

Federated Kaufmann Large Cap Fund

1Q
2019

3/31/19

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

\$3.3 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

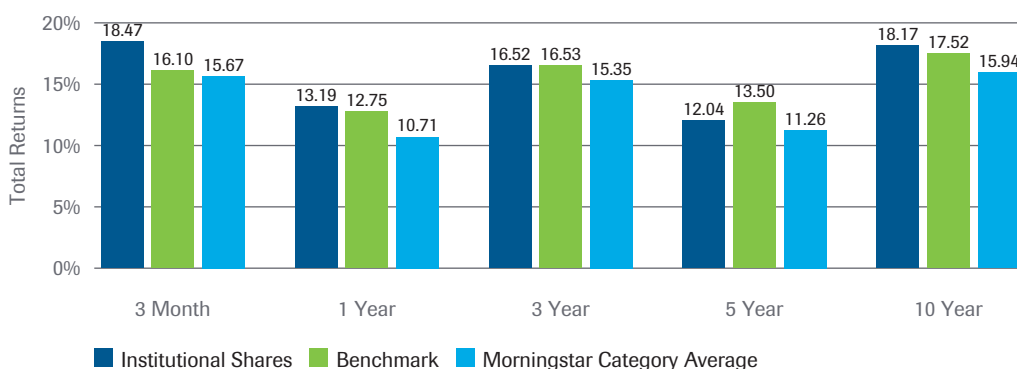
The fund seeks to provide capital appreciation by investing primarily in securities of large-cap companies. Utilizing an intensive, bottom-up security selection process, it focuses on companies that exhibit positive growth characteristics.

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	18.50	18.50	13.23	16.61	12.10	18.13	10.97	0.87	0.78
Institutional Shares	18.47	18.47	13.19	16.52	12.04	18.17	11.16	0.93	0.84
A Shares (NAV)	18.42	18.42	12.91	16.24	11.76	17.87	10.88	1.20	1.09
A Shares (MOP)	11.90	11.90	6.71	14.08	10.50	17.21	10.33	1.20	1.09
Benchmark	16.10	16.10	12.75	16.53	13.50	17.52	-	-	-



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.

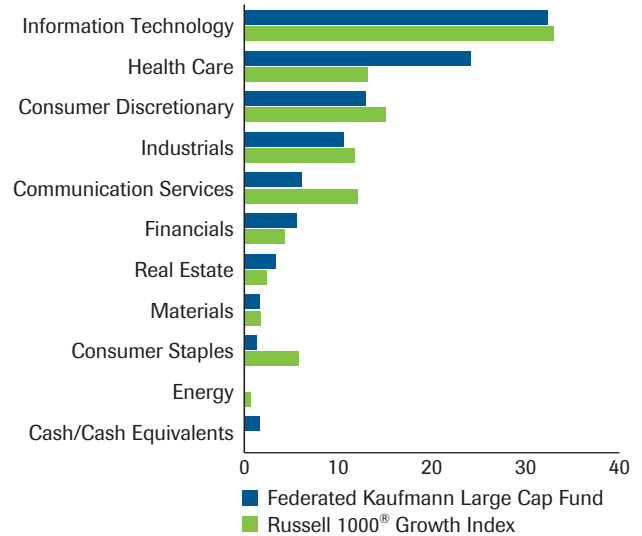
Portfolio Statistics

Weighted Median P/E (LTM)	35.8x
Weighted Median P/E (NTM)	26.6x
Weighted Median Market Cap	\$44.4 b
Number of Securities	57
Annual Portfolio Turnover	25.1%

Top Holdings (%)

Microsoft Corp.	3.9
Worldpay, Inc.	3.1
Salesforce.com, Inc.	3.0
ServiceNow, Inc.	3.0
Veeva Systems, Inc.	3.0
Visa, Inc.-Class A Shares	3.0
Amazon.com, Inc.	2.9
Mastercard, Inc. Class A	2.7
Roper Technologies, Inc.	2.7
Broadcom, Inc.	2.6
Total % of Portfolio	29.9

Sector Weightings (%)



Portfolio composition is based on net assets at the close of business on 3/31/19 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 for the quarter
- Investors preferred growth over value stocks
- Health Care stocks positively contributed to the fund's performance
- Stock selection drove the fund's positive, relative performance

Looking Back

During the first quarter of 2019, the U.S. economy indicated some slowing signs despite positive employment gains, still-positive ISM data and strong readings from the U.S. gross domestic product (GDP) for 2018. Global equity markets responded from the late 2018 sell-off producing strong positive returns in the first quarter. The U.S. equity markets were led by mid-cap stocks, represented by the Russell Midcap Index, up 16.53%. This was followed by small-cap stocks, represented by the Russell 2000 Index, up 14.57%, followed by large-cap stocks, represented by the Russell 1000 Index, up 14%, and finally the S&P 500 Index, which was up 13.65% for the quarter. Mid-cap growth stocks outperformed mid-cap value stocks, a continuation of the multi-year trend of this cycle.

During the first quarter, the portfolio team added to existing positions or initiated new positions in the following: Verisk Analytics, Inc. (new), Elanco Animal Health, Inc., GoDaddy, Inc., PagSeguro Digital, Ltd and Igersoll-Rand Plc.

Also during the quarter, the portfolio subtracted or reduced the following positions in pursuit of better opportunities: XPO Logistics (sold), Albermarle Corp (sold), Booking Holdings Inc. (sold), Hilton Worldwide Holdings and Raytheon Company.

Performance

Federated Kaufmann Large Cap Fund Institutional Shares gained 18.47% at NAV for the three months ended March 29, 2019. That compares with its benchmark the Russell 1000 Growth Index, which gained 16.10% during the same period.

Performance Contributors

- Stocks that made a positive contribution to performance included Veeva Systems Inc., Worldpay, Inc., ServiceNow, Inc., Roper Technologies and Microsoft Corp

Performance Detractors

- Stocks that detracted from performance included Biogen Inc, Albermarle Corporation, Booking Holdings Inc, XPO Logistics, and Activision Blizzard

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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 quickly shrugged 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 first quarter of 2019. The Federated Kaufmann Funds, however, continue to be focused in those companies that have little dependence on the economy, good or bad, to generate significant earnings growth.

This quarter the fund had approximately 78% 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.

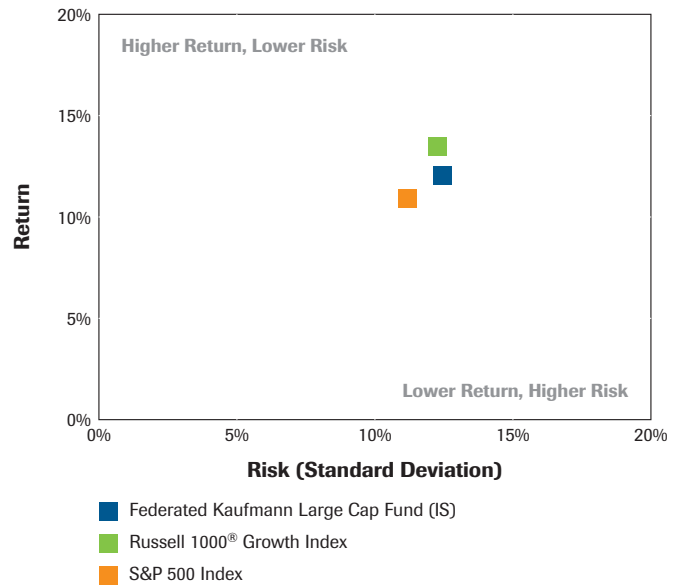
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	12.28	12.46	12.49	15.23
Alpha	0.50	-0.84	0.18	-0.32
Beta	0.97	0.97	0.98	1.07
R ²	92.19	90.65	84.53	87.04

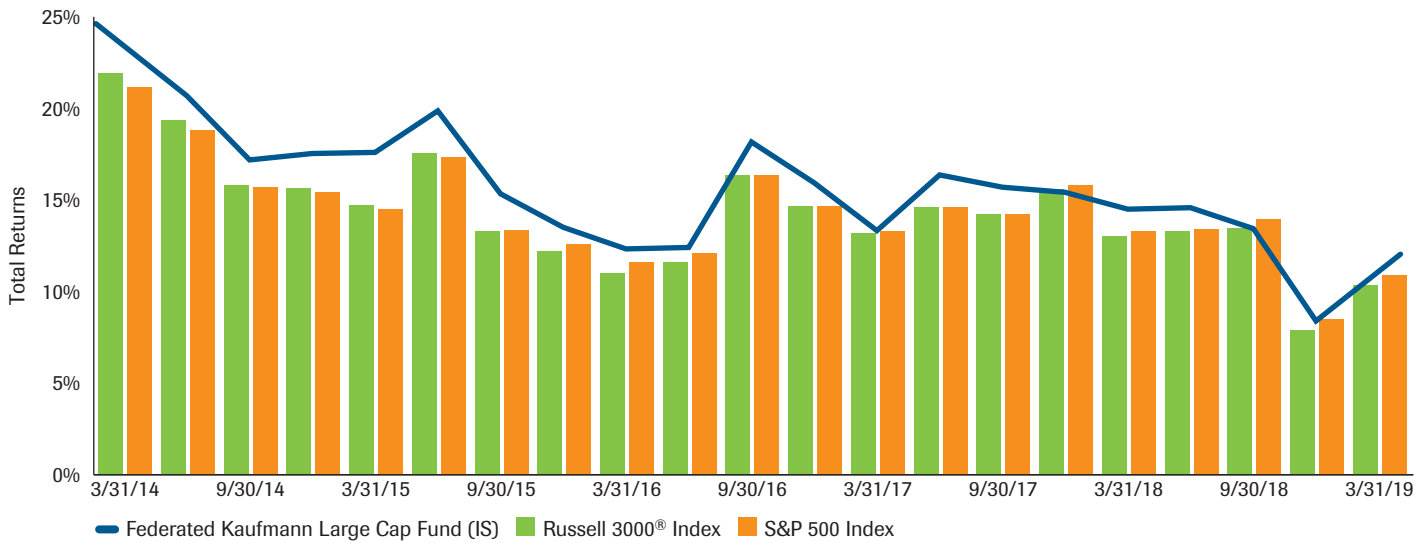
Sources: Federated Investors, Morningstar, Inc.
Fund vs. Russell 1000[®] Growth Index

See disclosure section for important definitions.

5-Year Risk/Return



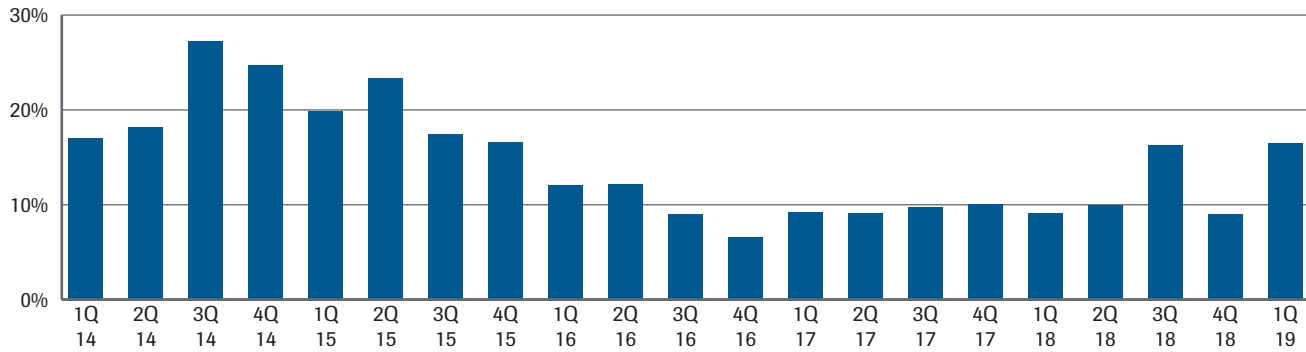
History of Outperformance vs. Other Equity Styles



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	22	32	43	11
Morningstar Category Rank	367 of 1,397 Funds	420 of 1,256 Funds	476 of 1,114 Funds	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	23	33	44	12
Morningstar Category Rank	371 of 1,397 Funds	430 of 1,256 Funds	485 of 1,114 Funds	73 of 805 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	26	36	49	14
Morningstar Category Rank	409 of 1,397 Funds	470 of 1,256 Funds	546 of 1,114 Funds	93 of 805 Funds

Lipper Multi-Cap Growth Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	25	31	27	-
Lipper Classification Rank	129 of 530 Funds	145 of 478 Funds	111 of 416 Funds	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	25	31	28	11
Lipper Classification Rank	132 of 530 Funds	148 of 478 Funds	114 of 416 Funds	32 of 306 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	27	34	32	15
Lipper Classification Rank	140 of 530 Funds	161 of 478 Funds	133 of 416 Funds	44 of 306 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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