

Federated Hermes MDT Mid Cap Growth Fund

12/31/20

Fund facts

Performance inception date

R6 Shares	8/23/84
Institutional Shares	8/23/84
A Shares	8/23/84
C Shares	8/16/95

Benchmark

Russell Midcap[®] Growth Index

Morningstar category

Mid-Cap Growth

Lipper classification

Mid-Cap Growth Funds

Fund assets

\$584.6 million

Ticker symbols

R6 Shares - FGSKX
 Institutional Shares - FGSIX
 A Shares - FGSAX
 C Shares - FGSCX

Key investment team

Daniel Mahr, CFA[®]
 Frederick Konopka, CFA[®]
 John Paul Lewicke
 Damien Zhang, CFA[®]

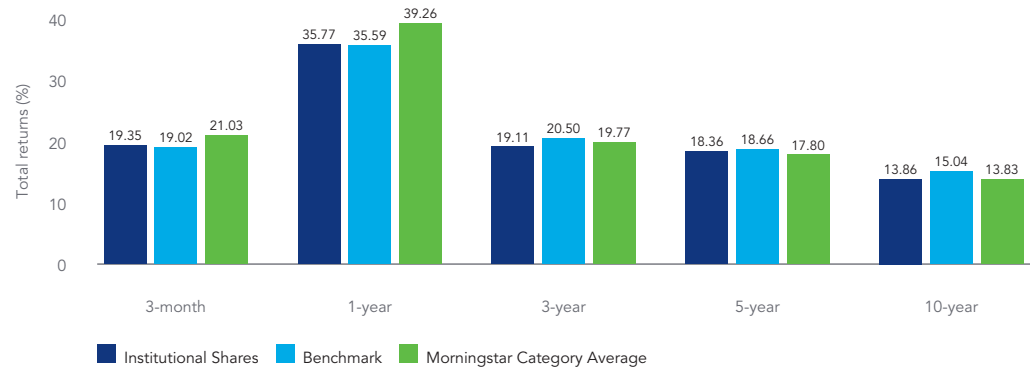
Fund description

The fund pursues capital appreciation by investing in a diversified portfolio of U.S. mid-cap companies from the Russell Midcap Growth Index. Through a fundamentally based, bottom-up, systematic approach, the fund seeks to remove subjective and emotional influences from the stock-selection process.

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	19.37	35.81	35.81	19.12	18.25	13.39	10.98	0.95	0.84
Institutional Shares	19.35	35.77	35.77	19.11	18.36	13.86	11.64	1.04	0.85
A Shares (NAV)	19.30	35.40	35.40	18.78	18.05	13.57	11.58	1.26	1.15
A Shares (MOP)	12.74	27.94	27.94	16.56	16.73	12.93	11.41	1.26	1.15
Benchmark	19.02	35.59	35.59	20.50	18.66	15.04	-	-	-



Calendar year total returns (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Institutional Shares	35.77	28.34	-3.03	24.74	10.21	-4.70	13.93	40.44	6.98	-3.36
Benchmark	35.59	35.47	-4.75	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65
Morningstar Category Average	39.26	32.52	-6.65	23.91	6.03	-0.95	7.00	34.93	14.07	-3.96

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.

* 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 1/1/22 or the date of the fund's next effective prospectus.

Investment process

Fundamentally based research

Research identifies powerful combinations of classic fundamentals enhanced with behavioral signals that work across market environments.

Stock selection

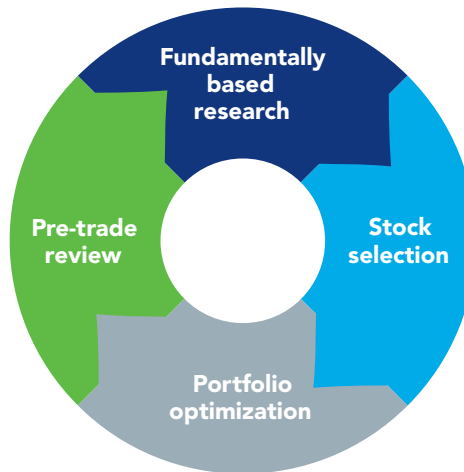
Stock alphas are forecasted based on each company's characteristics.

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.



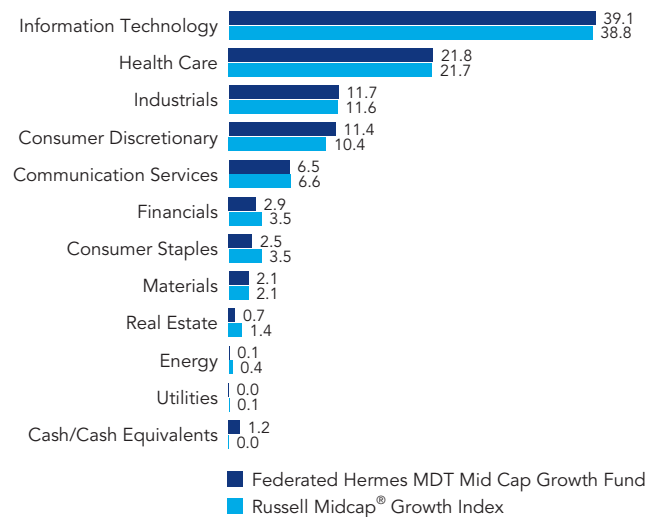
Portfolio statistics

Weighted median P/E (LTM)	51.2x
Weighted median P/E (NTM)	38.2x
Weighted median market cap	\$22.0 b
Weighted median price/book	14.0x
Number of securities	157

Top holdings (%)

Veeva Systems Inc.	2.3
Booz Allen Hamilton Holding Corp.	2.2
Fortinet Inc.	2.2
O'Reilly Automotive, Inc.	2.2
CrowdStrike Holdings, Inc.	2.1
MSCI Inc.	2.0
Carrier Global Corp	1.9
Cadence Design Systems, Inc.	1.8
Etsy, Inc.	1.7
HubSpot, Inc.	1.7
Total % of portfolio	20.1

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 12/31/20 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

- Mid-cap value stocks outperformed mid-cap growth stocks
- Favorable stock selection among stocks with high volatility and positive analyst conviction contributed most to outperformance
- Fund ended quarter roughly sector-neutral to benchmark

Looking back

The fourth quarter of the year was a strong one for the domestic market as the Russell 3000 returned 14.68%. Stocks with smaller capitalizations led stocks with larger capitalizations: the Russell Microcap Index was the highest at 31.39% for the quarter, followed closely by the small-cap Russell 2000 at 31.37%. The Russell Midcap Index and the mega-cap Russell Top 200 Index trailed, at 19.91% and 14.68%, respectively.

The fine performance of the market during the fourth quarter can be attributed to the announcement that Covid-19 vaccines were approved for emergency use and vaccinations could begin for the highest risk cases. The market had been losing ground during the months of September and October on fears that prices were at bubble levels, and there was a preference for value over growth stocks in those months. Starting in November, however, good news from the vaccine trials buoyed the market and by December, growth stocks were leading value stocks again. At the end of the quarter, 2020 had been the best calendar year for growth stocks relative to value stocks in the history of the Russell 3000 Growth and Russell 3000 Value indexes, with the former leading the latter by 35.39 percentage points with respective cumulative returns of 38.26% and 2.87%.

Performance

Federated Hermes MDT Mid Cap Growth Fund Institutional Shares returned 19.35% in the fourth quarter of 2020, outperforming the 19.02% return of its benchmark, the Russell Midcap Growth Index.

Performance contributors

- Favorable stock selection among stocks with high volatility and positive analyst conviction
- Security selection in Industrials and Information Technology sectors
- Strong performers overweighted by the fund: CrowdStrike Holdings, Inc. and Spirit AeroSystems Holdings, Inc.
- Weak performer not held by the Fund: Splunk Inc.

Performance detractors

- Stocks with very high analyst conviction
- Security selection in the Consumer Discretionary sector
- Weak performers overweighted by the fund: Veeva Systems Inc., Domino's Pizza, Inc. and Booz Allen Hamilton Holding Corporation

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How we are positioned

The fund ended the fourth quarter roughly sector-neutral to the benchmark according to the GICS sectors. Within the sectors there were small overweight positions in the software & services and retailing industries and a small underweight position in the semiconductors & semiconductor equipment industry.

See disclosure section for important disclosures and definitions.

Risk statistics

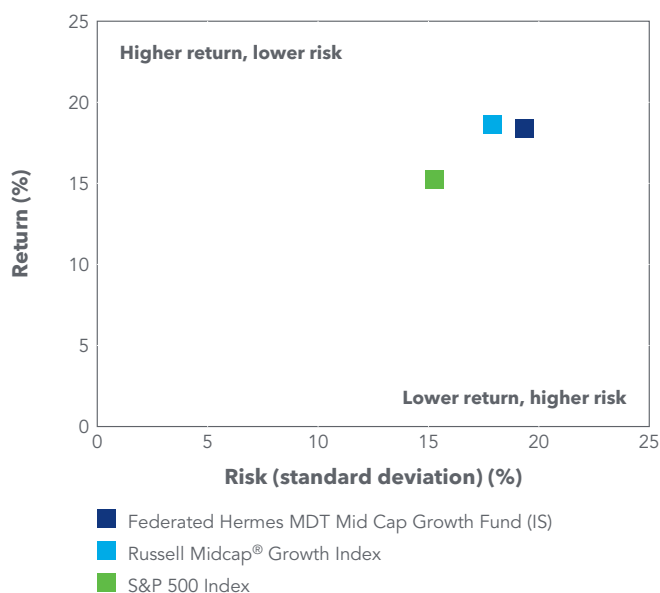
	3-year	5-year	7-year	10-year
Standard deviation	22.89	19.33	17.36	16.68
Alpha	-1.76	-0.92	-0.81	-1.18
Beta	1.04	1.05	1.03	1.02
Correlation	0.99	0.98	0.97	0.97
R²	98.19	95.13	94.53	94.29
Up capture ratio	100.01	102.89	99.52	99.82
Down capture ratio	105.84	107.86	103.14	107.04
Sharpe ratio	0.76	0.88	0.76	0.79
Tracking error	3.22	4.38	4.09	4.00

Sources: Federated Hermes, Morningstar, Inc.

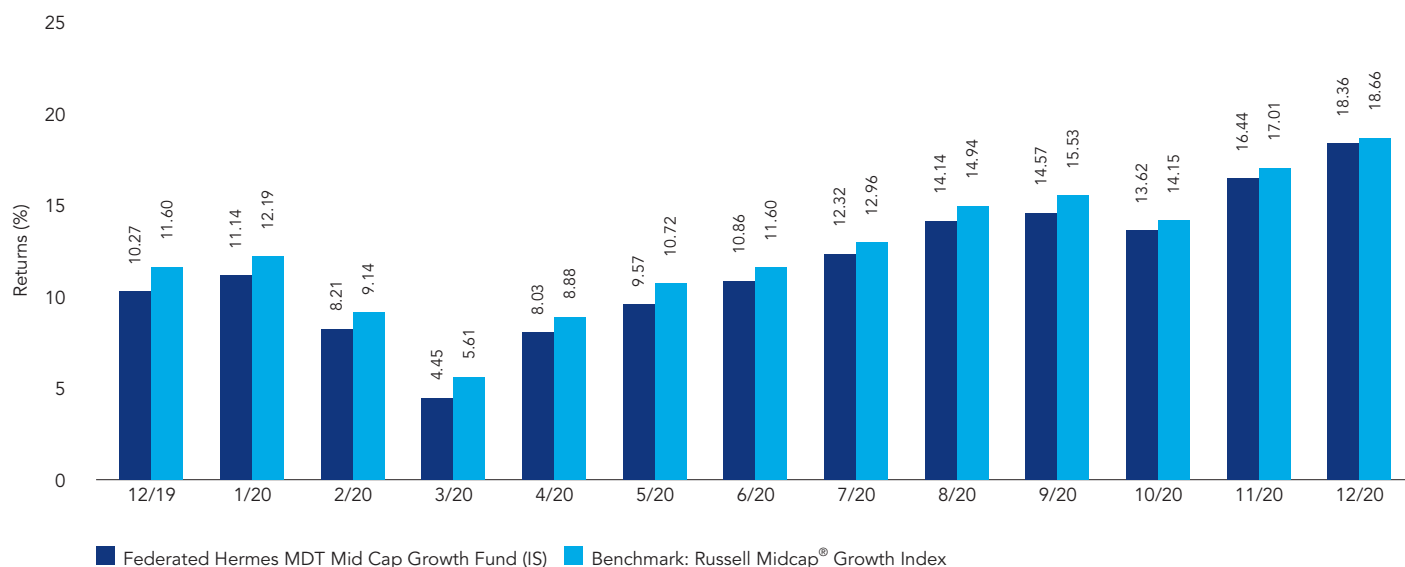
Fund vs. Russell Midcap[®] Growth Index

See disclosure section for important definitions.

5-year risk/return



5-year rolling performance vs. Russell Midcap[®] Growth Index



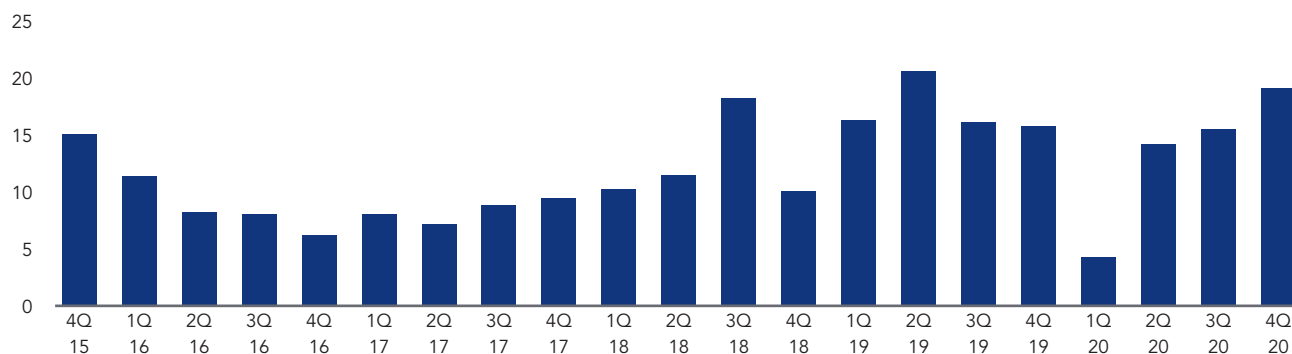
Source: Morningstar, Inc. Performance for 5-year periods (1-month shift) from 10/1/14 - 12/31/20.

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

Timeframe based on current management style of Federated Hermes MDT Mid Cap Growth Fund.

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3-year rolling returns - IS (%)



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Category rankings

Morningstar Mid-Cap Growth Category

		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	40	51	37	62
	Morningstar Category Rank	289 of 604 funds	333 of 564 funds	217 of 504 funds	270 of 383 funds
IS Shares	Morningstar Category % Rank	41	51	36	52
	Morningstar Category Rank	291 of 604 funds	334 of 564 funds	210 of 504 funds	224 of 383 funds
A Shares	Morningstar Category % Rank	41	53	41	60
	Morningstar Category Rank	297 of 604 funds	345 of 564 funds	235 of 504 funds	259 of 383 funds

Lipper Mid-Cap Growth Funds

		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	50	64	48	76
	Lipper Classification Rank	202 of 405 funds	241 of 376 funds	164 of 343 funds	202 of 265 funds
IS Shares	Lipper Classification % Rank	51	65	47	63
	Lipper Classification Rank	204 of 405 funds	242 of 376 funds	161 of 343 funds	166 of 265 funds
A Shares	Lipper Classification % Rank	52	66	50	73
	Lipper Classification Rank	209 of 405 funds	248 of 376 funds	172 of 343 funds	194 of 265 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 MDT Mid Cap Growth 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 MDT Mid Cap Growth Fund.

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

The fund's R Shares, re-designated as R6 Shares on September 1, 2016, commenced operations on December 12, 2006. For the period prior to the commencement of operations of the R Shares (now known as R6 Shares), the performance information shown is for the fund's A Shares, adjusted to reflect the expenses of the R Shares, and the performance information shown for the R6 Shares prior to September 1, 2016 reflects the higher R Shares expenses. The performance information shown also has been adjusted to reflect the absence of sales charges applicable to the A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

Mid-capitalization companies often have narrower markets and limited managerial and financial resources compared to larger and more established companies.

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

Definitions

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.

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 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.

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.

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.

Ratings and rating agencies

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