

Federated Hermes Kaufmann Small Cap Fund



An active approach to investing in IPOs

Tickers | IS: FKAIX | A: FKASX

We believe growth and innovation can produce excess returns

- Companies we seek:
 - Are innovators poised to disrupt their industries
 - Have the potential to grow earnings at an above-average rate

The IPO market can offer early access to new growth opportunities

- Initial public offerings (IPOs) encourage and fund business innovations, which can accelerate economic disruption
- We review approximately 90% of the IPOs in the U.S., looking for long-term growth opportunities

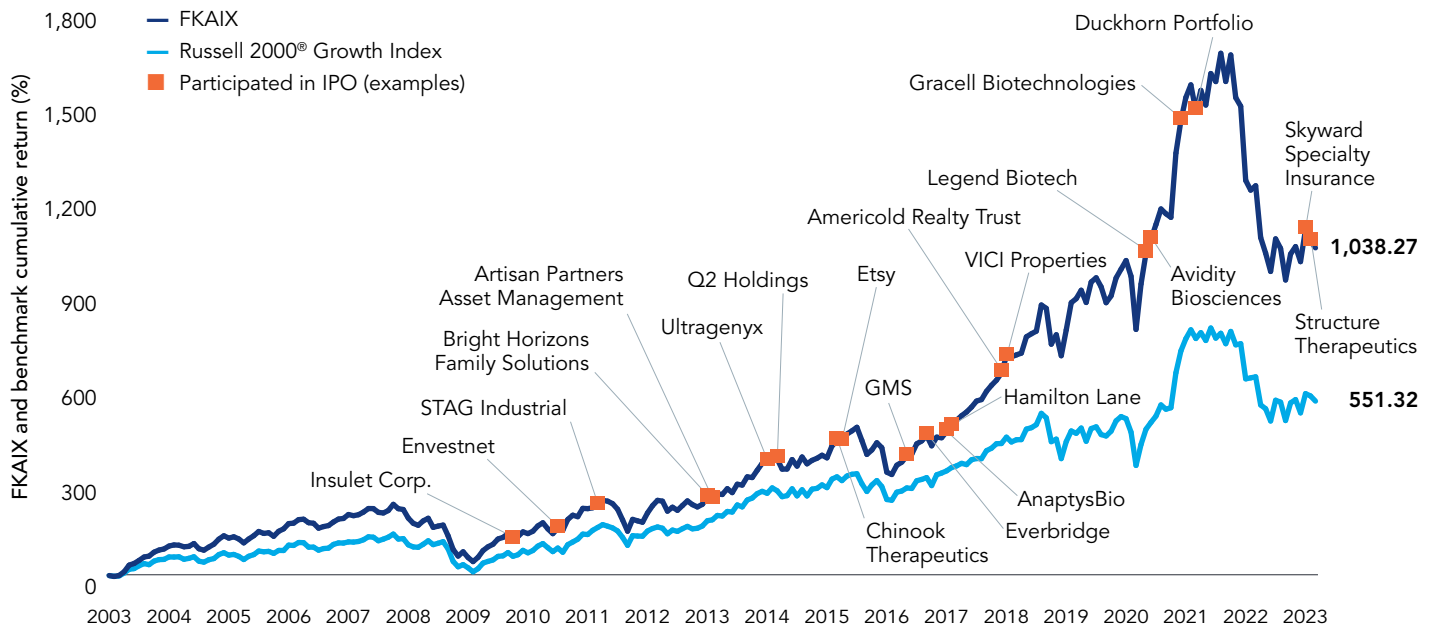
FKAIX excess returns (%) as of 3/31/23

5-year	10-year	15-year	20-year	Since 1/1/03
3.10	3.80	1.76	3.03	3.05

Excess total return vs. Russell 2000® Growth Index. Past performance is no indication of future results.

Access IPOs selected by a team with a 20 year history of IPO investing

- Kaufmann Small Cap Fund is typically 40-50%¹ invested in companies first purchased at IPO
- IPOs require research intensity. We use a highly disciplined, bottom-up selection process that includes approximately 3,500-4,000 meetings annually with management teams, ancillary businesses (i.e., suppliers) and customers, industry analysis and on-site visits
- The fund typically participates in approximately 30-50% of the small-cap IPOs that come to market each year. Some examples are below:

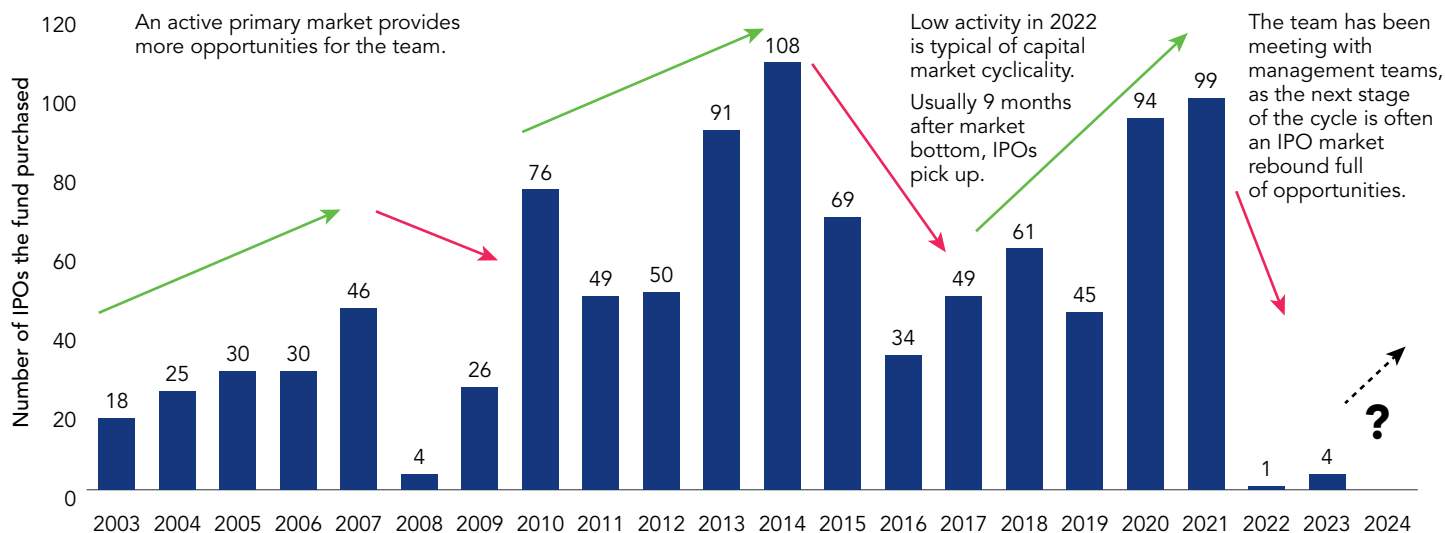


Cumulative returns 1/1/03 to 3/31/23. Sources: Federated Hermes analysis, Russell, Kaufmann investment team. Example IPOs are companies that the fund first purchased at IPO and were held by the fund at 3/31/23. Examples shown are all of the companies that met two criteria: 1) were the earliest two IPOs the fund participated in per year and 2) companies held at 3/31/23. Some years show zero or one IPO because the fund held zero or only one IPO purchased that year. **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.** Performance above is for the Institutional Shares (IS). The fund offers additional share classes whose performance will vary due to differences in charges and expenses. See page 3 for standard performance.

¹ Average annual percent invested in companies first purchased at IPO from 2010 to 2022: 48.6%. Percent invested ranged from 37.4% in 2011 to 58.9% in 2015.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Kaufmann Small Cap Fund has participated in 1,009 IPOs since 2003



As of 3/31/23. Source: Kaufmann investment team.

IPOs provide a potential source of differentiated returns

- IPOs can help differentiate the fund’s returns from equity portfolios that are less active or don’t participate in the primary market, such as passive index funds
- It may take years for newly public companies to enter an index
- The fund has had 91% average annual active share vs. Russell 2000® Growth Index from 12/31/02 to 12/31/22
- Stock selection has been the primary driver of the fund’s relative return vs. Russell 2000® Growth Index, rather than sector allocation

Considerations for investors

- IPOs can help diversify a core equity portfolio of more seasoned equities
- IPOs are a significant segment of the U.S. equity market. Companies offered over \$1 trillion in IPOs from 2000 to 2022²
- Earlier participation in a significant capital raising event, before mainstream investors, offers a potentially better entry point and a longer runway for potential outperformance
- Kaufmann Small Cap Fund offers a time-tested approach for investors seeking to include small-cap IPOs in their investment portfolios

Fund summary as of 3/31/23

- 167 holdings
- 45.12% of fund invested in companies first purchased at IPO
- 25.1 weighted median P/E ratio (NTM)
- \$4.3 billion assets under management

Investment team

- Eight Sector Portfolio Managers with specialized industry ties average 30 years of industry experience and 21 years with Kaufmann
- Team’s investment philosophy and process has been demonstrated over 35 years since inception of the Kaufmann strategy
- Team pursues exceptional, long-term growth opportunities at the best possible price, whether by uncovering up-and-coming companies through intensive research, increasing positions in attractive companies when the overall market stumbles, or identifying strong potential at the IPO stage

The Kaufmann team seeks an IPO advantage

- Decades-strong relationships with several investment banks can strengthen team’s IPO access
- Team participates in approximately 30-50% of the IPOs in the U.S. through their small-, mid- and large-cap growth equity portfolios
- Participation in the difficult-to-access IPO market provides early access to promising growth opportunities

Access IPOs through the Kaufmann Small Cap Fund.
Call 1-888-400-7838 to learn more.

² Source: Renaissance Capital.

Total returns (%) as of 3/31/23

Share class	Ticker symbol	Annualized						Expense Ratio*	
		3-month	1-year	3-year	5-year	10-year	Since inception 12/18/02	Before waivers	After waivers
IS	FKAIX	4.02	-14.77	9.00	7.36	12.29	12.69	1.02	0.90
A (NAV)	FKASX	3.90	-15.15	8.50	6.86	11.92	12.53	1.51	1.36
A (MOP)	FKASX	-1.81	-19.82	6.48	5.66	11.29	12.21	1.51	1.36
Russell 2000® Growth Index	-	6.07	-10.60	13.36	4.26	8.49	9.67	-	-

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.

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.

Total return represents the change in the value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements. Returns for periods of less than one year are cumulative.

* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 1/1/24 or the date of the fund's next effective prospectus.

The aforementioned examples of companies the fund purchased at IPO represented the following percentages of Kaufmann Small Cap Fund (ex-cash) at 3/31/23: Insulet Corp: 0.43%, Envestnet: 0.48%, STAG Industrial: 0.94%, Bright Horizons Family Solutions: 0.18%, Artisan Partners Asset Management: 0.69%, Ultragenyx: 1.19%, Q2 Holdings: 0.17%, Etsy: 0.63%, Chinook Therapeutics: 0.37%, GMS: 0.44%, Everbridge: 0.12%, AnaptysBio: 0.33%, Hamilton Lane: 1.49%, Americold Realty Trust: 0.66%, VICI Properties: 1.08%, Avidity Biosciences: 0.40%, Legend Biotech: 1.30%, Gracell Biotechnologies: 0.03%, Duckhorn Portfolio: 0.44%, Skyward Specialty Insurance: 0.10%, Structure Therapeutics: 0.28%. Portfolio composition percentages are based on net assets at the close of business on the date indicated and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Effective April 18, 2022, the fund was reopened to new investors. From March 1, 2021 to April 18, 2022, the fund was closed to new investors, with the exception of new investments by employer-sponsored retirement plans if the fund was an established plan option as of March 1, 2021.

Please visit FederatedInvestors.com and click on the Characteristics tab for more information on Portfolio.

Active share is a measure of the percentage of stock holdings in a portfolio that differs from the benchmark index.

Price-to-earnings (p/e) ratio (NTM) is a ratio comparing current share price to earnings per share using earnings estimates for the next 12 months (NTM).

Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-value ratios and higher forecasted growth values.

Indexes are unmanaged and cannot be invested in directly.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

The fund may invest in small capitalization (or "small-cap") companies. Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund's portfolio, performance and share price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.

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.

Diversification does not assure a profit nor protect against loss.