b>	<b>(0.65)</b>
<b>Net Asset Value, End of Period</b>	<b>\$22.12</b>	<b>\$21.55</b>	<b>\$27.54</b>	<b>\$17.87</b>	<b>\$19.59</b>
<b>Total Return<sup>2</sup></b>	<b>6.47%</b>	<b>(9.30)%</b>	<b>54.79%</b>	<b>(8.44)%</b>	<b>(7.45)%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>3</sup>	0.87%	0.87%	0.87%	0.87%	0.87%
Net investment income	0.52%	0.44%	0.24%	0.49%	0.32%
Expense waiver/reimbursement <sup>4</sup>	0.06%	0.06%	0.08%	0.08%	0.12%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$133,351	\$63,242	\$64,191	\$47,631	\$33,753
Portfolio turnover <sup>5</sup>	128%	124%	150%	223%	121%

1 Per share numbers have been calculated using the average shares method.

2 Based on net asset value.

3 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

4 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

5 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

# Statement of Assets and Liabilities

July 31, 2023

## Assets:

Investment in securities, at value including \$29,410,304 of securities loaned and \$66,386,299 of investments in affiliated holdings* (identified cost \$979,488,664, including \$65,147,461 of identified cost in affiliated holdings)	\$1,178,180,724
Income receivable	205,775
Income receivable from affiliated holdings	89,363
Receivable for investments sold	16,887,662
Receivable for shares sold	2,104,510
<b>TOTAL ASSETS</b>	<b>1,197,468,034</b>

## Liabilities:

Payable for investments purchased	3,339,796
Payable for shares redeemed	858,926
Payable to bank	28,881
Payable for collateral due to broker for securities lending (Note 2)	29,537,824
Payable for investment adviser fee (Note 5)	23,372
Payable for administrative fee (Note 5)	2,452
Payable for Directors'/Trustees' fees (Note 5)	212
Payable for transfer agent fees (Note 2)	130,484
Payable for distribution services fee (Note 5)	15,315
Payable for other service fees (Notes 2 and 5)	58,049
Accrued expenses (Note 5)	140,800
<b>TOTAL LIABILITIES</b>	<b>34,136,111</b>

Net assets for 53,184,892 shares outstanding	\$1,163,331,923
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## Net Assets Consist of:

Paid-in capital	\$1,105,803,005
Total distributable earnings (loss)	57,528,918
<b>TOTAL NET ASSETS</b>	<b>\$1,163,331,923</b>

# Statement of Assets and Liabilities – continued

## Net Asset Value, Offering Price and Redemption Proceeds Per Share:

### Class A Shares:

Net asset value per share ( $\$121,927,324 \div 5,785,334$ shares outstanding), no par value, unlimited shares authorized	\$21.08
Offering price per share (100/94.50 of \$21.08)	\$22.31
Redemption proceeds per share	\$21.08

### Class C Shares:

Net asset value per share ( $\$24,783,853 \div 1,418,150$ shares outstanding), no par value, unlimited shares authorized	\$17.48
Offering price per share	\$17.48
Redemption proceeds per share (99.00/100 of \$17.48)	\$17.31

### Institutional Shares:

Net asset value per share ( $\$883,270,054 \div 39,952,538$ shares outstanding), no par value, unlimited shares authorized	\$22.11
Offering price per share	\$22.11
Redemption proceeds per share	\$22.11

### Class R6 Shares:

Net asset value per share ( $\$133,350,692 \div 6,028,870$ shares outstanding), no par value, unlimited shares authorized	\$22.12
Offering price per share	\$22.12
Redemption proceeds per share	\$22.12

\* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Year Ended July 31, 2023

## Investment Income:

Dividends (including \$2,065,688 received from affiliated holdings* and net of foreign taxes withheld of \$20,320)	\$ 15,211,108
Net income on securities loaned (includes \$827,221 earned from affiliated holdings related to cash collateral balances*) (Note 2)	553,270
<b>TOTAL INCOME</b>	<b>15,764,378</b>

## Expenses:

Investment adviser fee (Note 5)	9,062,455
Administrative fee (Note 5)	890,429
Custodian fees	90,449
Transfer agent fees (Note 2)	1,287,138
Directors'/Trustees' fees (Note 5)	7,638
Auditing fees	30,672
Legal fees	11,666
Portfolio accounting fees	164,879
Distribution services fee (Note 5)	183,144
Other service fees (Notes 2 and 5)	359,499
Share registration costs	92,778
Printing and postage	80,141
Miscellaneous (Note 5)	36,420
<b>TOTAL EXPENSES</b>	<b>12,297,308</b>

## Waiver and Reimbursements:

Waiver/reimbursement of investment adviser fee (Note 5)	(710,305)
Reimbursement of other operating expenses (Notes 2 and 5)	(1,005,042)
<b>TOTAL WAIVER AND REIMBURSEMENTS</b>	<b>(1,715,347)</b>
Net expenses	10,581,961
Net investment income	5,182,417

## Realized and Unrealized Gain (Loss) on Investments:

Net realized loss on investments (including net realized loss of \$(9,494,015) on sales of investments in affiliated holdings*)	(133,042,489)
Net change in unrealized depreciation of investments (including net change in unrealized depreciation of \$9,117,013 on investments in affiliated holdings*)	199,468,884
Net realized and unrealized gain (loss) on investments	66,426,395
Change in net assets resulting from operations	\$ 71,608,812

\* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

Year Ended July 31	2023	2022
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 5,182,417	\$ 4,298,428
Net realized gain (loss)	(133,042,489)	102,777,672
Net change in unrealized appreciation/depreciation	199,468,884	(246,941,146)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	71,608,812	(139,865,046)
<b>Distributions to Shareholders:</b>		
Class A Shares	(4,206,905)	(23,745,432)
Class C Shares	(1,019,541)	(5,171,780)
Institutional Shares	(32,515,907)	(141,205,590)
Class R6 Shares	(1,987,801)	(10,318,256)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(39,730,154)	(180,441,058)
<b>Share Transactions:</b>		
Proceeds from sale of shares	337,803,209	600,530,685
Proceeds from shares issued in connection with the tax-free transfer of assets from the Acquired Funds	—	139,265,487
Net asset value of shares issued to shareholders in payment of distributions declared	37,053,960	167,654,191
Cost of shares redeemed	(460,215,776)	(408,919,051)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(85,358,607)	498,531,312
Change in net assets	(53,479,949)	178,225,208
<b>Net Assets:</b>		
Beginning of period	1,216,811,872	1,038,586,664
End of period	\$1,163,331,923	\$1,216,811,872

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

July 31, 2023

## 1. ORGANIZATION

Federated Hermes MDT Series (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Trust consists of five portfolios. The financial statements included herein are only those of Federated Hermes MDT Small Cap Core Fund (the “Fund”), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers four classes of shares: Class A Shares, Class C Shares, Institutional Shares and Class R6 Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is long-term capital appreciation.

At the close of business on September 24, 2021, the Fund acquired all of the net assets of Hancock Horizon Burkenroad Small Cap Fund and Hancock Horizon Microcap Fund (each an “Acquired Fund” or collectively, the “Acquired Funds”), each an open-end investment company, in a tax-free reorganization, in exchange for Class A Shares and Institutional Shares of the Fund pursuant to a plan of reorganization approved by each Acquired Funds’ Shareholders on September 10, 2021. In connection with the acquisition, the Acquired Funds’ Investor Class Shares and Class D Shares were exchanged for Class A Shares of the Fund and the Acquired Funds’ Institutional Class Shares were exchanged for Institutional Shares of the Fund. The purpose of the transaction was to combine three portfolios with comparable investment objectives and strategies. For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from the Acquired Funds was carried forward to align ongoing reporting of the Fund’s realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

For every one share of the Acquired Fund Share Class exchanged, a shareholder received the following shares of the Fund:

Hancock Fund	Share Class Exchanged	Fund Shares Received
Hancock Horizon Burkenroad Small Cap Fund	Investor Class	1.214 Class A Shares
	Class D	1.098 Class A Shares
	Institutional Class	1.180 Institutional Shares
Hancock Horizon Microcap Fund	Investor Class	0.648 Class A Shares
	Institutional Class	0.629 Institutional Shares

The Fund received net assets from the Acquired Funds as the result of the tax-free reorganization as follows:

Shares of the Fund Issued	Acquired Funds' Net Assets Received	Unrealized Appreciation	Net Assets of the Fund Immediately Prior to Combination	Net Assets of the Fund Immediately After Combination
4,877,868	\$139,265,487	\$63,521,835	\$1,127,473,055	\$1,266,738,542

Assuming the acquisition had been completed on August 1, 2021, the beginning of the annual reporting period of the Fund, the Fund's pro forma results of operations for the year ended July 31, 2022, were as follows:

Net investment income	\$ 4,195,825
Net realized and unrealized gain (loss) on investments	(144,575,223)
Net decrease in net assets resulting from operations	\$(140,379,398)

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisitions were completed, it is not practicable to separate the amount of earnings of the Acquired Funds that has been included in the Fund's Statement of Changes in Net Assets for the year ended July 31, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

### Investment Valuation

In calculating its net asset value (NAV), the Fund generally values investments as follows:

- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs, or NAV per share practical expedient, as applicable.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and ask quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by Federated MDTA LLC (the "Adviser").
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Adviser, certain factors may be considered, such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer's financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Adviser's valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Adviser's valuation committee ("Valuation Committee"), is deemed not representative of the fair value of such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share, and the actual value obtained could be materially different.

### **Fair Valuation and Significant Events Procedures**

Pursuant to Rule 2a-5 under the Act, the Fund's Board of Trustees (the "Trustees") has designated the Adviser as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Adviser is subject to the Trustees' oversight and certain reporting and other requirements intended to provide the Trustees the information needed to oversee the Adviser's fair value determinations.

The Adviser, acting through its Valuation Committee, is responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of the Adviser and certain of the Adviser's affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is also authorized to use pricing services to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services' policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services, and review of price challenges by the Adviser based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Adviser. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Adviser's fair valuation and significant events procedures as part of the Fund's compliance program and will review any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and ask for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses

mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Adviser.

The Adviser has also adopted procedures requiring an investment to be priced at its fair value whenever the Valuation Committee determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities traded principally in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures contracts;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded;
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, or a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Adviser has adopted procedures whereby the Valuation Committee uses a pricing service to provide factors to update the fair value of equity securities traded principally in foreign markets from the time of the close of their respective foreign stock exchanges to the pricing time of the Fund. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Valuation Committee will determine the fair value of the investment in accordance with the fair valuation procedures approved by the Adviser. The Trustees periodically review fair valuations made in response to significant events.

### **Repurchase Agreements**

The Fund may invest in repurchase agreements for short-term liquidity purposes. It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund's custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a "securities entitlement" and exercises "control" as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

The insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

## Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waiver and reimbursements of \$1,715,347 is disclosed in this Note 2 and Note 5. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses.

## Transfer Agent Fees

For the year ended July 31, 2023, transfer agent fees for the Fund were as follows:

	Transfer Agent Fees Incurred	Transfer Agent Fees Reimbursed
Class A Shares	\$ 255,097	\$ (226,867)
Class C Shares	31,100	(343)
Institutional Shares	987,519	(777,832)
Class R6 Shares	13,422	—
TOTAL	\$1,287,138	\$(1,005,042)

## Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund's Class A Shares and Class C Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees.

For the year ended July 31, 2023, other service fees for the Fund were as follows:

	Other Service Fees Incurred
Class A Shares	\$299,430
Class C Shares	60,069
TOTAL	\$359,499

### Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended July 31, 2023, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of July 31, 2023, tax years 2020 through 2023 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

The Fund may be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The Fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or gains are earned.

### When-Issued and Delayed-Delivery Transactions

The Fund may engage in when-issued or delayed-delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

### Securities Lending

The Fund participates in a securities lending program providing for the lending of equity securities to qualified brokers. The term of the loans within the program is one year or less. The Fund normally receives cash collateral for securities loaned that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements. Investments in money market funds may include funds with a "floating" NAV that can impose redemption fees and liquidity gates, impose certain operational impediments to investing cash collateral, and, if the investee fund's NAV decreases, result in the Fund recognizing losses and being required to cover the decrease in the value of the cash collateral. Collateral is maintained at a minimum level of 100% of the market value of investments loaned, plus interest, if applicable. In accordance with the Fund's securities lending agreement, the market value of securities on loan is determined each day at the close of business and any additional collateral required to cover the value of securities on loan is delivered to the Fund on the next business day. Earnings from collateral invested in affiliated holdings as presented parenthetically on the Statement of Operations do not reflect fees and rebates and are allocated between the borrower of the security, the securities lending agent, as a fee for

its services under the program and the Fund, according to agreed-upon rates. The Fund will not have the right to vote on securities while they are on loan. However, the Fund will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that are deemed to be material by the Adviser. There can be no assurance that the Fund will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

Securities lending transactions are subject to Master Netting Agreements which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated below, the cash collateral received by the Fund exceeds the market value of the securities loaned reducing the net settlement amount to zero. The chart below identifies the amount of collateral received as well as the market value of securities on loan. Additionally, the securities lending agreement executed by the Fund includes an indemnification clause. This clause stipulates that the borrower will reimburse the Fund for any losses as a result of any failure of the borrower to return equivalent securities to the Fund.

As of July 31, 2023, securities subject to this type of arrangement and related collateral were as follows:

<b>Fair Value of Securities Loaned</b>	<b>Collateral Received</b>
\$29,410,304	\$29,537,824

## Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ materially from those estimated. The Fund applies investment company accounting and reporting guidance.

## 3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Year Ended 7/31/2023		Year Ended 7/31/2022	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Shares sold	594,200	\$ 11,533,484	822,248	\$ 19,987,809
Proceeds from shares issued in connection with the tax-free transfer of assets from the Acquired Funds	—	—	2,344,520	65,576,215
Shares issued to shareholders in payment of distributions declared	204,453	3,853,948	886,629	21,632,986
Shares redeemed	(1,415,578)	(27,624,558)	(1,466,267)	(35,892,277)
<b>NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS</b>	<b>(616,925)</b>	<b>\$ (12,237,126)</b>	<b>2,587,130</b>	<b>\$ 71,304,733</b>

	Year Ended 7/31/2023		Year Ended 7/31/2022	
<b>Class C Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	167,899	\$ 2,732,709	325,861	\$ 6,754,347
Shares issued to shareholders in payment of distributions declared	62,196	977,102	240,715	4,963,547
Shares redeemed	(359,404)	(5,832,724)	(303,554)	(6,020,324)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	(129,309)	\$ (2,122,913)	263,022	\$ 5,697,570

	Year Ended 7/31/2023		Year Ended 7/31/2022	
<b>Institutional Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	11,225,869	\$ 229,611,353	21,838,587	\$ 543,488,311
Proceeds from shares issued in connection with the tax-free transfer of assets from the Acquired Funds	—	—	2,533,148	73,689,272
Shares issued to shareholders in payment of distributions declared	1,542,190	30,477,693	5,169,136	132,113,172
Shares redeemed	(19,013,556)	(390,289,089)	(13,998,302)	(343,632,941)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(6,245,497)	\$(130,200,043)	15,542,569	\$ 405,657,814

	Year Ended 7/31/2023		Year Ended 7/31/2022	
<b>Class R6 Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	4,780,569	\$ 93,925,663	1,215,271	\$ 30,300,218
Shares issued to shareholders in payment of distributions declared	88,265	1,745,217	349,824	8,944,486
Shares redeemed	(1,774,824)	(36,469,405)	(961,453)	(23,373,509)
NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS	3,094,010	\$ 59,201,475	603,642	\$ 15,871,195
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(3,897,721)	\$ (85,358,607)	18,996,363	\$ 498,531,312

#### 4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended July 31, 2023 and 2022, was as follows:

	2023	2022
Ordinary income <sup>1</sup>	\$ 2,129,046	\$93,648,243
Long-term capital gains	\$37,601,108	\$86,792,815

<sup>1</sup> For tax purposes, short-term capital gains distributions are considered ordinary income distributions.

As of July 31, 2023, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 3,314,541
Net unrealized appreciation	\$ 188,110,402
Capital loss carryforwards and deferrals	\$(133,896,025)
<b>TOTAL</b>	<b>\$ 57,528,918</b>

At July 31, 2023, the cost of investments for federal tax purposes was \$990,070,322. The net unrealized appreciation of investments for federal tax purposes was \$188,110,402. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$241,779,720 and unrealized depreciation from investments for those securities having an excess of cost over value of \$53,669,318. The difference between book-basis and tax-basis net unrealized appreciation/depreciation is attributable to differing treatments for the deferral of losses on wash sales.

As of July 31, 2023, the Fund had a capital loss carryforward of \$133,896,025 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, these net capital losses retain their character as either short-term or long-term and do not expire.

The following schedule summarizes the Fund's capital loss carryforwards:

<b>Short-Term</b>	<b>Long-Term</b>	<b>Total</b>
\$133,896,025	\$—	\$133,896,025

## **5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

### **Investment Adviser Fee**

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.80% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended July 31, 2023, the Adviser voluntarily waived \$673,346 of its fee and voluntarily reimbursed \$1,005,042 of transfer agent fees.

The Adviser has agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the year ended July 31, 2023, the Adviser reimbursed \$36,959.

## Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Hermes Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below:

Administrative Fee	Average Daily Net Assets of the Investment Complex
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the year ended July 31, 2023, the annualized fee paid to FAS was 0.079% of average daily net assets of the Fund.

In addition, FAS may charge certain out-of-pocket expenses to the Fund.

## Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

	Percentage of Average Daily Net Assets of Class
Class A Shares	0.05%
Class C Shares	0.75%

Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the year ended July 31, 2023, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Class C Shares	\$183,144

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares.

For the year ended July 31, 2023, FSC retained \$29,524 of fees paid by the Fund. For the year ended July 31, 2023, Class A Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

## Sales Charges

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. They are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. For the year ended July 31, 2023, FSC retained \$3,727 in sales charges from the sale of Class A Shares. FSC also retained \$1,769 of CDSC relating to redemptions of Class C Shares.

## Other Service Fees

For the year ended July 31, 2023, FSSC received \$3,062 of the other service fees disclosed in Note 2.

## Expense Limitation

The Adviser and certain of its affiliates (which may include FSC, FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses paid by the Fund, if any) paid by the Fund's Class A Shares, Class C Shares, Institutional Shares and Class R6 Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.13%, 2.00%, 0.88% and 0.87% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) October 1, 2024; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

## Directors'/Trustees' and Miscellaneous Fees

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Independent Directors'/Trustees' fees and certain expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses are paid by an affiliate of the Adviser which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses may be included in Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

## 6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended July 31, 2023, were as follows:

Purchases	\$1,425,184,216
Sales	\$1,540,272,699

## 7. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement dated June 21, 2023. The LOC was made available to temporarily finance the repurchase or redemption of shares of the Fund, failed trades, payment of

dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to (a) the highest, on any day, of (i) the federal funds effective rate, (ii) the published secured overnight financing rate plus an assigned percentage, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of July 31, 2023, the Fund had no outstanding loans. During the year ended July 31, 2023, the Fund did not utilize the LOC.

## **8. INTERFUND LENDING**

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of July 31, 2023, there were no outstanding loans. During the year ended July 31, 2023, the program was not utilized.

## **9. INDEMNIFICATIONS**

Under the Fund's organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund (other than liabilities arising out of their willful misfeasance, bad faith, gross negligence or reckless disregard of their duties to the Fund). In addition, in the normal course of business, the Fund provides certain indemnifications under arrangements with third parties. Typically, obligations to indemnify a third party arise in the context of an arrangement entered into by the Fund under which the Fund agrees to indemnify such third party for certain liabilities arising out of actions taken pursuant to the arrangement, provided the third party's actions are not deemed to have breached an agreed-upon standard of care (such as willful misfeasance, bad faith, gross negligence or reckless disregard of their duties under the contract). The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet arisen. The Fund does not anticipate any material claims or losses pursuant to these arrangements at this time, and accordingly expects the risk of loss to be remote.

## **10. OTHER MATTERS**

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in late 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in, and may continue to result in, closed borders, enhanced health screenings, disruptions to healthcare service preparation and delivery, quarantines, cancellations, and disruptions to supply chains, workflow operations and consumer activity, as well as general concern and uncertainty. The impact of this coronavirus has resulted in substantial economic volatility. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could continue to negatively

affect the worldwide economy, as well as the economies of individual countries, individual companies (including certain Fund service providers and issuers of the Fund's investments) and the markets in general in significant and unforeseen ways. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic, including significant fiscal and monetary policy changes, that may affect the instruments in which the Fund invests or the issuers of such investments. Any such impact could adversely affect the Fund's performance.

## **11. FEDERAL TAX INFORMATION (UNAUDITED)**

For the year ended July 31, 2023, the amount of long-term capital gains designated by the Fund was \$37,601,108.

For the fiscal year ended July 31, 2023, 100% of total ordinary income distributions made by the Fund are qualifying dividends which may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Act of 2003. Complete information is reported in conjunction with the reporting of your distributions on Form 1099-DIV.

Of the ordinary income distributions made by the Fund during the year ended July 31, 2023, 100% qualify for the dividend received deduction available to corporate shareholders.

# Report of Independent Registered Public Accounting Firm

## **TO THE BOARD OF TRUSTEES OF FEDERATED HERMES MDT SERIES AND SHAREHOLDERS OF FEDERATED HERMES MDT SMALL CAP CORE FUND:**

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities of Federated Hermes MDT Small Cap Core Fund (the “Fund”) (one of the portfolios constituting Federated Hermes MDT Series (the “Trust”)), including the portfolio of investments, as of July 31, 2023, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the portfolios constituting Federated Hermes MDT Series), at July 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of July 31, 2023, by correspondence with the custodian, brokers, and others; when replies were not received from brokers or others, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst & Young LLP*

We have served as the auditor of one or more Federated Hermes investment companies since 1979.

Boston, Massachusetts  
September 25, 2023

## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase or redemption payments; and (2) ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from February 1, 2023 to July 31, 2023.

### **ACTUAL EXPENSES**

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

### **HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES**

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads) on purchase or redemption payments. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Beginning Account Value 2/1/2023	Ending Account Value 7/31/2023	Expenses Paid During Period
<b>Actual:</b>			
Class A Shares	\$1,000	\$1,018.40	\$5.66
Class C Shares	\$1,000	\$1,013.90	\$9.89
Institutional Shares	\$1,000	\$1,019.40	\$4.41
Class R6 Shares	\$1,000	\$1,019.40	\$4.36
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Class A Shares	\$1,000	\$1,019.19	\$5.66
Class C Shares	\$1,000	\$1,014.98	\$9.89
Institutional Shares	\$1,000	\$1,020.43	\$4.41
Class R6 Shares	\$1,000	\$1,020.48	\$4.36

1 Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	1.13%
Class C Shares	1.98%
Institutional Shares	0.88%
Class R6 Shares	0.87%

# Board of Trustees and Trust Officers

The Board of Trustees is responsible for managing the Trust’s business affairs and for exercising all the Trust’s powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are “interested persons” of the Fund (i.e., “Interested” Trustees) and those who are not (i.e., “Independent” Trustees). Unless otherwise noted, the address of each person listed is 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2022, the Trust comprised five portfolio(s), and the Federated Hermes Fund Family consisted of 33 investment companies (comprising 102 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Trustee oversees all portfolios in the Federated Hermes Fund Family and serves for an indefinite term. The Fund’s Statement of Additional Information includes additional information about Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400, Option #4.

## INTERESTED TRUSTEES BACKGROUND

<b>Name</b>	
<b>Birth Date</b>	
<b>Positions Held with Trust</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)</b>
<b>Date Service Began</b>	
<b>J. Christopher Donahue*</b> Birth Date: April 11, 1949 PRESIDENT AND TRUSTEE Indefinite Term Began serving: May 2006	<b>Principal Occupations:</b> Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of the Funds in the Federated Hermes Fund Family; President, Chief Executive Officer and Director, Federated Hermes, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company.  <b>Previous Positions:</b> President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.

<b>Name</b>	
<b>Birth Date</b>	
<b>Positions Held with Trust</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)</b>
<b>Date Service Began</b>	
<b>John B. Fisher*</b>	
Birth Date: May 16, 1956	<b>Principal Occupations:</b> Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of certain of the Funds in the Federated Hermes Fund Family; Director and Vice President, Federated Hermes, Inc.; President, Director/Trustee and CEO, Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, and Federated MDTA LLC; Director, Federated Investors Trust Company.
TRUSTEE	
Indefinite Term	
Began serving: May 2016	<b>Previous Positions:</b> President and Director of the Institutional Sales Division of Federated Securities Corp.; President and CEO of Passport Research, Ltd.; Director and President, Technology, Federated Services Company.

\* Reasons for "interested" status: J. Christopher Donahue and John B. Fisher are interested due to their beneficial ownership of shares of Federated Hermes, Inc. and due to positions they hold with Federated Hermes, Inc. and its subsidiaries.

## INDEPENDENT TRUSTEES BACKGROUND

<b>Name</b>	
<b>Birth Date</b>	
<b>Positions Held with Trust</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications</b>
<b>Date Service Began</b>	
<b>John T. Collins</b>	
Birth Date: January 24, 1947	<b>Principal Occupations:</b> Director or Trustee, and Chair of the Board of Directors or Trustees, of the Federated Hermes Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired).
TRUSTEE	
Indefinite Term	<b>Other Directorships Held:</b> Director, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace).
Began serving: October 2013	<b>Qualifications:</b> Mr. Collins has served in several business and financial management roles and directorship positions throughout his career. Mr. Collins previously served as Chairman and CEO of The Collins Group, Inc. (a private equity firm) and as a Director of KLX Corp. Mr. Collins serves as Chairman Emeriti, Bentley University. Mr. Collins previously served as Director and Audit Committee Member, Bank of America Corp.; Director, FleetBoston Financial Corp.; and Director, Beth Israel Deaconess Medical Center (Harvard University Affiliate Hospital).

Name	
Birth Date	
Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>G. Thomas Hough</b> Birth Date: February 28, 1955 TRUSTEE Indefinite Term Began serving: August 2015	<p><b>Principal Occupations:</b> Director or Trustee, Chair of the Audit Committee of the Federated Hermes Fund Family; formerly, Vice Chair, Ernst &amp; Young LLP (public accounting firm) (Retired).</p> <p><b>Other Directorships Held:</b> Director, Chair of the Audit Committee, Equifax, Inc.; Lead Director, Member of the Audit and Nominating and Corporate Governance Committees, Haverty Furniture Companies, Inc.; formerly, Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.</p> <p><b>Qualifications:</b> Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst &amp; Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama. Mr. Hough previously served on the Business School Board of Visitors for Wake Forest University, and he previously served as an Executive Committee member of the United States Golf Association.</p>
<b>Maureen Lally-Green</b> Birth Date: July 5, 1949 TRUSTEE Indefinite Term Began serving: August 2009	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Adjunct Professor Emerita of Law, Duquesne University School of Law; formerly, Dean of the Duquesne University School of Law and Professor of Law and Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p><b>Other Directorships Held:</b> Director, CNX Resources Corporation (natural gas).</p> <p><b>Qualifications:</b> Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career. Judge Lally-Green previously held the position of Dean of the School of Law of Duquesne University (as well as Interim Dean). Judge Lally-Green previously served as Associate General Secretary of the Diocese of Pittsburgh, a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green was appointed by the Supreme Court of Pennsylvania to serve on the Supreme Court's Board of Continuing Judicial Education and the Supreme Court's Appellate Court Procedural Rules Committee. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); Director, Catholic Charities, Pittsburgh; and Director CNX Resources Corporation (natural gas). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; Director and Chair, North Catholic High School, Inc.; Director and Vice Chair, Our Campaign for the Church Alive!, Inc.; and Director and Vice Chair, Saint Francis University.</p>

Name	
Birth Date	
Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>Thomas M. O'Neill</b> Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2006	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); Director, Midway Pacific (lumber); and Director, The Golisano Children's Museum of Naples, Florida.</p>
<b>Madelyn A. Reilly</b> Birth Date: February 2, 1956 TRUSTEE Indefinite Term Began serving: November 2020	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; formerly, Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors, Duquesne University (Retired).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Ms. Reilly has served in various business and legal management roles throughout her career. Ms. Reilly previously served as Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors and Director of Risk Management and Associate General Counsel, Duquesne University. Prior to her work at Duquesne University, Ms. Reilly served as Assistant General Counsel of Compliance and Enterprise Risk as well as Senior Counsel of Environment, Health and Safety, PPG Industries. Ms. Reilly currently serves as a member of the Board of Directors of UPMC Mercy Hospital.</p>

Name	
Birth Date	
Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>P. Jerome Richey</b> Birth Date: February 23, 1949 TRUSTEE Indefinite Term Began serving: October 2013	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CONSOL Energy Inc. (now split into two separate publicly traded companies known as CONSOL Energy Inc. and CNX Resources Corp.).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CONSOL Energy Inc. and CNX Gas Company; and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll &amp; Rooney PC (a law firm).</p>
<b>John S. Walsh</b> Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: June 2006	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh &amp; Kelly, Inc. (paving contractors).</p>

## OFFICERS

<b>Name</b> <b>Birth Date</b> <b>Address</b> <b>Positions Held with Trust</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years and Previous Position(s)</b>
<b>Lori A. Hensler</b> Birth Date: January 6, 1967 TREASURER Officer since: April 2013	<p><b>Principal Occupations:</b> Principal Financial Officer and Treasurer of the Federated Hermes Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation.</p> <p><b>Previous Positions:</b> Controller of Federated Hermes, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.</p>
<b>Peter J. Germain</b> Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: June 2006	<p><b>Principal Occupations:</b> Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Hermes Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Hermes, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated Hermes, Inc. in 1984 and is a member of the Pennsylvania Bar Association.</p> <p><b>Previous Positions:</b> Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Hermes, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Hermes, Inc.</p>
<b>Stephen Van Meter</b> Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	<p><b>Principal Occupations:</b> Senior Vice President and Chief Compliance Officer of the Federated Hermes Fund Family; Vice President and Chief Compliance Officer of Federated Hermes, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated Hermes, Inc. in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66.</p> <p><b>Previous Positions:</b> Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Hermes, Inc. Prior to joining Federated Hermes, Inc., Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.</p>

Name	
Birth Date	
Address	
Positions Held with Trust	Principal Occupation(s) for Past Five Years
Date Service Began	and Previous Position(s)
<hr/>	
<b>Stephen F. Auth</b>	<b>Principal Occupations:</b> Stephen F. Auth is Chief Investment Officer of various Funds in the Federated Hermes Fund Family; Executive Vice President, Federated Investment Counseling, Federated Global Investment Management Corp. and Federated Equity Management Company of Pennsylvania.
Birth Date:	
September 13, 1956	
101 Park Avenue	
41 <sup>st</sup> Floor	
New York, NY 10178	
CHIEF INVESTMENT OFFICER	<b>Previous Positions:</b> Executive Vice President, Federated Investment Management Company and Passport Research, Ltd. (investment advisory subsidiary of Federated); Senior Vice President, Global Portfolio Management Services Division; Senior Vice President, Federated Investment Management Company and Passport Research, Ltd.; Senior Managing Director and Portfolio Manager, Prudential Investments.
Officer since: June 2012	
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# Evaluation and Approval of Advisory Contract – May 2023

## **FEDERATED HERMES MDT SMALL CAP CORE FUND (THE “FUND”)**

At its meetings in May 2023 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated MDTA LLC (the “Adviser”) with respect to the Fund (the “Contract”) for an additional one-year term. The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangement. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

### **Information Received and Review Process**

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation of the Fund’s management fee (the “CCO Fee Evaluation Report”). The Board considered the CCO Fee Evaluation Report, along with other information, in evaluating the reasonableness of the Fund’s management fee and in determining to approve the continuation of the Contract. The CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer” prior to the elimination of the Senior Officer position in December 2017.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, the Board considered information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings. In this regard, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the Adviser and its affiliates (collectively, “Federated Hermes”) in response to requests posed to Federated Hermes by independent legal counsel on behalf of the Independent Trustees encompassing a wide variety of topics, including those summarized below. The Board also considered such additional matters as the Independent Trustees deemed

reasonably necessary to evaluate the Contract, which included detailed information about the Fund and Federated Hermes furnished to the Board at its meetings throughout the year and in between regularly scheduled meetings on particular matters as the need arose.

The Board's consideration of the Contract included review of materials and information covering the following matters, among others: the nature, quality and extent of the advisory and other services provided to the Fund by Federated Hermes; Federated Hermes' business and operations; the Adviser's investment philosophy, personnel and processes; the Fund's investment objectives and strategies; the Fund's short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund's particular investment program and a group of its peer funds and/or its benchmark, as appropriate); the Fund's fees and expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the Adviser's profitability with respect to managing the Fund; distribution and sales activity for the Fund; and the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any).

The Board also considered judicial decisions allegedly excessive investment advisory fees charged to other registered funds in evaluating the Contract. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser's fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by the adviser to the fund and its shareholders, including the performance of the fund, its benchmark and comparable funds; (2) the adviser's cost of providing the services and the profitability to the adviser of providing advisory services to the fund; (3) the extent to which the adviser may realize "economies of scale" as the fund grows larger and, if such economies of scale exist, whether they have been appropriately shared with the fund and its shareholders or the family of funds; (4) any "fall-out" benefits that accrue to the adviser because of its relationship with the fund, including research services received from brokers that execute fund trades and any fees paid to affiliates of the adviser for services rendered to the fund; (5) comparative fee and expense structures, including a comparison of management fees paid to the adviser with those paid by similar funds managed by the same adviser or other advisers as well as management fees charged to institutional and other advisory clients of the same adviser for what might be viewed as like services; and (6) the extent of care, conscientiousness and independence with which the fund's board members perform their duties and their expertise, including whether they are fully informed about all facts the board deems relevant to its consideration of the adviser's services and fees. The Board noted that the Securities and Exchange Commission ("SEC") disclosure requirements

regarding the basis for a fund board's approval of the fund's investment advisory contract generally align with the factors listed above. The Board was guided by these factors in its review of the Contract to the extent it considered them to be appropriate and relevant, as discussed further below. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the oversight of the other funds advised by Federated Hermes (each, a "Federated Hermes Fund" and, collectively, the "Federated Hermes Funds").

In addition, the Board considered the preferences and expectations of Fund shareholders and the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew the Contract. In particular, the Board recognized that many shareholders likely have invested in the Fund based on the strength of Federated Hermes' industry standing and reputation and with the expectation that Federated Hermes will have a continuing role in providing advisory services to the Fund. Thus, the Board observed that there are a range of investment options available to the Fund's shareholders and such shareholders in the marketplace, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the Contract, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board's determination to approve the continuation of the Contract was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contract. The Board recognized that its evaluation process is evolutionary and that the factors considered and emphasis placed on relevant factors may change in recognition of changing circumstances in the registered fund marketplace. The Independent Trustees were assisted throughout the evaluation process by independent legal counsel. In connection with their deliberations at the May Meetings, the Independent Trustees met separately in executive session with their independent legal counsel and without management present to review the relevant materials and consider their responsibilities under applicable laws. In addition, senior management representatives of Federated Hermes also met with the Independent Trustees and their independent legal counsel to discuss the materials and presentations furnished to the Board at the May Meetings. The Board considered the approval of the Contract for the Fund as part of its consideration of agreements for funds across the family of Federated Hermes Funds, but its approvals were made on a fund-by-fund basis.

### **Nature, Extent and Quality of Services**

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contract and the range of services provided to the Fund by Federated Hermes. The Board considered the Adviser's personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. The Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and Federated Hermes' ability and experience in attracting and retaining qualified personnel to service the Fund. The Board considered the trading operations by the Adviser, including the execution of portfolio transactions and the selection of brokers for those transactions. The Board also considered the Adviser's ability to deliver competitive investment performance for the Fund when compared to the Fund's Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Adviser is executing the Fund's investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted that the significant acquisition of Hermes Fund Managers Limited by Federated Hermes has deepened Federated Hermes' investment management expertise and capabilities and expanded its access to analytical resources related to environmental, social and governance ("ESG") factors and issuer engagement on ESG matters. The Board considered Federated Hermes' oversight of the securities lending program for the Federated Hermes Funds that engage in securities lending and noted the income earned by the Federated Hermes Funds that participate in such program. In addition, the Board considered the quality of Federated Hermes' communications with the Board and responsiveness to Board inquiries and requests made from time to time with respect to the Federated Hermes Funds. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds' officers.

The Board received and evaluated information regarding Federated Hermes' regulatory and compliance environment. The Board considered Federated Hermes' compliance program and compliance history and reports from the CCO about Federated Hermes' compliance with applicable laws and regulations, including responses to regulatory developments and any compliance or other issues raised by regulatory agencies. The Board also noted Federated Hermes' support of the Federated Hermes Funds' compliance control structure and the compliance-related resources devoted by Federated Hermes in support of the Fund's obligations pursuant to Rule 38a-1 under the

Investment Company Act of 1940, including Federated Hermes' commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' approach to internal audits and risk management with respect to the Federated Hermes Funds and its day-to-day oversight of the Federated Hermes Funds' compliance with their investment objectives and policies as well as with applicable laws and regulations, noting that regulatory and other developments had over time led, and continue to lead, to an increase in the scope of Federated Hermes' oversight in this regard, including in connection with the implementation of new rules on derivatives risk management and fair valuation.

The Board also considered the implementation of Federated Hermes' business continuity plans. In addition, the Board noted Federated Hermes' commitment to maintaining high quality systems and expending substantial resources to prepare for and respond to ongoing changes due to the market, regulatory and control environments in which the Fund and its service providers operate.

The Board considered Federated Hermes' efforts to provide shareholders in the Federated Hermes Funds with a comprehensive array of funds with different investment objectives, policies and strategies. The Board considered the expenses that Federated Hermes had incurred, as well as the entrepreneurial and other risks assumed by Federated Hermes, in sponsoring and providing ongoing services to new funds to expand these opportunities for shareholders. The Board noted the benefits to shareholders of being part of the family of Federated Hermes Funds, which include the general right to exchange investments between the same class of shares without the incurrence of additional sales charges.

Based on these considerations, the Board concluded that it was satisfied with the nature, extent and quality of the services provided by the Adviser to the Fund.

### **Fund Investment Performance**

The Board considered the investment performance of the Fund. In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks. The Board considered detailed investment reports on, and the Adviser's analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports included, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant categories or groups of peer funds and the Fund's benchmark index, performance attribution information and commentary on the effect of market conditions. The Board considered that, in its evaluation of investment performance at meetings throughout the year, it focused particular attention on information indicating less favorable performance of certain

Federated Hermes Funds for specific time periods and discussed with Federated Hermes the reasons for such performance as well as any specific actions Federated Hermes had taken, or had agreed to take, to seek to enhance Fund investment performance and the results of those actions.

The Board also reviewed comparative information regarding the performance of other registered funds in the category of peer funds selected by Morningstar, Inc. (the “Morningstar”), an independent fund ranking organization (the “Performance Peer Group”). The Board noted the CCO’s view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Adviser in managing the Fund. The Board considered the CCO’s view that, in evaluating such comparisons, in some cases there may be differences in the funds’ objectives or investment management techniques, or the costs to implement the funds, even within the same Performance Peer Group. In this connection, the Board considered that the quantitative focus of the management of the Fund makes fee and expense comparisons particularly difficult as the funds in the Performance Peer Group varied widely in terms of the complexity of their management, and the management of the Fund is among the more complex relative to its Performance Peer Group. The Board also considered a report comparing the performance of the Fund solely to other funds with a quantitative focus in the Performance Peer Group.

For the periods ended December 31, 2022, the Fund’s performance fell below the Performance Peer Group median for the one-year and five-year periods, and was above the Performance Peer Group median for the three-year period. In addition, the Board was informed by the Adviser that, for the same periods, the Fund outperformed its benchmark index for the three-year period and underperformed its benchmark index for the one-year and five-year periods. The Board discussed the Fund’s performance with the Adviser, and recognized the efforts being taken by the Adviser in the context of other factors considered relevant by the Board.

Based on these considerations, the Board concluded that it had continued confidence in the Adviser’s overall capabilities to manage the Fund.

### **Fund Expenses**

The Board considered the advisory fee, and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, net advisory fee rates, total expense ratios and each element of the Fund’s total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the category of peer funds selected by Morningstar (the “Expense Peer Group”).

The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged to funds by other advisers, the use of comparisons between the Fund and its Expense Peer Group assisted the Board in its evaluation of the Fund's fees and expenses. The Board focused on comparisons with other registered funds with comparable investment programs more heavily than non-registered fund products or services because such comparisons are believed to be more relevant. The Board considered that other registered funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle, in fact, chosen and maintained by the Fund's shareholders. The Board noted that the range of such other registered funds' fees and expenses, therefore, appears to be a relevant indicator of what investors have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's fee rates relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was below the median of the Expense Peer Group, and the Board was satisfied that the overall expense structure of the Fund remained competitive.

The Board also received and considered information about the nature and extent of services offered and fees charged by Federated Hermes to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-registered fund clients (such as institutional separate accounts) and third-party unaffiliated registered funds for which any of the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-registered fund clients are inherently different products due to the following differences, among others: (i) different types of targeted investors; (ii) different applicable laws and regulations; (iii) different legal structures; (iv) different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; (v) the time spent by portfolio managers and their teams (among other personnel across various departments, including legal, compliance and risk management) in reviewing securities pricing and fund liquidity; (vi) different administrative responsibilities; (vii) different degrees of risk associated with management; and (viii) a variety of different costs. The Board also considered information regarding the differences in the nature of the services required for Federated Hermes to manage its proprietary registered fund business versus managing a discrete pool of assets as a sub-adviser to another institution's registered fund, noting the CCO's view that Federated Hermes generally

performs significant additional services and assumes substantially greater risks in managing the Fund and other Federated Hermes Funds than in its role as sub-adviser to an unaffiliated third-party registered fund. The Board noted that the CCO did not consider the fees for providing advisory services to other types of clients to be determinative in judging the appropriateness of the Federated Hermes Funds' advisory fees.

Based on these considerations, the Board concluded that the fees and total operating expenses of the Fund, in conjunction with other matters considered, are reasonable in light of the services provided.

### **Profitability**

The Board received and considered profitability information furnished by Federated Hermes. Such profitability information included revenues reported on a fund-by-fund basis and estimates of the allocation of expenses made on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO's view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs on a fund-by-fund basis continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. In addition, the Board considered the CCO's view that the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the Contract are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported to the Board that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable. The Board considered the CCO's view that the estimated profitability to the Adviser from its relationship with the Fund was not unreasonable in relation to the services provided.

The Board also reviewed information compiled by Federated Hermes comparing its profitability information to other publicly held fund management companies, including information regarding profitability trends over time. The Board recognized that profitability comparisons among fund management companies are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund management company is affected by numerous factors. The Board considered the CCO's conclusion that, based on such profitability information, Federated

Hermes' profit margins did not appear to be excessive. The Board also considered the CCO's view that Federated Hermes appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Federated Hermes Funds.

### **Economies of Scale**

The Board received and considered information about the notion of possible realization of "economies of scale" as a fund grows larger, the difficulties of determining economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated Hermes has made significant and long-term investments in areas that support all of the Federated Hermes Funds, such as: portfolio management, investment research and trading operations; shareholder services; compliance; business continuity, cybersecurity and information security programs; internal audit and risk management functions; and technology and use of data. The Board noted that Federated Hermes' investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that fee waivers and expense reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund's assets decline. The Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, Federated Hermes has frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and has disclosed to shareholders and/or reported to the Board its intention to do so (or continue to do so) in the future. The Board also considered that Federated Hermes has been active in managing expenses of the Federated Hermes Funds in recent years, which has resulted in benefits being realized by shareholders.

The Board also received and considered information on adviser-paid fees (commonly referred to as "revenue sharing" payments) that was provided to the Board throughout the year and in connection with the May Meetings. The Board considered that Federated Hermes and the CCO believe that this information is relevant to considering whether Federated Hermes had an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, but should not be considered when evaluating the reasonableness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines on economies of scale, which is compounded by the lack of any uniform methodology or pattern with respect to structuring fund advisory fees with breakpoints that serve to reduce the fees as a fund attains a certain size.

### **Other Benefits**

The Board considered information regarding the compensation and other ancillary (or “fall-out”) benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. The Board noted that, in addition to receiving advisory fees under the Federated Hermes Funds’ investment advisory contracts, Federated Hermes’ affiliates also receive fees for providing other services to the Federated Hermes Funds under separate service contracts including for serving as the Federated Hermes Funds’ administrator and distributor. In this regard, the Board considered that certain of Federated Hermes’ affiliates provide distribution and shareholder services to the Federated Hermes Funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The Board also received and considered information detailing the benefits, if any, that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds.

### **Conclusions**

The Board considered: (i) the CCO’s conclusion that his observations and the information accompanying the CCO Fee Evaluation Report show that the management fee for the Fund is reasonable; and (ii) the CCO’s recommendation that the Board approve the management fee. The Board noted that, under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Contract by the CCO. The CCO also recognized that the Board’s evaluation of the Federated Hermes Funds’ advisory and sub-advisory arrangements is a continuing and ongoing process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its ongoing oversight of the Federated Hermes Funds.

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative.

## Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes MDT Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes MDT Small Cap Core Fund (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the Trust (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

The Program is comprised of various components designed to support the assessment and/or management of liquidity risk, including: (1) the periodic assessment (no less frequently than annually) of certain factors that influence the Fund’s liquidity risk; (2) the periodic classification (no less frequently than monthly) of the Fund’s investments into one of four liquidity categories that reflect an estimate of their liquidity under current market conditions; (3) a 15% limit on the acquisition of “illiquid investments” (as defined under the Liquidity Rule); (4) to the extent a Fund does not invest primarily in “highly liquid investments” (as defined under the Liquidity Rule), the determination of a minimum percentage of the Fund’s assets that generally will be invested in highly liquid investments (an “HLIM”); (5) if a Fund has established an HLIM, the periodic review (no less frequently than annually) of the HLIM and the adoption of policies and procedures for responding to a shortfall of the Fund’s highly liquid investments below its HLIM; and (6) periodic reporting to the Board.

At its meetings in May 2023, the Board received and reviewed a written report (the “Report”) from the Federated Hermes Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the Program for the period from April 1, 2022 through March 31, 2023 (the “Period”). The Report addressed the operation of the Program and assessed the adequacy and effectiveness of its implementation, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund. There were no material changes to the Program during the Period. The Report summarized the operation of the Program and

the information and factors considered by the Administrator in assessing whether the Program has been adequately and effectively implemented with respect to the Federated Hermes Funds. Such information and factors included, among other things:

- confirmation that it was not necessary for the Fund to utilize, and the Fund did not utilize, any alternative funding sources that were available to the Federated Hermes Funds during the Period, such as the Federated Hermes Funds' interfund lending facility, redemptions in-kind, reverse repurchase agreement transactions, redemptions delayed beyond the normal T+1 settlement but within seven days of the redemption request, and committed lines of credit;
- the periodic classifications of the Fund's investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund's reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund's investments, and the results of the Administrator's evaluation of the services performed by the vendor in support of this process, including the Administrator's view that the methodologies utilized by the vendor continue to be appropriate;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the operation of the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period, and the operation of the procedures for monitoring this limit;
- the fact that there were no liquidity events during the Period that materially affected the Fund's liquidity risk;
- the impact on liquidity and management of liquidity risk, if any, caused by extended non-U.S. market closures and confirmation that there were no issues for any of the affected Federated Hermes Funds in meeting shareholder redemptions at any time during these temporary non-U.S. market closures.

Based on this review, the Administrator concluded that the Program is operating effectively to assess and manage the Fund's liquidity risk, and that the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Fund's liquidity developments.

## Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400, Option #4. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at [FederatedHermes.com/us/FundInformation](https://FederatedHermes.com/us/FundInformation). Form N-PX filings are also available at the SEC's website at [sec.gov](https://sec.gov).

## Quarterly Portfolio Schedule

Each fiscal quarter, the Fund will file with the SEC a complete schedule of its monthly portfolio holdings on "Form N-PORT." The Fund's holdings as of the end of the third month of every fiscal quarter, as reported on Form N-PORT, will be publicly available on the SEC's website at [sec.gov](https://sec.gov) within 60 days of the end of the fiscal quarter upon filing. You may also access this information via the link to the Fund and share class name at [FederatedHermes.com/us](https://FederatedHermes.com/us).

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*Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal.*

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

### Sign up for Electronic Delivery!

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If you purchased shares through a financial intermediary (bank or broker-dealer), please contact your representative to set up e-delivery. Otherwise, contact the Fund at 1-800-341-7400, Option #4.



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Contact us at [FederatedHermes.com/us](https://www.federatedhermes.com/us)  
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