

12/31/19

Fund Facts

Performance Inception Date

Institutional Shares: 1/1/06
A Shares: 2/21/86

Benchmark

Russell Midcap[®] Growth Index

Morningstar Category

Mid-Cap Growth

Lipper Classification

Mid-Cap Growth Funds

Fund Assets

\$6.9 billion

Ticker Symbols

Institutional Shares - KAUIX
A Shares - KAUAX
C Shares - KAUCX
R Shares - KAUFX

Key Investment Team

Hans Utsch
John Ettinger, CFA
Jonathan Art
Mark Bauknight
Tom Brakel, M.D.
Barbara Miller
Steven Abrahamson
Stephen DeNichilo, CFA
Vivian Wohl

Fund Description

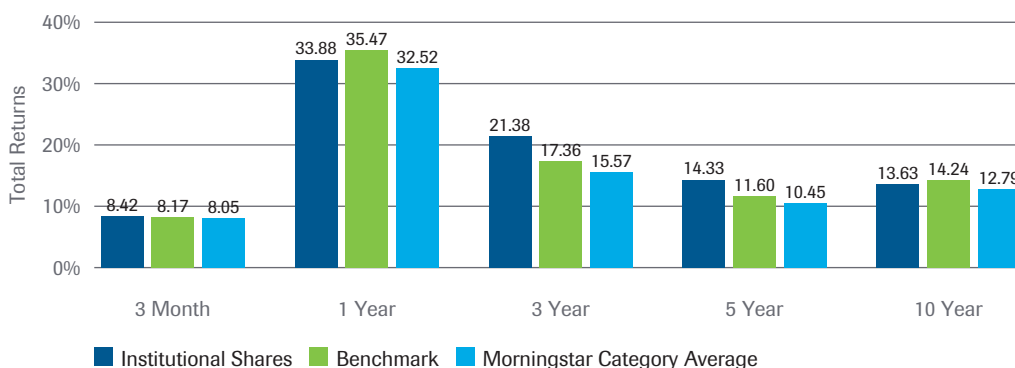
The fund seeks to provide capital appreciation by investing primarily in securities of small and mid-sized companies. Utilizing an intensive, bottom-up security selection process, it focuses on companies that exhibit positive growth characteristics.

Performance

Average Annual Total Returns (%)

Performance shown is before tax.

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception	Expense Ratio*	
									Before Waivers	After Waivers
Institutional Shares	8.42	33.88	33.88	21.38	14.33	13.63	-	-	1.56	1.53
A Shares (NAV)	8.25	32.94	32.94	20.73	13.96	13.47	9.84	12.37	2.01	1.98
A Shares (MOP)	2.29	25.63	25.63	18.48	12.68	12.83	9.43	12.18	2.01	1.98
Benchmark	8.17	35.47	35.47	17.36	11.60	14.24	10.15	-	-	-



Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Institutional Shares	33.88	3.94	28.52	3.07	5.96	9.14	40.50	17.22	-13.85	18.65
Benchmark	35.47	-4.75	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38
Morningstar Category Average	32.52	-6.65	23.91	6.03	-0.95	7.00	34.93	14.07	-3.96	24.61

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 Federated-Investors.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.

* The fund's expense ratio is from the most recent prospectus. Pursuant to a settlement agreement, the expense ratio reflects a voluntary reduction of the management fee, from its stated, gross management fee, continuing until June 30, 2022. Additionally, the expense ratio reflects voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and/or its affiliates. The voluntary waivers and/or expense reimbursements 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.

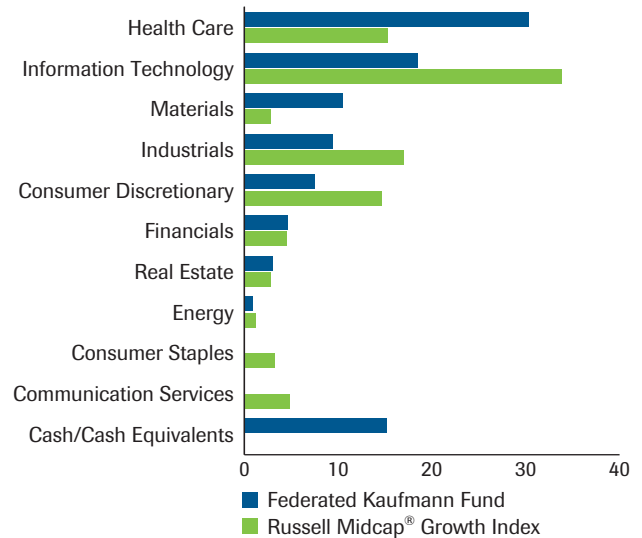
Portfolio Statistics

Weighted Median P/E (LTM)	45.5x
Weighted Median P/E (NTM)	30.7x
Weighted Median Market Cap	\$10.6 b
Number of Securities	165
Annual Portfolio Turnover	40.5%

Top Holdings (%)

Argenx SE	2.8
UniQure N.V.	2.2
ServiceNow, Inc.	2.0
Galapagos NV - ADR	1.9
Shopify, Inc.	1.7
Veeva Systems, Inc.	1.6
Corcept Therapeutics, Inc.	1.5
Galapagos NV	1.5
GDS Holdings Ltd.- ADR	1.4
Mercury Systems, Inc.	1.4
Total % of Portfolio	18.0

Sector Weightings (%)



The index position were small hedges we invested in given macro uncertainty. Totals may not add up to 100% due to rounding.

Portfolio composition is based on net assets at the close of business on 12/31/19 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 were positive during the quarter
- Investors reverted back to their preference for growth stocks over value stocks
- Health Care and Consumer sector stocks contributed to the fund's outperformance
- Stock selection drove the fund's positive, relative performance

Looking Back

During the fourth quarter of 2019, the U.S. economy began to show signs of stabilization with stronger employment gains, stabilizing ISM data and strong consumer spending, which helped U.S. gross domestic product for the remainder of 2019. Global equity markets were improving as trade worries subsided and many global economies showed signs of improvement. The U.S. equity market's slightly positive performance was led by small-cap stocks, represented by the Russell 2000 Index, up 9.93% for the quarter, the S&P 500 Index, up by 9.06%, which was followed by large-cap stocks, represented by the Russell 1000 Index, up 9.03%, finally followed by mid-cap stocks, represented by the Russell Midcap Index, up by 7.05%. Mid-cap growth stocks outperformed mid-cap value stocks, a continuation of a multiyear trend.

During the quarter, the portfolio team added or added to existing positions of the following: Mercury Systems, Inc., Lululemon Athletica (new), Vulcan Materials, Markel Corp (new) and KKR & Co (new).

Also during the quarter, the portfolio subtracted or reduced the following positions in pursuit of better opportunities: Veeva Systems, ServiceNow, Inc., Argenx SE and JC DeCaux (exited).

Of note, the fund participated in both initial public offerings (IPOs) and secondary offerings during the quarter, including IPOs X P Inc., Frequency Therapeutics and secondary offerings Ryaman Hospitality, Crispr Therapeutics, MGM Growth Properties, Yeti Holdings, Merus NV, Natera Inc., Pagseguro Digital and Rhythm Pharmaceuticals.

Performance

Federated Kaufmann Fund Institutional Shares returned 8.42% at NAV for the three months ended December 31, 2019. That compares with its benchmark, the Russell Midcap Growth Index, which returned 8.17% during the same period.

Performance Contributors

- Stocks that made a positive contribution to performance included uniQure NV, arGENX, Galapagos NV, Advanced Micro Devices Inc. and DexCom, Inc.

Performance Detractors

- Stocks that detracted from performance included PagSeguro Digital, Corcept Therapeutics, Mercury Systems, AnaptysBio and Veeva Systems

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How We Are Positioned

As the U.S. economy enters 2020, the positive economic momentum over the last two years has shown signs of slowing but has stabilized. As economic data improved from the third quarter and global central banks remain accommodative, equities are well positioned going into 2020. While earnings have slowed, lower rates have supported valuation for equities until economic growth can reaccelerate. The Kaufmann team, however, continues to be focused in those companies that have little dependence on the economy, good or bad, to generate significant sales and earnings growth.

This quarter the fund had approximately 65% of the portfolio invested in four sectors: Information Technology, Health Care, Materials and Industrials. The sector weightings of the portfolio are 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.

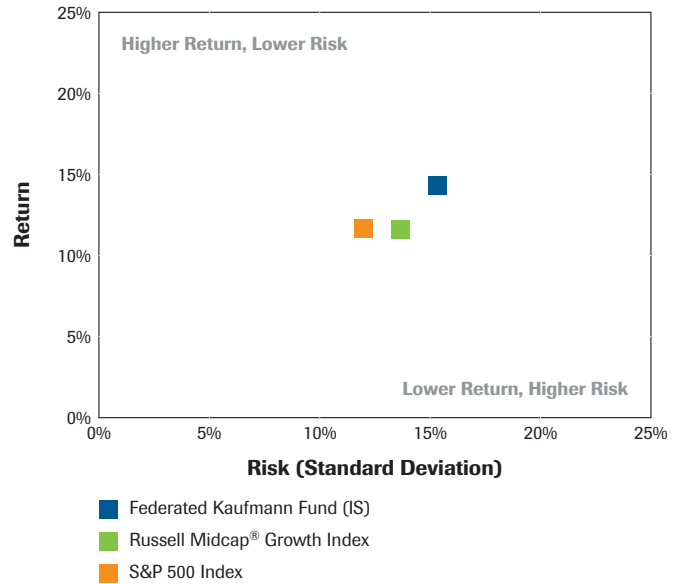
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	14.28	15.33	14.30	15.69
Alpha	4.21	2.34	1.73	-0.40
Beta	0.95	1.03	1.03	1.00
Correlation	0.94	0.92	0.92	0.93
R ²	87.64	84.40	84.51	86.80

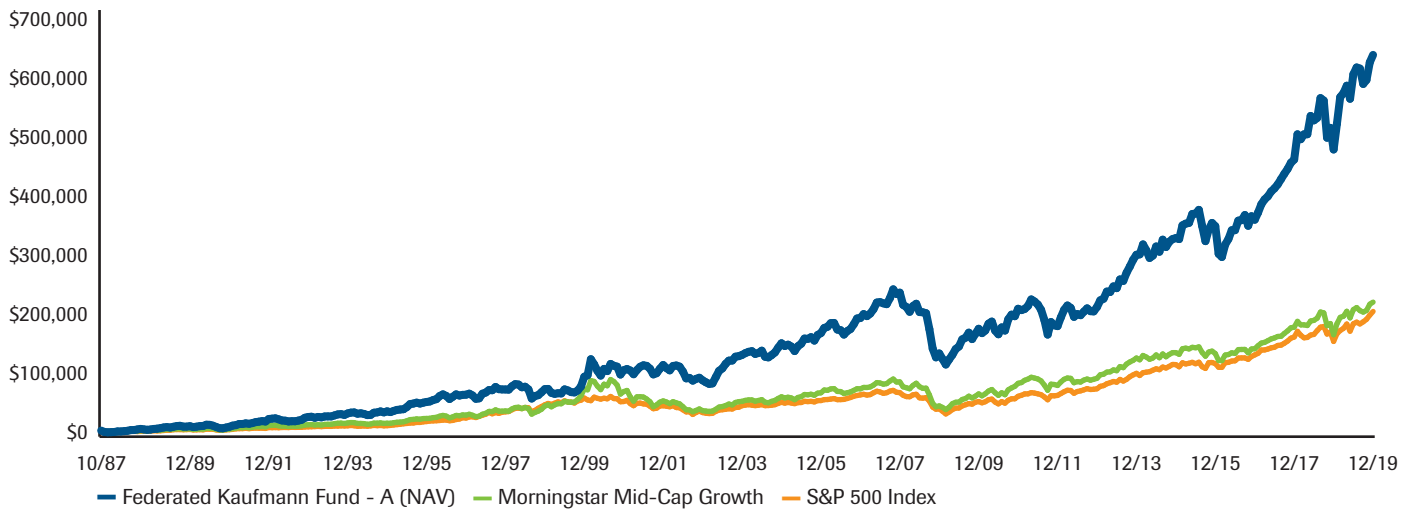
Sources: Federated Investors, Morningstar, Inc.
Fund vs. Russell Midcap® Growth Index

See disclosure section for important definitions.

5-Year Risk/Return



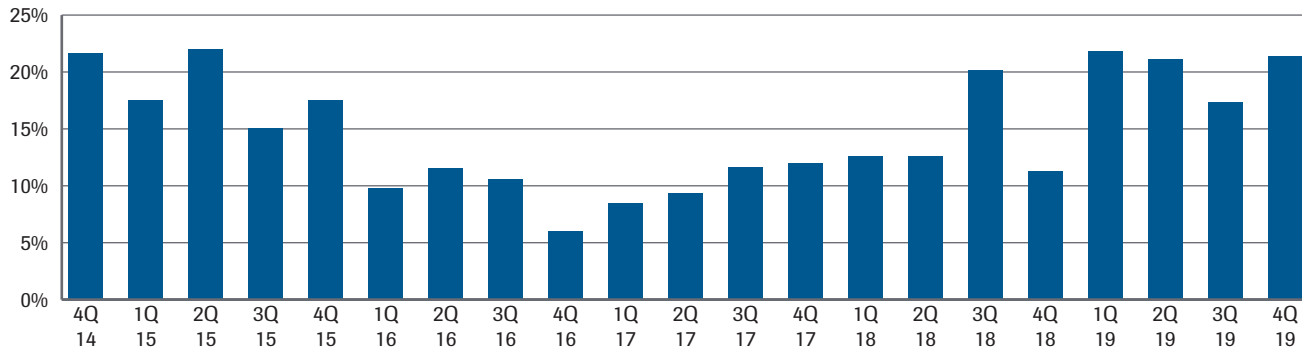
\$10,000 Investment Since Stock Market Crash of 1987



Source: Morningstar, Inc.
10/31/87-12/31/19

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3-Year Rolling Returns (IS)



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Category Rankings

Morningstar Mid-Cap Growth Category

IS Shares	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Morningstar Category % Rank	41	9	5	32
Morningstar Category Rank	295 of 618 Funds	47 of 565 Funds	-	-
A Shares	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Morningstar Category % Rank	47	9	7	38
Morningstar Category Rank	341 of 618 Funds	54 of 565 Funds	38 of 501 Funds	152 of 385 Funds

Lipper Mid-Cap Growth Funds

IS Shares	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Lipper Classification % Rank	51	9	-	-
Lipper Classification Rank	205 of 407 Funds	32 of 375 Funds	-	-
A Shares	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Lipper Classification % Rank	57	11	10	43
Lipper Classification Rank	232 of 407 Funds	38 of 375 Funds	31 of 343 Funds	113 of 267 Funds

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

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.

The fund is the successor to the Kaufmann Fund, Inc. (Kaufmann Fund) pursuant to a reorganization that took place on April 23, 2001. Prior to that date, the fund had no investment operations. Accordingly, for periods prior to that date, the performance information is that of the Kaufmann Fund, adjusted to reflect the maximum sales charge applicable to the fund's A Shares. The fund's Institutional Shares commenced operations on December 29, 2016. For the period prior to the commencement of operations of the Institutional Shares, the performance information shown is for R Shares adjusted to remove any voluntary waiver of fund expenses related to the fund's R Shares that occurred during the period prior to the commencement of the fund's Institutional Shares.

A Word About Risk

Mutual funds are subject to risks and fluctuate in value.

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks.

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

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 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 Midcap[®] 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 1000[®] Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap[®] Index represents approximately 27% of the total market capitalization of the Russell 1000 companies.

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.

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.

Correlation is the degree to which one variable (here, the fund's returns) fluctuates relative to another (the returns of the fund's benchmark). Correlation ranges from 1.00, when two variables move identically in the same direction, to -1.00, when two variables move identically in the opposite direction.

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

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

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

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

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

Ratings and Rating Agencies

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