

Federated Hermes Kaufmann Large Cap Fund

9/30/20

Fund facts

Performance inception date

12/5/07

Benchmark

Russell 1000® Growth Index

Morningstar category

Large Growth

Lipper classification

Multi-Cap Growth Funds

Fund assets

\$4.3 billion

Ticker symbols

R6 Shares - KLCSX

Institutional Shares - KLCIX

A Shares - KLCAX

C Shares - KLCCX

R Shares - KLCKX

Key investment team

Hans Utsch

Tom Brakel, M.D.

John Ettinger, CFA®

Jonathan Art

Mark Bauknight

Barbara Miller

Steven Abrahamson

Stephen DeNichilo, CFA®

Vivian Wohl

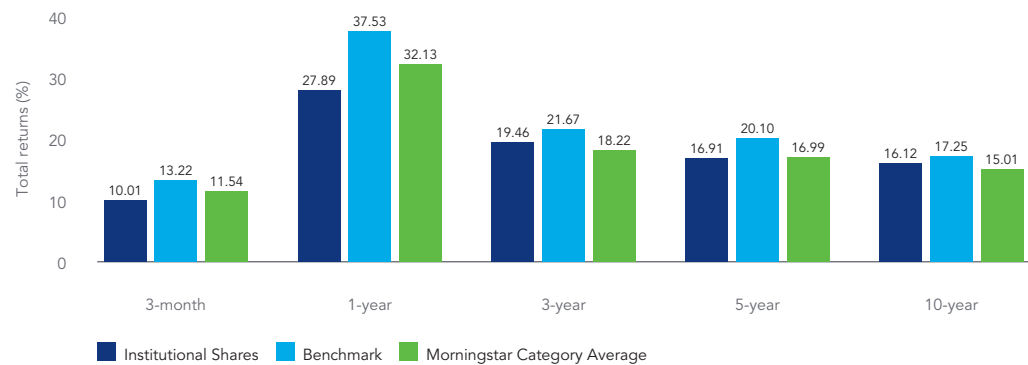
Fund description

The fund seeks to provide capital appreciation by investing primarily in securities of large-cap companies. Utilizing an intensive, bottom-up security selection process, it focuses on companies that exhibit positive growth characteristics.

Average annual total returns (%)

Performance shown is before tax.

	3-month	YTD	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6 Shares	10.04	17.94	27.97	19.53	16.98	16.16	12.38	0.87	0.78
Institutional Shares	10.01	17.87	27.89	19.46	16.91	16.12	12.55	0.94	0.84
A Shares (NAV)	9.94	17.65	27.55	19.17	16.62	15.84	12.26	1.19	1.09
A Shares (MOP)	3.90	11.18	20.55	16.93	15.31	15.18	11.77	1.19	1.09
Benchmark	13.22	24.33	37.53	21.67	20.10	17.25	-	-	-



Calendar year returns (%)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Institutional Shares	38.14	0.12	23.57	4.62	3.13	12.12	37.03	26.37	-5.90	22.78
Benchmark	36.39	-1.51	30.21	7.08	5.67	13.05	33.48	15.26	2.64	16.71
Morningstar Category Average	31.90	-2.09	27.67	3.23	3.60	10.00	33.92	15.34	-2.56	15.53

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedInvestors.com. Maximum offering price figures reflect the maximum sales charge of 5.5% for A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund. Total returns for periods of less than one year are cumulative. Prior to January 2, 2008, the fund's initial seed capital was held as a cash position. In addition, the fund's advisor waived fees and reimbursed expenses. In the absence of these circumstances, performance would have been lower.

* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 1/1/21 or the date of the fund's next effective prospectus.

Distinguishing characteristics

Transparent and accountable process

- Capital efficiency and transparency are built into the compensation structure
- Bonus pool is allocated according to individual's contribution to results
- Incentivized to optimize capital

Tenured team, differentiated portfolio

Team follows same 30-year philosophy and process used since inception of the Kaufmann strategy

- Distinguished professionals with specialized industry ties; organized for full accountability
- Continuity of team allows for constructive problem solving
- Seeking a differentiated, large-cap portfolio

Extensive research, long-term results

Independent, proprietary research focuses on:

- Exceptional business models
- Positive inflections of business momentum
- Clear pathway to free cash flow growth

Past performance is no guarantee of future results.

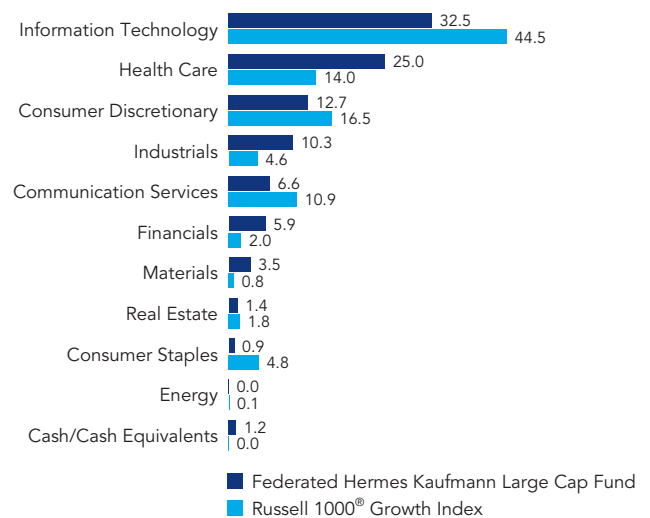
Portfolio statistics

Weighted median P/E (LTM)	46.8x
Weighted median P/E (NTM)	35.5x
Weighted median market cap	\$69.5 b
Number of securities	65
Annual portfolio turnover	22.59%

Top holdings (%)

Microsoft Corporation	4.6
Amazon.com, Inc.	3.7
salesforce.com, inc.	3.7
ServiceNow, Inc.	3.7
T-Mobile US, Inc.	3.2
Mastercard, Inc.	2.8
Veeva Systems Inc.	2.8
Visa Inc.	2.8
Fidelity National Information Services, Inc.	2.7
Trane Technologies Public Limited Company	2.4
Total % of portfolio	32.4

Sector weightings (%)



Totals may not add up to 100% due to rounding.

The index position were small hedges we invested in given macro uncertainty.

Portfolio composition is based on net assets at the close of business on 9/30/20 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Highlights

- Global equity markets continued their ascent during the quarter
- Investors continued their preference for growth stocks over value stocks
- Stock selection and sector weighting hurt relative performance
- Technology and Consumer sectors negatively contributed to the fund's performance on a relative basis

Looking back

During the third quarter of 2020, the U.S. economy and most significant westernized economies continued their economic rebound after suffering from Covid-19 related government shutdowns that caused economic devastation. The stimulus response by central banks as well as fiscal responses helped to soften the blow and allowed financial markets to rebound from a record sell-off in the first quarter. Global equities rallied back and in the U.S. to all-time high levels with the help of stimulus and relative improvement of economic data throughout the summer with most states and countries reopening. The U.S. equity markets rose sharply during the quarter led by mid-cap stocks, represented by the Russell 1000 Index, up 9.47%, followed by the S&P 500, up 8.9%, followed by Russell Midcap Index, up 7.46%, followed by small-cap stocks, represented by the Russell 2000 Index, up 4.93% during the quarter. Large-cap growth stocks outperformed large-cap value stocks, a continuation of a multiyear trend.

During the third quarter, the portfolio team added new or additional equity positions of the following: Catalent, Inc., Zai Lab Limited (IPO), IHS Markit Ltd., Costco Wholesale Corp., Snowflake, Inc. (IPO) and Shopify (secondary).

Also during the quarter, the portfolio subtracted or reduced the following equity positions in pursuit of better opportunities: Moderna Inc., CBRE Group Inc. (exited), Amazon.com Inc., Johnson & Johnson (exited) and Illumina, Inc. (exited).

Also of note, the fund participated in the two IPOs and one secondary offering during the quarter. IPOs: Zai Lab Limited, Snowflake Inc. and secondary offering Shopify Inc.

Performance

Federated Hermes Kaufmann Large Cap Fund Institutional Shares returned 10.01% at NAV for the three months ended September 30, 2020. That compares with its benchmark, the Russell 1000 Growth Index, which returned 13.22% during the same period.

Performance contributors

- Stocks that made a positive contribution to performance included Salesforce.com, Inc. ServiceNow, Inc., Trane Technologies plc, Amazon.com, Inc. and Alibaba Group Holdings

Performance detractors

- Stocks that detracted from performance included Galapagos NV, Vertex Pharmaceuticals, Splunk Inc., Illumina and Sarepta Therapeutics

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How we are positioned

As the U.S. economy continues into the final quarter of 2020, the economic data has likely bottomed and the recovery has begun. Uncertainty continues to plague economies, governments and citizens as the virus persists and threatens the reopening process. For many societies this type of economic chaos has not been seen at this level since the end of the First World War and the 1918 flu epidemic. Despite those uncertainties, the Kaufmann team continues to be focused on finding and investing in companies that have little dependence on the economy, good or bad, to generate significant sales and earnings growth.

This quarter the fund had approximately 79% of the portfolio invested in four sectors: Information Technology, Health Care, Consumer Discretionary and Industrials. The sector weightings of the portfolio is a byproduct of our bottom-up stock selection strategy with a team of sector-specialist portfolio managers. We seek to find companies that have company-specific catalysts for growth rather than develop macro themes to construct sector weightings. These sectors also have historically provided good opportunities for bottom-up growth investors.

See disclosure section for important disclosures and definitions.

Risk statistics

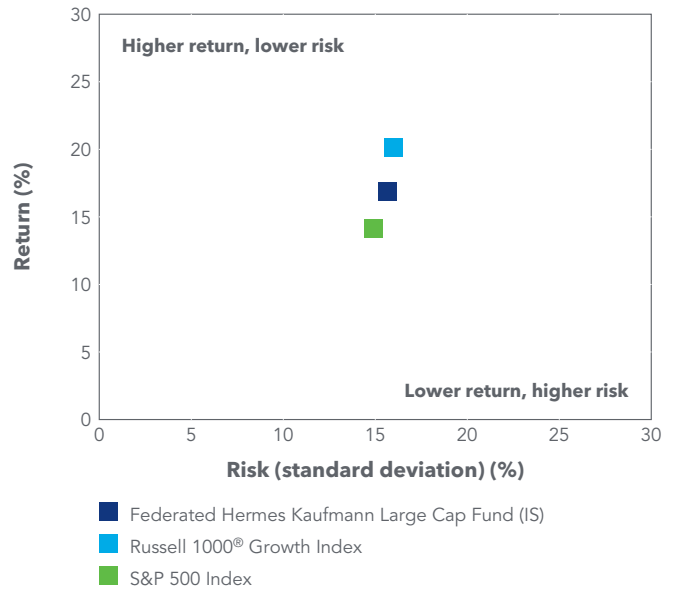
	3-year	5-year	7-year	10-year
Standard deviation	18.46	15.64	14.46	15.27
Alpha	-0.74	-1.62	-1.41	-1.12
Beta	0.94	0.94	0.94	1.02
R²	94.03	92.27	91.18	87.57

Sources: Federated Hermes, Morningstar, Inc.

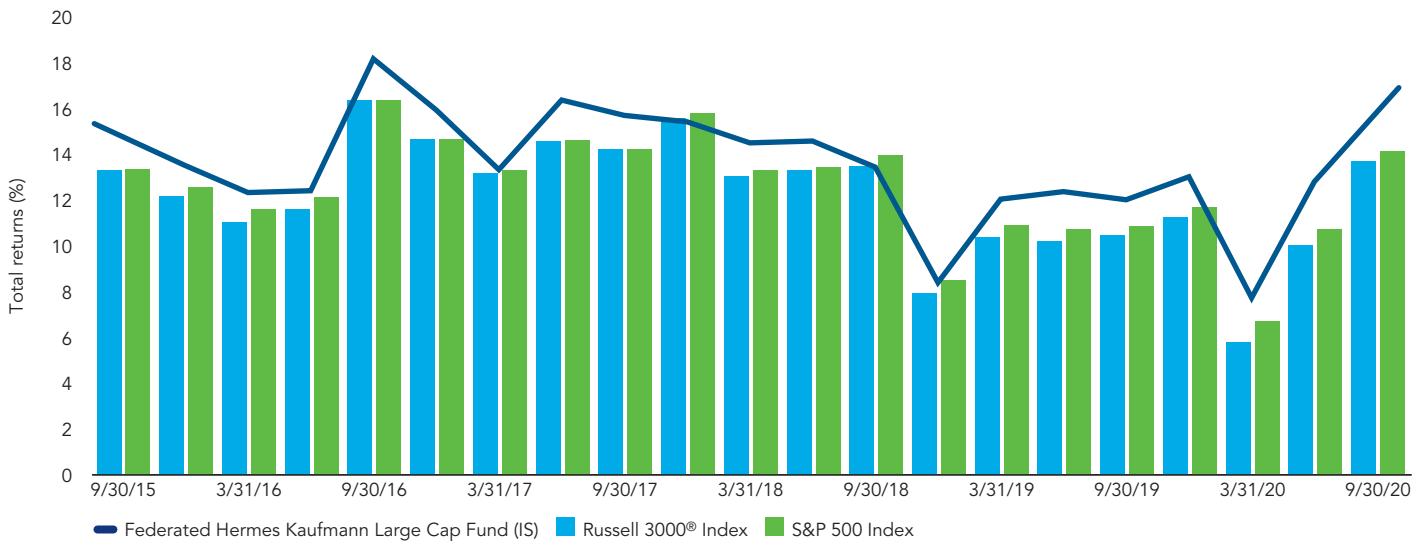
Fund vs. Russell 1000[®] Growth Index

See disclosure section for important definitions.

5-year risk/return



History of outperformance vs. other equity styles

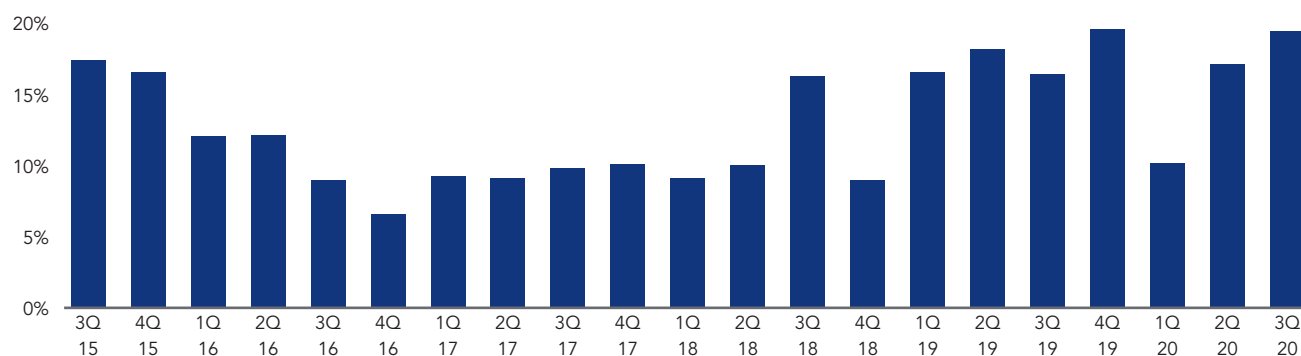


Source: Morningstar, Inc.

Quarterly rolling 5-year returns.

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3-year rolling returns (IS)



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Category rankings

Morningstar Large Growth Category

		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	59	41	52	31
	Morningstar Category Rank	837 of 1,328 funds	531 of 1,229 funds	583 of 1,095 funds	–
IS Shares	Morningstar Category % Rank	59	42	53	31
	Morningstar Category Rank	839 of 1,328 funds	538 of 1,229 funds	592 of 1,095 funds	243 of 813 funds
A Shares	Morningstar Category % Rank	61	44	54	38
	Morningstar Category Rank	854 of 1,328 funds	563 of 1,229 funds	625 of 1,095 funds	301 of 813 funds

Lipper Multi-Cap Growth Funds

		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	60	37	42	–
	Lipper Classification Rank	301 of 502 funds	164 of 453 funds	163 of 395 funds	–
IS Shares	Lipper Classification % Rank	61	38	43	24
	Lipper Classification Rank	302 of 502 funds	169 of 453 funds	167 of 395 funds	65 of 271 funds
A Shares	Lipper Classification % Rank	62	39	45	30
	Lipper Classification Rank	309 of 502 funds	174 of 453 funds	177 of 395 funds	79 of 271 funds

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

Federated Hermes Kaufmann Large Cap Fund

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

As of June 29, 2020, the fund was renamed Federated Hermes Kaufmann Large Cap Fund.

The fund's R6 Shares commenced operations on December 30, 2013. For the period prior to the commencement of operations of the R6 Shares, the R6 Shares performance information shown is for the Institutional Share adjusted to reflect the expenses of the fund's R6 Shares for each year for which the fund's R6 Shares expenses would have exceeded the actual expenses paid by the fund's Institutional Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

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

Investing in IPOs involves special risks such as limited liquidity and increased volatility.

Definitions

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

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

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

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

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

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

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

Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the U.S. market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index representing approximately 10% 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 Russell 2000® Index 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.

Russell 3000® Index measures the performance of the largest 3000 U.S. companies representing approximately 98% 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.

Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market.

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

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