

Federated MDT Mid Cap Growth Fund

2Q
2019

6/30/19

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

\$597.9 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

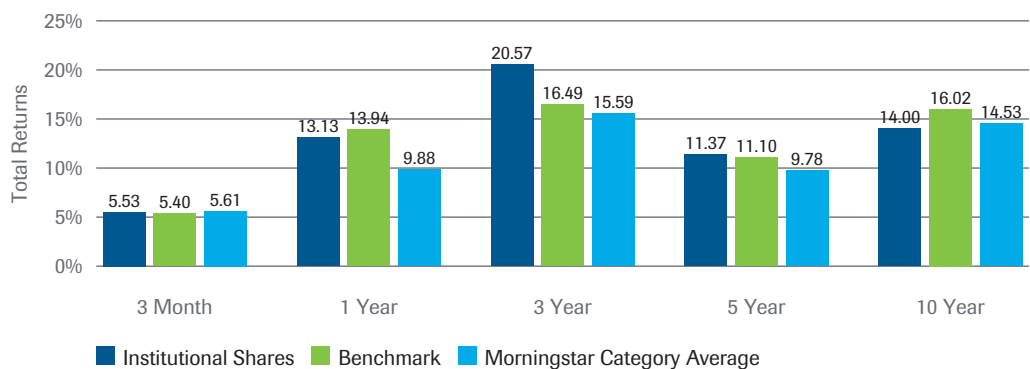
The fund pursues capital appreciation by investing in a diversified portfolio of U.S. mid-cap companies from the Russell Midcap Growth Index. Through a fundamentally based, bottom-up, systematic approach, it seeks to remove subjective and emotional influences from the stock-selection process.

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	5.54	25.71	13.12	20.53	11.02	13.43	8.68	10.44	0.97	0.84
Institutional Shares	5.53	25.69	13.13	20.57	11.37	14.00	9.18	11.12	1.02	0.85
A Shares (NAV)	5.49	25.51	12.82	20.28	11.09	13.75	9.04	11.08	1.29	1.15
A Shares (MOP)	-0.31	18.62	6.62	18.03	9.84	13.10	8.63	10.90	1.29	1.15
Benchmark	5.40	26.08	13.94	16.49	11.10	16.02	10.25	-	-	-



Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	-3.03	24.74	10.21	-4.70	13.93	40.44	6.98	-3.36	19.15	30.61
Benchmark	-4.75	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38	46.29
Morningstar Category Average	-6.65	23.91	6.03	-0.95	7.00	34.93	14.07	-3.96	24.61	39.11

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.

* 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.



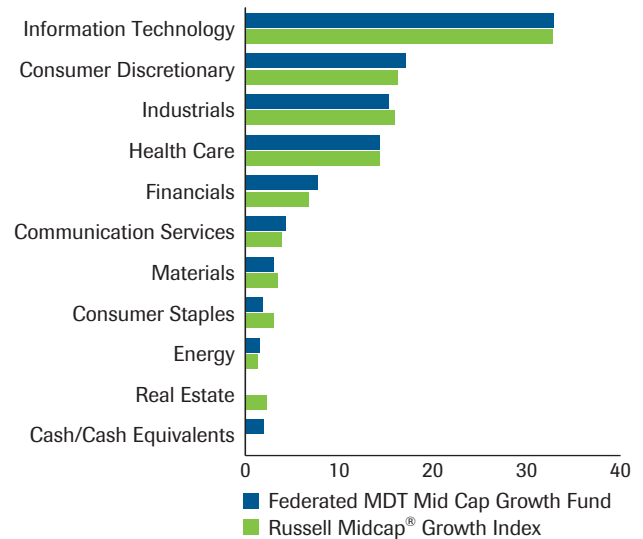
Portfolio Statistics

Weighted Median P/E (LTM)	37.2x
Weighted Median P/E (NTM)	24.4x
Weighted Median Market Cap	\$17.2 b
Weighted Median Price/Book	8.7x
Number of Securities	99

Top Holdings (%)

Mettler Toledo International Inc.	3.3
Ansys, Inc.	3.2
Veeva Systems, Inc.	3.2
Cadence Design Systems, Inc.	3.0
Heico Corp.	2.9
MSCI Inc., Class A	2.9
CoStar Group, Inc.	2.7
ServiceNow, Inc.	2.7
WEX, Inc.	2.7
CDW Corp.	2.6
Total % of Portfolio	29.2

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

- Mid-cap growth stocks outperformed mid-cap value stocks
- Growth stocks with high analyst conviction, prices near 52-week highs and low structural earnings contributed most to outperformance
- Fund ended quarter roughly sector neutral to benchmark

Looking Back

The second quarter of 2019 was more volatile, return-wise, than the first quarter. During each of the respective three months, the Russell 3000 Index returned 3.99%, -6.47% and 7.02%, for a full-quarter return of 4.10%. Large caps and mid-caps did better than small caps (the mega-cap Russell Top 200 Index (RT200) returned 4.29% and was followed closely by the Russell Midcap Index (RMIDCAP) at 4.13%, but the Russell 2000 (R2000) and Russell Microcap Indexes trailed at a respective 2.10% and 0.92%.

While the growth style did lead the value style in most of the market-cap size ranges, the pattern of style returns was inconsistent. Growth and value were almost tied in the mega-cap range (the RT200G led the RT200V by only 0.25%), but growth led by a larger margin in the mid-cap range (the RMIDCAPG led the RMIDCAPV by 2.21%). The small-cap range also favored growth, although by less than the mid-caps (the R2000G led the R2000V by 1.37%). In the idiosyncratic microcap range, however, value led growth by 0.98%. These differences across the cap ranges can likely be attributed to the varying composition of the indexes and their respective perceived exposures to the trade war.

Performance

Federated MDT Mid Cap Growth Fund Institutional Shares returned 5.53% in the second quarter of 2019, outperforming the 5.40% return of its benchmark, the Russell Midcap Growth Index.

Performance Contributors

- Growth stocks with high analyst conviction, prices near 52-week highs and low structural earnings
- Security selection in Health Care and Financials sectors
- Strong performers overweighted by the fund: Veeva Systems Inc. (Class A), Mettler-Toledo International Inc. and Everest Re Group, Ltd.

Performance Detractors

- Stocks with flat or improving earnings-to-price but without prices near 52-week highs
- Security selection in Communication Services sector
- Weak performers overweighted by the fund: Xilinx, Inc. and Urban Outfitters, Inc.
- Strong performer not held by the fund: Total System Services, Inc.

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How We Are Positioned

The fund ended the second quarter roughly sector-neutral to the benchmark according to the GICS sectors, except for a small underweight in Real Estate (the fund does not hold REITs). Within the sectors, there were overweight positions in the consumer services and software & services industries. There was an underweight position in the semiconductors & semiconductor equipment industry and a smaller underweight position in the real estate industry.

See disclosure section for important disclosures and definitions.

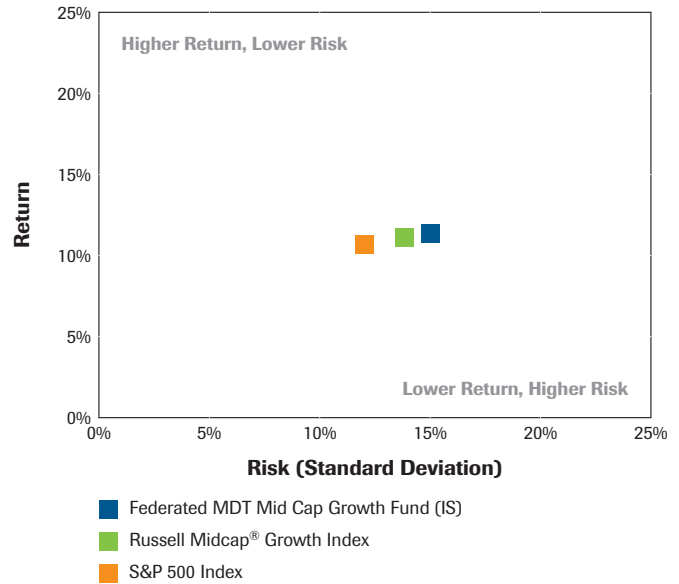
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	15.91	15.02	13.75	15.65
Alpha	2.67	0.00	0.23	-1.86
Beta	1.07	1.04	1.03	1.01
Correlation	0.97	0.96	0.96	0.96
R ²	93.48	91.87	91.74	93.12
Up Capture Ratio	108.79	102.63	102.60	98.57
Down Capture Ratio	90.60	102.81	100.76	109.72
Sharpe Ratio	1.18	0.69	1.06	0.86
Tracking Error	4.19	4.31	3.97	4.11

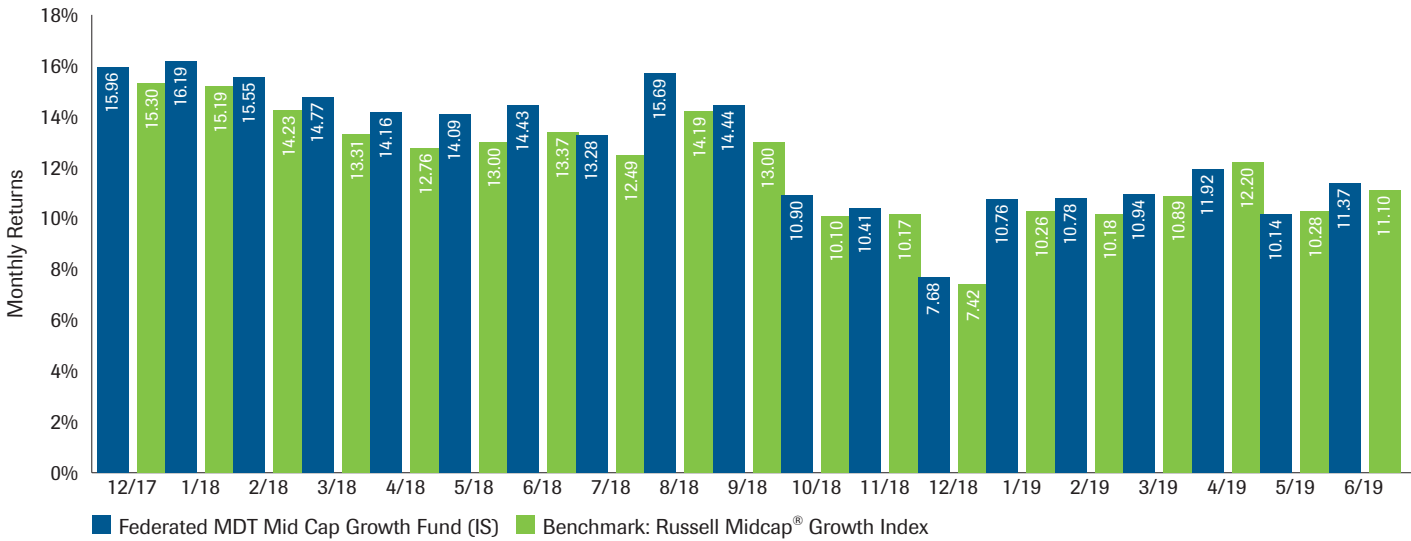
Sources: Federated Investors, Morningstar, Inc.
Fund vs. Russell Midcap[®] Growth Index

See disclosure section for important definitions.

5-Year Risk/Return



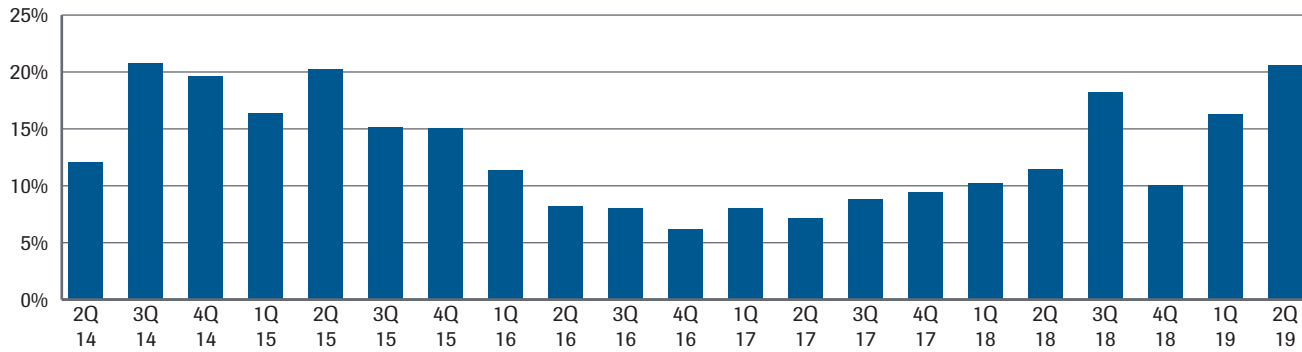
5-Year Rolling Monthly Performance vs. Russell Midcap[®] Growth Index



Source: Morningstar, Inc. Performance for 5-year periods (1-month shift) from 1/1/13 - 6/30/19
Returns are for IS 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 MDT Mid Cap Growth Fund.

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3-Year Rolling Returns (IS)



Category Rankings

Morningstar Mid-Cap Growth Category

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	36	11	32	74
Morningstar Category Rank	250 of 602 Funds	65 of 539 Funds	165 of 484 Funds	295 of 367 Funds
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	35	10	28	64
Morningstar Category Rank	247 of 602 Funds	62 of 539 Funds	143 of 484 Funds	-
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	38	12	31	68
Morningstar Category Rank	266 of 602 Funds	71 of 539 Funds	157 of 484 Funds	271 of 367 Funds

Lipper Mid-Cap Growth Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	47	13	36	82
Lipper Classification Rank	181 of 388 Funds	45 of 359 Funds	119 of 332 Funds	205 of 252 Funds
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	47	12	32	-
Lipper Classification Rank	179 of 388 Funds	42 of 359 Funds	106 of 332 Funds	-
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	50	15	35	74
Lipper Classification Rank	191 of 388 Funds	51 of 359 Funds	115 of 332 Funds	186 of 252 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 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

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.

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

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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