

Federated Hermes Kaufmann Large Cap Fund

6/30/20

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

\$4.0 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

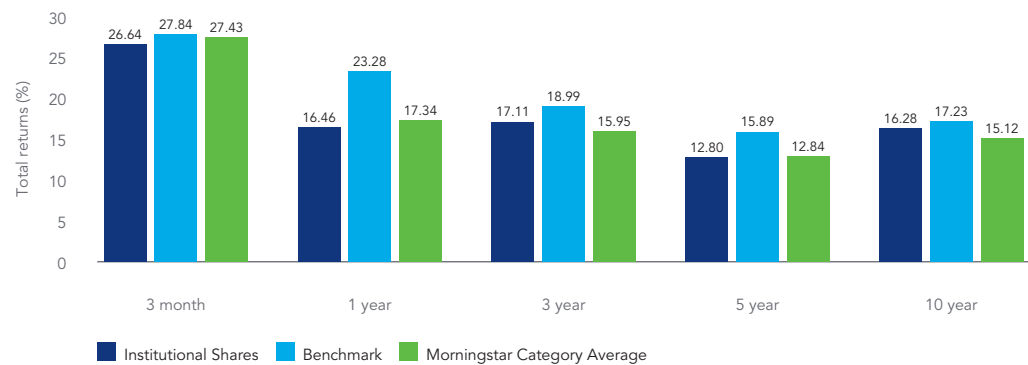
Fund description

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	26.65	7.18	16.51	17.18	12.88	16.31	11.79	0.87	0.78
Institutional Shares	26.64	7.14	16.46	17.11	12.80	16.28	11.96	0.94	0.84
A Shares (NAV)	26.52	7.01	16.15	16.81	12.52	16.00	11.67	1.19	1.09
A Shares (MOP)	19.56	1.12	9.76	14.63	11.26	15.34	11.17	1.19	1.09
Benchmark	27.84	9.81	23.28	18.99	15.89	17.23	–	–	–



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.

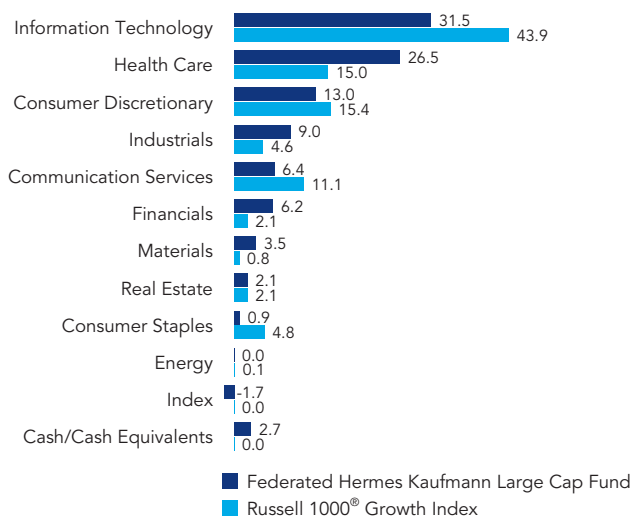
Portfolio statistics

Weighted median P/E (LTM)	37.8x
Weighted median P/E (NTM)	34.3x
Weighted median market cap	\$67.6 b
Number of securities	68
Annual portfolio turnover	25.45%

Top holdings (%)

Microsoft Corporation	4.8
Amazon.com, Inc.	3.9
ServiceNow, Inc.	3.6
salesforce.com, inc.	3.0
T-Mobile US, Inc.	3.0
Visa Inc.	2.9
Fidelity National Information Services, Inc.	2.7
Mastercard, Inc.	2.7
Veeva Systems, Inc.	2.5
Genmab A/S	2.3
Total % of Portfolio	31.4

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 6/30/20 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 rebounded sharply during the quarter
- Investors continued their preference for growth stocks over value stocks
- Consumer discretionary stocks and elevated cash levels negatively contributed to the fund's performance on a relative basis

Looking back

During the second quarter of 2020, the U.S. economy and most significant westernized economies suffered from Covid-19-related government shutdowns of all activity for months causing 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 to near beginning-of-the-year levels with the help of stimulus and the relative improvement of economic data in June with most states and countries either reopening or beginning the process of reopening. The U.S. equity markets rose sharply during the quarter led by mid-cap stocks represented by the Russell Midcap Index, up 31.15%, followed by small-cap stocks represented by the Russell 2000 Index, up 25.42%, followed by large-cap stocks represented by the Russell 1000 Index, up 21.82%. Finally, the S&P 500 Index was up 20.54% during the quarter. Mid-cap growth stocks outperformed mid-cap value stocks, a continuation of a multiyear trend.

During the quarter, the portfolio team added new equity positions of the following: Johnson & Johnson Inc., Shopify Inc., Agenx SE and Danaher Corp.

Also during the quarter, the portfolio subtracted or reduced the following select equity positions in pursuit of better opportunities: Gilead (exited), Moderna, Regeneron, CBRE Group and Vulcan Materials.

Also of note, the large-cap fund participated in the following secondary offerings during the quarter: Danaher Corporation, Argenx SE, Shopify Inc. and CoStar Group.

Performance

Federated Hermes Kaufmann Large Cap Fund Institutional Shares returned 26.64% at NAV for the three months ended June 2020. That compares with its benchmark, the Russell 1000 Growth Index, which returned 27.84% during the same period.

Performance contributors

- Stocks that made a positive contribution to performance included Amazon.com, Microsoft Corporation, ServiceNow, Inc., Genmab and Moderna, Inc.

Performance detractors

- Stocks that detracted from performance included L3Harris Technologies Inc., Johnson & Johnson, Vulcan Materials Company, Danaher Corporation and Costco Wholesale

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How we are positioned

As the U.S. economy continues into the second half of 2020, the economic data may be bottoming and beginning to recover. Uncertainty continues to plague economies, governments and citizens as the virus persists and threatens reopening. For many societies this level of economic chaos has not been seen since the end of the First World War and the Spanish flu epidemic. Despite those uncertainties the Federated Hermes 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 77% 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

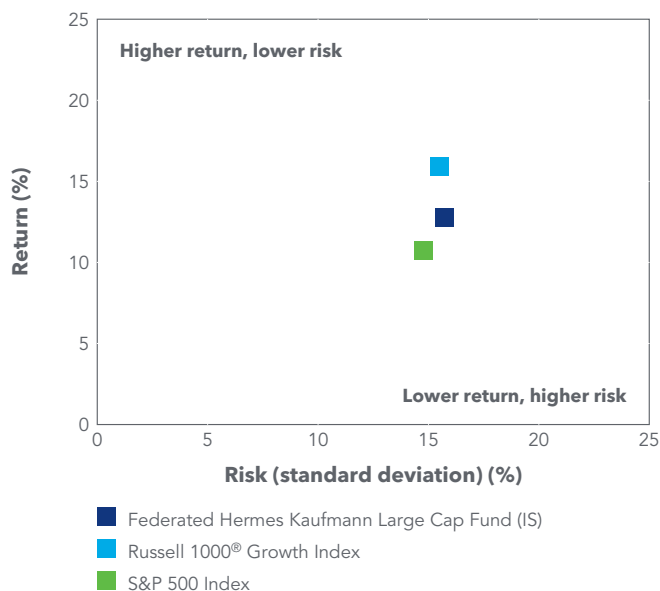
	3 year	5 year	7 year	10 year
Standard deviation	17.86	15.73	14.39	15.45
Alpha	-1.33	-2.35	-0.75	-1.24
Beta	0.99	0.98	0.98	1.04
R²	95.07	93.11	91.13	88.66

Sources: Federated Hermes

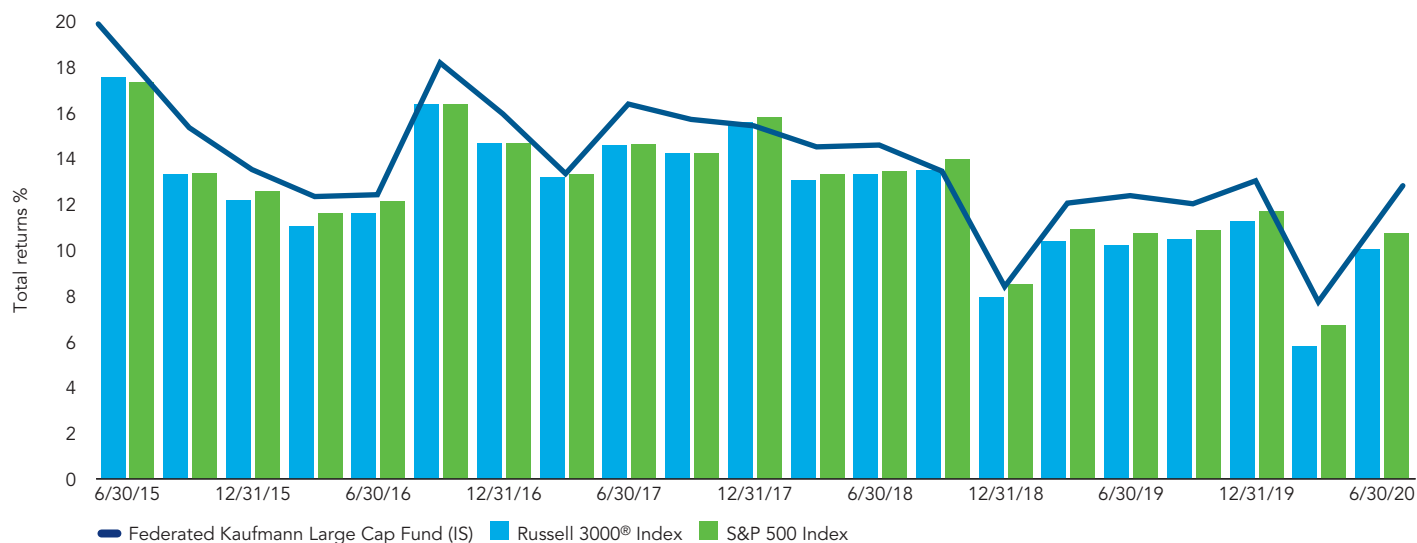
Morningstar, Inc. Fund vs. Russell 1000[®] Growth Index

See disclosure section for important definitions.

5 year risk/return



History of outperformance vs. other equity styles

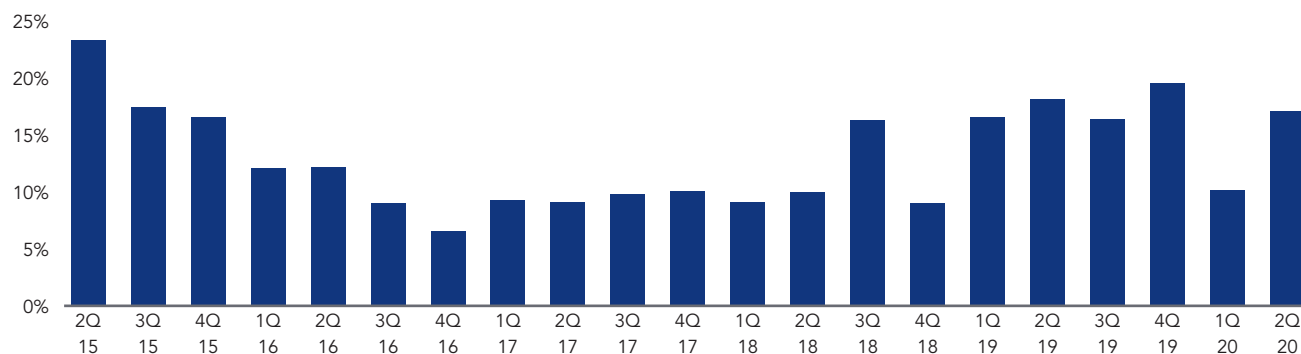


Source: Morningstar, Inc.

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	54	40	53	32
	Morningstar Category Rank	792 of 1,343 Funds	516 of 1,237 Funds	586 of 1,084 Funds	–
IS Shares	Morningstar Category % Rank	55	40	54	32
	Morningstar Category Rank	796 of 1,343 Funds	521 of 1,237 Funds	600 of 1,084 Funds	251 of 809 Funds
A Shares	Morningstar Category % Rank	56	42	57	38
	Morningstar Category Rank	814 of 1,343 Funds	542 of 1,237 Funds	642 of 1,084 Funds	302 of 809 Funds

Lipper Multi-Cap Growth Funds

		1 year	3 year	5 year	10 year
R6 Shares	Lipper Classification % Rank	49	34	39	–
	Lipper Classification Rank	264 of 545 Funds	165 of 493 Funds	162 of 424 Funds	–
IS Shares	Lipper Classification % Rank	49	34	40	24
	Lipper Classification Rank	267 of 545 Funds	166 of 493 Funds	170 of 424 Funds	70 of 297 Funds
A Shares	Lipper Classification % Rank	51	35	44	30
	Lipper Classification Rank	276 of 545 Funds	172 of 493 Funds	187 of 424 Funds	87 of 297 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

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.

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 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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