

Federated Kaufmann Large Cap Fund

2Q
2019

6/30/19

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

\$3.5 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

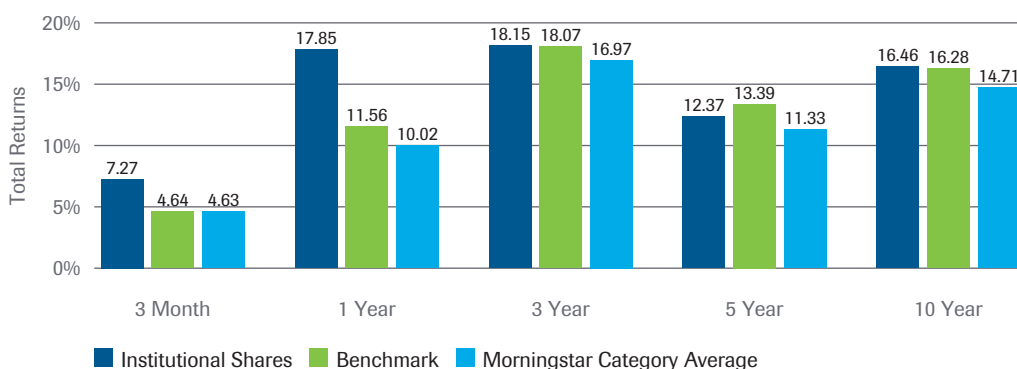
The fund seeks to provide capital appreciation by investing primarily in securities of large-cap companies. Utilizing an intensive, bottom-up security selection process, it focuses on companies that exhibit positive growth characteristics.

Performance

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	7.28	27.13	17.97	18.22	12.44	16.44	11.39	0.87	0.78
Institutional Shares	7.27	27.08	17.85	18.15	12.37	16.46	11.58	0.93	0.84
A Shares (NAV)	7.20	26.94	17.60	17.86	12.10	16.16	11.30	1.20	1.09
A Shares (MOP)	1.28	19.96	11.14	15.66	10.83	15.50	10.75	1.20	1.09
Benchmark	4.64	21.49	11.56	18.07	13.39	16.28	-	-	-



Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	0.12	23.57	4.62	3.13	12.12	37.03	26.37	-5.90	22.78	40.40
Benchmark	-1.51	30.21	7.08	5.67	13.05	33.48	15.26	2.64	16.71	37.21
Morningstar Category Average	-2.09	27.67	3.23	3.60	10.00	33.92	15.34	-2.56	15.53	44.37

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. 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 1/1/20 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.

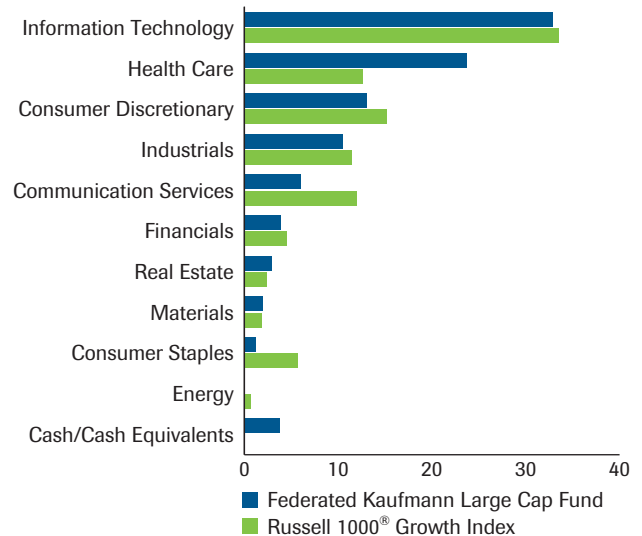
Portfolio Statistics

Weighted Median P/E (LTM)	38.5x
Weighted Median P/E (NTM)	27.8x
Weighted Median Market Cap	\$45.7 b
Number of Securities	56
Annual Portfolio Turnover	23.1%

Top Holdings (%)

Microsoft Corp.	4.2
ServiceNow, Inc.	3.2
Veeva Systems, Inc.	3.2
Visa, Inc.-Class A Shares	3.1
Worldpay, Inc.	3.1
Amazon.com, Inc.	2.9
Mastercard, Inc. Class A	2.8
Roper Technologies, Inc.	2.7
Salesforce.com, Inc.	2.7
T-Mobile USA, Inc.	2.4
Total % of Portfolio	30.3

Sector Weightings (%)



Portfolio composition is based on net assets at the close of business on 6/30/19 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 mostly positive for the quarter
- Investors continued to prefer growth over value stocks
- The Health Care and Industrial sector stocks positively contributed to the fund's performance
- Stock selection drove the fund's positive, relative performance

Looking Back

During the second quarter of 2019, the U.S. economy indicated continued slowing signs despite positive employment gains, still-positive ISM data and strong readings from the U.S. gross domestic product (GDP) for the first quarter of 2019. Global equity markets responded from the May sell-off with a rebound in June to produce positive returns for many indexes for the quarter. The U.S. equity markets were led by the S&P 500 Index, up by 4.30%, followed by large-cap stocks, represented by the Russell 1000 Index, up 4.25%, followed by mid-cap stocks, represented by the Russell Mid-Cap Index, up by 4.13%, finally followed by small-cap stocks, represented by the Russell 2000 Index, was up 2.09% for the quarter. Large-cap growth stocks outperformed large-cap value stocks, a continuation of the multiyear trend.

During the second quarter, the portfolio team purchased or added to existing positions of the following: Palo Alto Networks, Inc (new), Alcon, Inc (new), Vulcan Materials Co, Facebook, Inc and PagSeguro Digital, Ltd.

Also during the quarter, the portfolio subtracted or reduced the following positions in pursuit of better opportunities: The Bank of New York Mellon (sold), Red Hat Inc. (sold), Merck & Co (sold), Raytheon (sold) and Boston Scientific.

Also of note, the large-cap fund participated in the following initial public offerings during the quarter: Uber Technologies.

Performance

Federated Kaufmann Large Cap Fund Institutional Shares returned 7.27% at NAV for the three months ended June 28, 2019. That compares with its benchmark, the Russell 1000 Growth Index, which returned 4.64% during the same period.

Performance Contributors

- Stocks that made a positive contribution to performance included: Veeva Systems Inc., PagSeguro Digital, Microsoft Corporation, Idexx Laboratories Inc., Ingersoll-Rand Plc and ServiceNow Inc.

Performance Detractors

- Stocks that detracted from performance included: Alnylam Pharmaceuticals Inc., Alphabet Inc., Merck & Co Inc., Salesforce.com, Inc. and GoDaddy, Inc.

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How We Are Positioned

As the U.S. economy continues through 2019, the positive economic momentum over the last two years have shown signs of slowing. With U.S. business confidence high, jobless claims near a generational low, consumer confidence and the ISM Index still in positive territory, the markets continue to shrug off slow-down fears. As slower earnings growth and U.S. GDP growth weigh on the market, support from the central banks helped stimulate the equity markets into positive territory in the second quarter of 2019. The Federated Kaufmann franchise, however, continues to be focused on those companies that have little dependence on the economy, good or bad, to generate significant earnings growth.

This quarter the fund had approximately 80% of the portfolio invested in four sectors: Information Technology, Health Care, Consumer Discretionary 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.

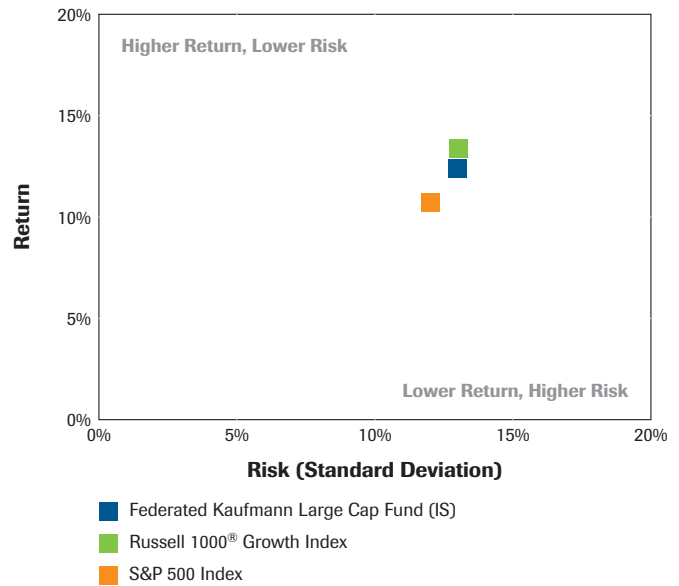
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	13.16	13.00	12.29	14.75
Alpha	0.79	-0.32	1.55	-0.14
Beta	0.95	0.95	0.95	1.03
R ²	94.57	91.51	84.82	87.41

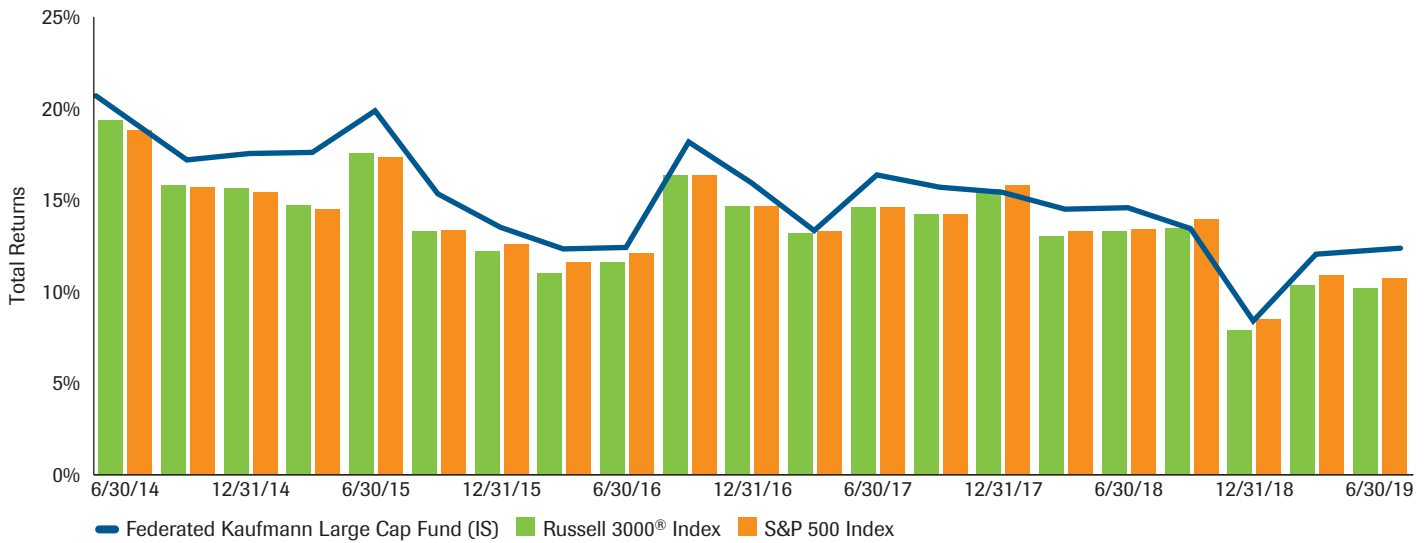
Sources: Federated Investors, Morningstar, Inc.
Fund vs. Russell 1000[®] Growth Index

See disclosure section for important definitions.

5-Year Risk/Return



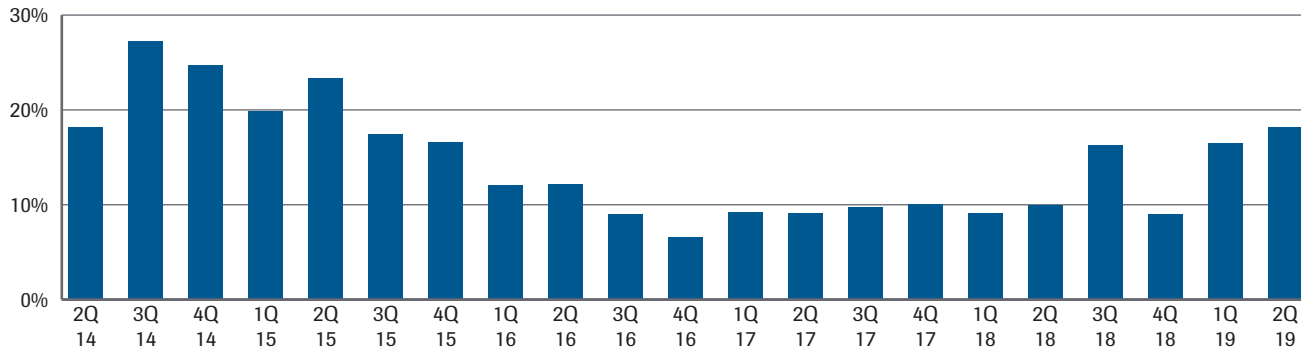
History of Outperformance vs. Other Equity Styles



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

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	5	33	38	16
Morningstar Category Rank	69 of 1,383 Funds	431 of 1,235 Funds	409 of 1,100 Funds	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	5	34	40	16
Morningstar Category Rank	73 of 1,383 Funds	436 of 1,235 Funds	427 of 1,100 Funds	114 of 812 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	5	38	43	20
Morningstar Category Rank	79 of 1,383 Funds	472 of 1,235 Funds	473 of 1,100 Funds	147 of 812 Funds

Lipper Multi-Cap Growth Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	9	33	27	-
Lipper Classification Rank	48 of 545 Funds	159 of 488 Funds	113 of 430 Funds	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	10	33	28	19
Lipper Classification Rank	51 of 545 Funds	160 of 488 Funds	120 of 430 Funds	57 of 313 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	10	34	32	22
Lipper Classification Rank	54 of 545 Funds	166 of 488 Funds	134 of 430 Funds	66 of 313 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'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 value segment of the U.S. equity universe. It includes those Russell 1000[®] Index companies with lower price-to-book ratios and lower expected growth values. The R1000V is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000[®] Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

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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