

12/31/18

## Fund Facts

### Performance Inception Date

3/31/82

### Benchmark

Russell 1000<sup>®</sup> Value Index

### Morningstar Category

Large Value

### Lipper Category

Multi-Cap Value Funds

### Fund Assets

\$1.1 billion

### Ticker Symbols

R6 Shares - FSTLX  
Institutional Shares - FMSTX  
Service Shares - FSTKX  
A Shares - FSTRX

### Key Investment Team

Daniel Mahr, CFA  
Frederick Konopka, CFA  
John Paul Lewicke  
Damien Zhang, CFA

## Fund Description

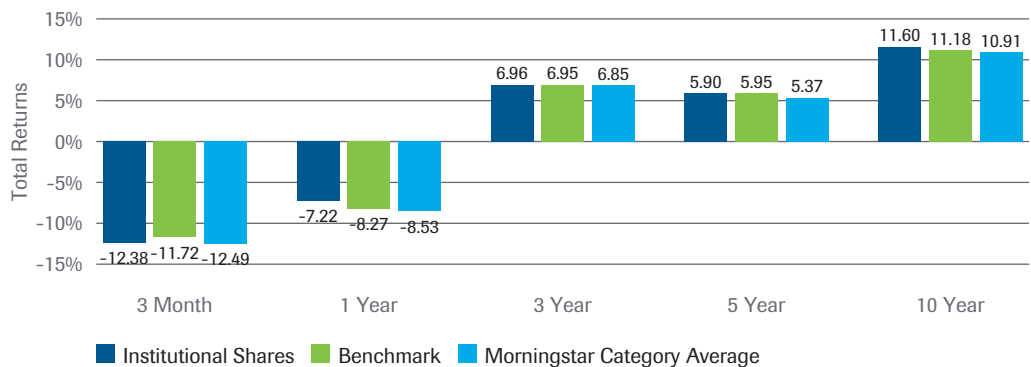
The fund pursues growth of income and capital by investing primarily in large U.S. companies it considers undervalued. Through a fundamentally based, bottom up, quantitatively driven approach, it seeks to remove subjective and emotional influences from the stock-selection process.

## 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
R6 Shares	-12.32	-7.11	-7.11	6.98	5.82	11.46	7.03	11.09	0.87	0.70
Institutional Shares	-12.38	-7.22	-7.22	6.96	5.90	11.60	7.11	11.12	0.95	0.77
A Shares (NAV)	-12.44	-7.44	-7.44	6.73	5.67	11.39	6.98	11.06	1.20	0.99
A Shares (MOP)	-17.26	-12.53	-12.53	4.74	4.49	10.76	6.58	10.89	1.20	0.99
Benchmark	-11.72	-8.27	-8.27	6.95	5.95	11.18	7.04	-	-	-



### Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	-7.22	14.37	15.31	-4.79	14.32	40.03	20.12	2.23	10.06	18.86
Benchmark	-8.27	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69
Morningstar Category Average	-8.53	15.94	14.81	-4.05	10.21	31.21	14.57	-0.75	13.66	24.13

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](http://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.

\* 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.

## Investment Process

### Fundamentally Based Research

Fundamentally based research identifies powerful combinations of value, growth and quality characteristics across market environments.

### Stock Selection

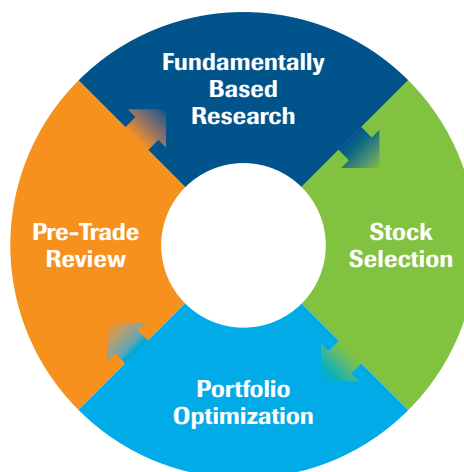
Stock alphas are forecasted based on each company's characteristics.

### Portfolio Optimization

Proprietary software is used to maximize portfolio alpha, net of trading costs, while managing risk.

### Pre-Trade Review

All trades are reviewed to ensure they are based on the most recent and accurate information. Insights from pre-trade review provide important feedback to the team and inspire further research.



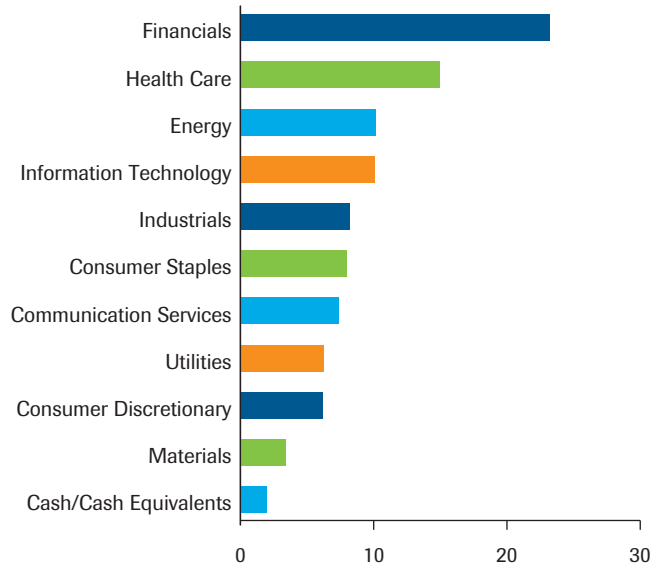
## Portfolio Statistics

Weighted Median P/E (LTM)	13.2x
Weighted Median P/E (NTM)	11.9x
Weighted Median Market Cap	\$31.7 b
Weighted Median Price/Book	1.9x
Number of Securities	98

## Top Holdings (%)

Chevron Corp.	3.8
JPMorgan Chase & Co.	3.0
Lilly (Eli) & Co.	3.0
Allstate Corp.	2.9
The Travelers Cos, Inc.	2.8
Baxter International, Inc.	2.7
Entergy Corp.	2.7
Merck & Co., Inc.	2.7
Archer-Daniels-Midland Co.	2.6
Exxon Mobil Corp.	2.6
<b>Total % of Portfolio</b>	<b>28.8</b>

## Sector Weightings (%)



Portfolio composition is based on net assets at the close of business on 12/31/18 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

- Large-cap value stocks outperformed large-cap growth stocks
- Fund ended quarter roughly sector neutral to benchmark except for its Real Estate underweight

## Looking Back

There was a significant market correction in the fourth quarter of 2018 as earlier optimism was shaken by a series of unusual political events, both domestic and international, starting with the killing of journalist Jamal Khashoggi inside the Saudi consulate in Istanbul as the quarter began. Uncertainty about interest rates grew as President Trump tweeted his opposition to the rate increases planned by the Federal Reserve. The tariff war with China broadened, and Brexit clouded the economic future of Britain and the European Union. Toward the end of the quarter, Special Counsel Robert Mueller's investigation began issuing indictments against key individuals affiliated with the Trump administration.

In the face of these events, the market became extremely volatile, sometimes swinging several percent in different directions on successive days. The Russell 3000 Index was down 7.36% in October, up 2.00% in November, and down 9.31% in December, for a fourth-quarter return of -14.30%. The mood was risk-off, with large caps doing better than the perceived-higher-risk small caps (the mega-cap Russell Top 200 Index returned -13.23%, while the small-cap Russell 2000 Index returned -20.20%), and value stocks doing better than growth stocks (the Russell 3000 Value Index returned -12.24%, while the Russell 3000 Growth Index returned -16.33%).

## Performance

Federated MDT Large Cap Value Fund Institutional Shares returned -12.38% in the fourth quarter of 2018, underperforming the -11.72% return of its benchmark, the Russell 1000 Value Index.

### Performance Contributors

- Value stocks near the growth-value split with strong relative price trend, neutral to high analyst conviction but significantly worsening earnings to price
- Security selection in Industrials and Energy sectors
- Weak performers not held by the fund: Citigroup Inc., Schlumberger NV and General Electric Co.

### Performance Detractors

- Stocks with prices near 52-week highs and flat or improving earnings to price
- Stocks with high structural earnings, neutral to high analyst conviction but low cash flow
- Security selection in Utilities, Financials and Communication Services sectors
- Weak performers overweighted by the fund: PG&E Corp., Northern Trust Corp. and Allstate Corp.

*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](http://FederatedInvestors.com).*

## How We Are Positioned

The fund ended the fourth quarter roughly sector-neutral to the benchmark according to the GICS sectors, except for an underweight in Real Estate (the fund does not hold REITs). Within the sectors, there was a significant overweight position in the insurance industry and a small overweight position in the telecommunication services industry. There were significant underweight positions in the real estate and diversified financials industries and a small underweight position in the media and entertainment industry.

*See disclosure section for important disclosures and definitions.*

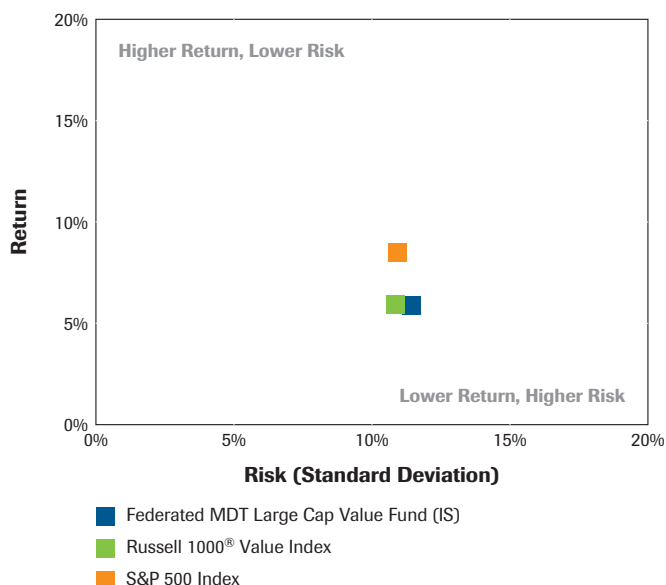
### Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	11.70	11.42	12.03	15.12
Alpha	-0.17	-0.14	0.39	0.38
Beta	1.04	1.03	1.08	1.01
Correlation	0.98	0.98	0.96	0.97
R <sup>2</sup>	95.39	95.28	92.78	93.31
Up Capture Ratio	100.05	100.25	106.99	102.14
Down Capture Ratio	100.07	100.77	103.40	101.01
Sharpe Ratio	0.49	0.45	0.97	0.74
Tracking Error	2.56	2.50	3.35	3.92

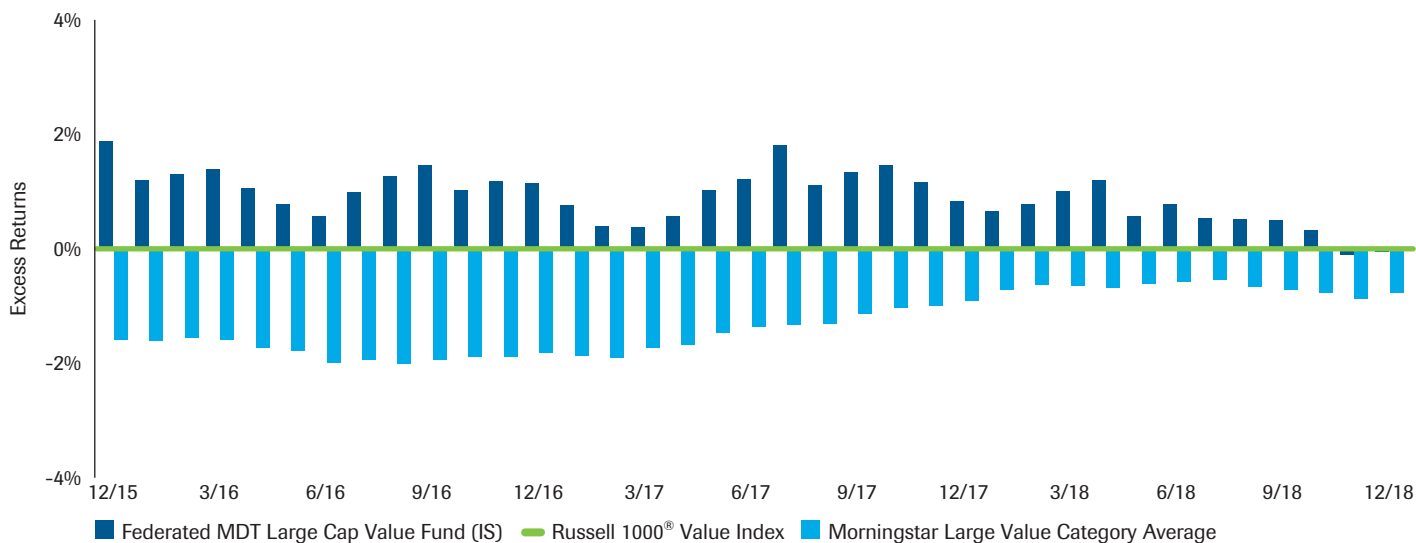
Sources: Federated Investors, Morningstar, Inc.  
Fund vs. Russell 1000<sup>®</sup> Value Index

See disclosure section for important definitions.

### 5-Year Risk/Return



### 5-Year Rolling Excess Performance vs. Russell 1000<sup>®</sup> Value Index

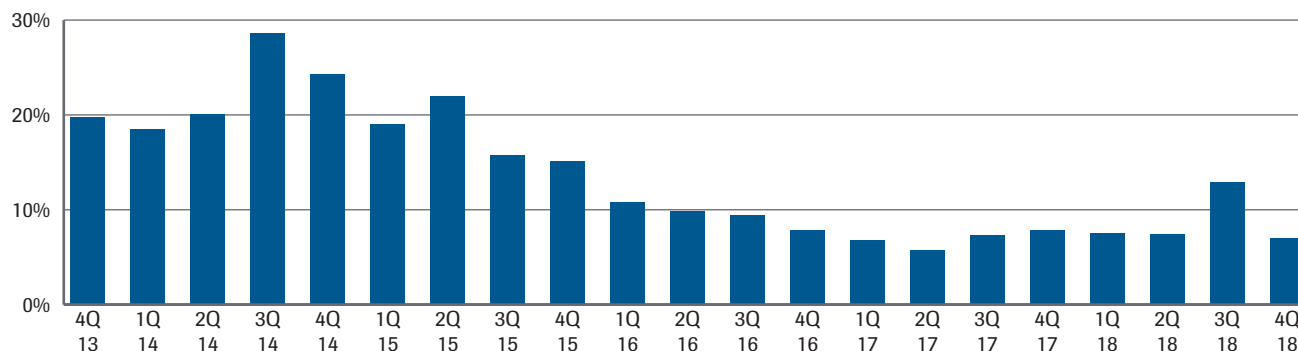


Source: Morningstar, Inc. Performance for 5-year periods (1-month step) from 12/31/10 - 12/31/18.

Returns are for IS Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

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### 3-Year Rolling Returns (IS)



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](http://FederatedInvestors.com).

### Category Rankings

#### Morningstar Large Value Category

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	32	46	40	35
Morningstar Category Rank	339 of 1,244 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	32	47	37	32
Morningstar Category Rank	350 of 1,244 Funds	442 of 1,100 Funds	310 of 937 Funds	-
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	35	52	44	36
Morningstar Category Rank	378 of 1,244 Funds	496 of 1,100 Funds	-	-

#### Lipper Multi-Cap Value Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Category % Rank	11	-	-	-
Lipper Category Rank	42 of 409 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Category % Rank	11	24	16	-
Lipper Category Rank	45 of 409 Funds	80 of 345 Funds	44 of 290 Funds	-
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Category % Rank	12	27	-	-
Lipper Category Rank	49 of 409 Funds	92 of 345 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](http://FederatedInvestors.com). Please carefully read the summary prospectus or the prospectus before investing.**

The fund is the successor to the Federated MDT Large Cap Value Fund (a Massachusetts business trust with the same name as the fund) ("predecessor fund"), pursuant to a reorganization involving the fund, the predecessor fund and the Federated Clover Value Fund completed after the close of business on December 8, 2017. The predecessor fund is both the tax and accounting survivor of the reorganization. Prior to the date of the reorganization, the fund had no investment operations. Accordingly, the performance information, including information on fees and expenses and financial information provided above for periods prior to December 8, 2017 is historical information for the predecessor fund.

The predecessor fund's A Shares commenced operations on May 1, 2014. For the periods prior to the commencement of operations of the A Shares, the performance information is for the predecessor fund's SS Shares. The performance of the SS Shares has not been adjusted, except for sales charges, to reflect the expenses applicable to the A Shares since the A Shares has the same net expense ratio as the SS Shares. The performance of the SS Shares has been adjusted to remove any voluntary waiver of fund expenses related to the SS Shares that may have occurred during the periods prior to the commencement of operations of the A Shares.

The predecessor fund's IS Shares commenced operations on January 29, 2010. For the period prior to the commencement of operations of the IS Shares, the performance information is for the predecessor fund's SS Shares. The performance of the SS Shares has not been adjusted to reflect the expenses applicable to the IS Shares since the IS Shares has a lower expense ratio than the expense ratio of the SS Shares. The performance of the SS Shares has been adjusted to remove any voluntary waiver of fund expenses related to the SS Shares that may have occurred during the period prior to the commencement of operations of the IS Shares.

The predecessor fund's R6 Shares commenced operations on June 29, 2016. For the periods prior to the commencement of operations of the predecessor fund's R6 Shares, the performance information is for the predecessor fund's SS Shares. The performance of the SS Shares has not been adjusted to reflect the expenses applicable to the R6 Shares since the R6 Shares has a lower expense ratio than the expense ratio of the SS Shares. The performance of the SS Shares has been adjusted to remove any voluntary waiver of fund expenses related to the SS Shares that may have occurred during the periods prior to the commencement of operations of the R6 Shares.

### A Word About Risk

Mutual funds are subject to risks and fluctuate in value.

The quantitative models and analysis used by the fund may perform differently than expected and negatively affect fund performance.

### Definitions

**Russell 1000<sup>®</sup> Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000<sup>®</sup> 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<sup>®</sup> Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

**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.

**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.

Indexes are unmanaged and cannot be invested in directly.

**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.

**Sharpe Ratio** is calculated by dividing a fund's annualized excess return by the fund's annualized standard deviation. The higher the Sharpe Ratio, the better the fund's historical risk adjusted performance.

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

**Tracking Error** is the difference between a portfolio's returns and the benchmark or index it was meant to mimic or beat.

**Up Capture Ratio/Down Capture Ratio** is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns, and how badly the manager was affected by periods of negative benchmark returns. The up-market capture ratio is a measure of a manager's performance in up markets relative to the index during the same period. For example, a ratio value of 115 indicates that the manager has outperformed the market index by 15% in periods when the index has risen. The down-market capture ratio is the direct opposite of the up-market capture ratio, gauging performance of the manager relative to the index in down markets. A ratio value of 80 would indicate the manager had declined on 80% as much as the declining overall market, indicating relative outperformance.

**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 Price/Book** is a ratio comparing share price to book value or assets minus liabilities.

**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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