

Federated Hermes MDT Mid Cap Growth Fund

9/30/20

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

\$509.0 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[®]

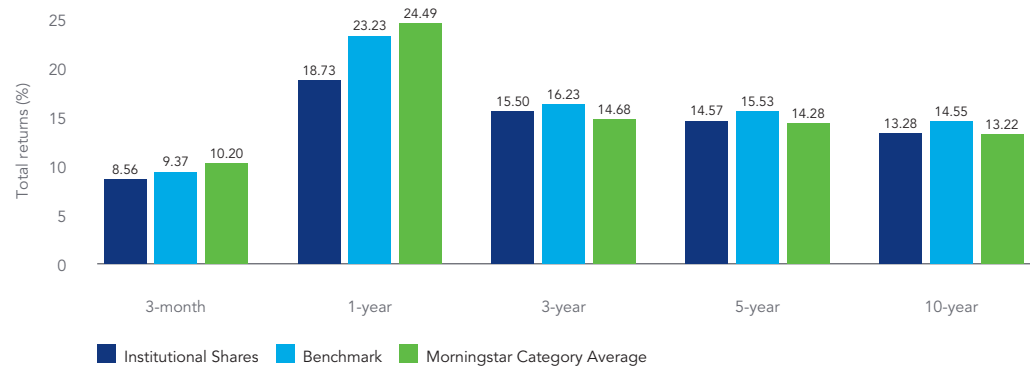
Fund description

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.

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	8.57	13.77	18.75	15.50	14.43	12.79	10.52	0.95	0.84
Institutional Shares	8.56	13.76	18.73	15.50	14.57	13.28	11.18	1.06	0.85
A Shares (NAV)	8.46	13.49	18.37	15.17	14.27	12.99	11.12	1.25	1.15
A Shares (MOP)	2.51	7.24	11.85	13.02	12.98	12.35	10.95	1.25	1.15
Benchmark	9.37	13.92	23.23	16.23	15.53	14.55	-	-	-



Calendar year returns (%)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Institutional Shares	28.34	-3.03	24.74	10.21	-4.70	13.93	40.44	6.98	-3.36	19.15
Benchmark	35.47	-4.75	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38
Morningstar Category Average	32.52	-6.65	23.91	6.03	-0.95	7.00	34.93	14.07	-3.96	24.61

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 1/1/21 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

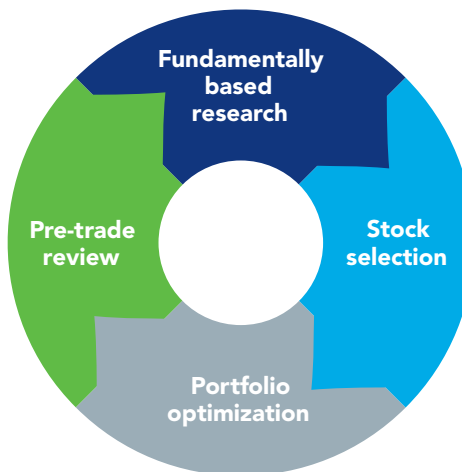
Stock alphas are forecasted based on each company's characteristics.

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.



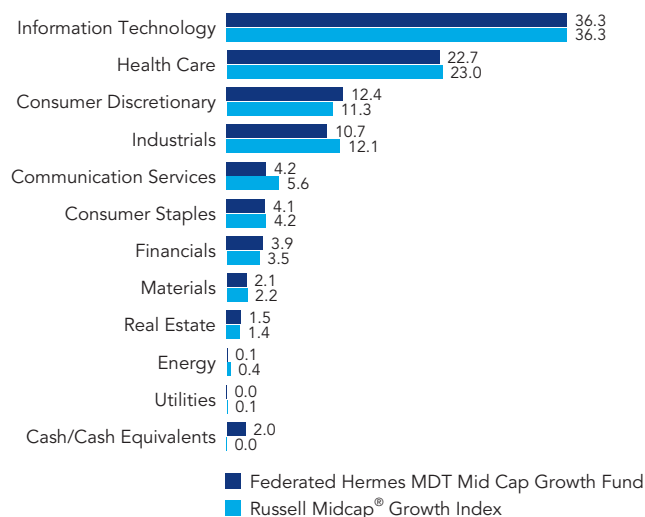
Portfolio statistics

Weighted median P/E (LTM)	43.6x
Weighted median P/E (NTM)	35.0x
Weighted median market cap	\$18.7 b
Weighted median price/book	11.3x
Number of securities	163

Top holdings (%)

Veeva Systems Inc.	3.4
Booz Allen Hamilton Holding Corp.	2.4
Cadence Design Systems, Inc.	2.3
MSCI Inc.	2.1
Okta, Inc.	1.9
Domino's Pizza, Inc.	1.8
EPAM Systems, Inc.	1.8
Verisk Analytics, Inc.	1.8
CrowdStrike Holdings, Inc.	1.7
DocuSign, Inc.	1.5
Total % of portfolio	20.7

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 9/30/20 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 growth stocks outperformed mid-cap value stocks
- Weak stock selection among stocks with neutral to high analyst conviction and without notably worsening earnings-to-price contributed most to underperformance
- Fund ended quarter roughly sector-neutral to benchmark

Looking back

The first two months of 2020's third quarter were positive for the domestic stock market, led by large-cap and growth stocks. September brought a correction, with mid-caps leading large caps while value led growth. But the overall direction of the market for the quarter was unchanged. The Russell 3000 Index returned 9.21% during the period. Large caps beat small caps, with the mega-cap Russell Top 200 Index returning 10.16%, the Russell Midcap Index returning 7.46% and the small-cap Russell 2000 Index returning 4.93%. Growth stocks beat value stocks, with the Russell 3000 Growth Index returning 12.86% and the Russell 3000 Value Index returning 5.42%. The growth advantage was widest in the mega-cap range where growth led value by 8.84%. It was narrowest in the mid-cap range where growth led value by 2.97%.

So while September was a short-term change of pattern, the large-cap-and-growth orientation of the market has persisted the last three years. From October 2017 through September 2020, the mega-cap Russell Top 200 has an annualized return of 14.34% while the small-cap Russell 2000 has returned 1.77%; the Russell Midcap return lies between the two, at 7.13% annualized. Comparing the growth and value styles, the Russell 3000 Growth Index has returned 20.73% while the Russell 3000 Value Index has returned 2.11%.

Performance

Federated Hermes MDT Mid Cap Growth Fund Institutional Shares returned 8.56% in the third quarter of 2020, underperforming the 9.37% return of its benchmark, the Russell Midcap Growth Index.

Performance contributors

- Stocks with high volatility and positive analyst conviction
- Security selection in Health Care and Information Technology sectors
- Strong performers overweighted by the fund: Square, Inc. (Class A), DocuSign, Inc. and Waters Corporation

Performance detractors

- Weak stock selection among stocks with neutral to high analyst conviction and without notably worsening earnings-to-price
- Security selection in Industrials, Consumer Staples and Communication Services sectors
- Weak performer overweighted by the fund: Spirit AeroSystems Holdings, Inc. (Class A)
- Strong performers underweighted by the fund: Roku, Inc. (Class A) and CoStar Group, Inc.

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How we are positioned

The fund ended the third quarter roughly sector-neutral to the benchmark, according to the GICS sectors. Within the sectors there was a small underweight position in the food, beverage & tobacco industry.

See disclosure section for important disclosures and definitions.

Risk statistics

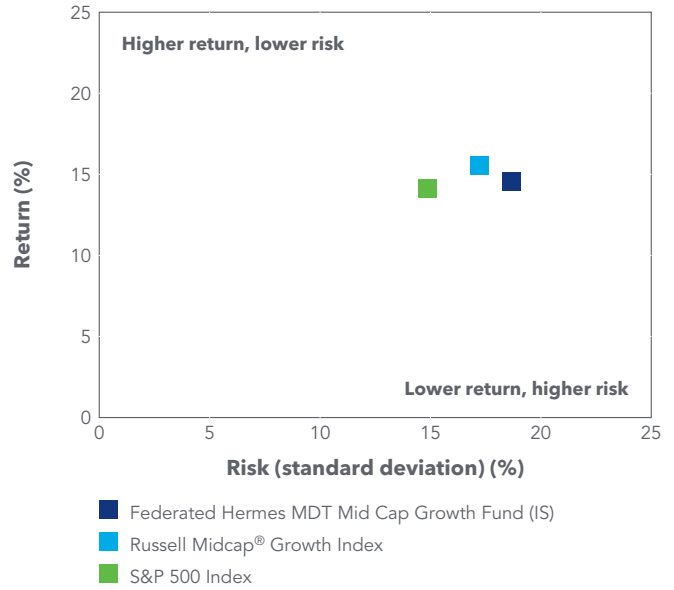
	3-year	5-year	7-year	10-year
Standard deviation	21.92	18.66	16.78	16.30
Alpha	-1.22	-1.38	-0.54	-1.27
Beta	1.06	1.05	1.03	1.02
Correlation	0.99	0.97	0.97	0.97
R²	98.07	94.64	94.12	94.06
Up capture ratio	101.60	100.97	100.70	99.51
Down capture ratio	105.84	107.41	103.14	107.04
Sharpe ratio	0.62	0.71	0.72	0.77
Tracking error	3.26	4.43	4.11	3.99

Sources: Federated Hermes, Morningstar, Inc.

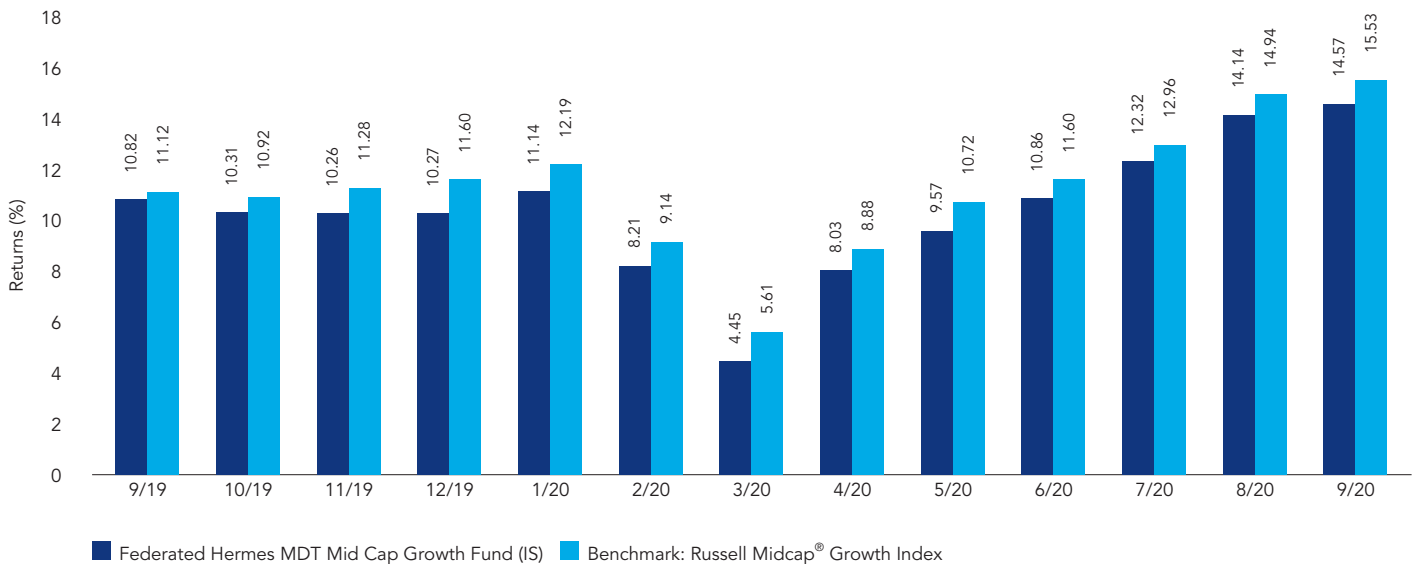
Fund vs. Russell Midcap[®] Growth Index

See disclosure section for important definitions.

5-year risk/return



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



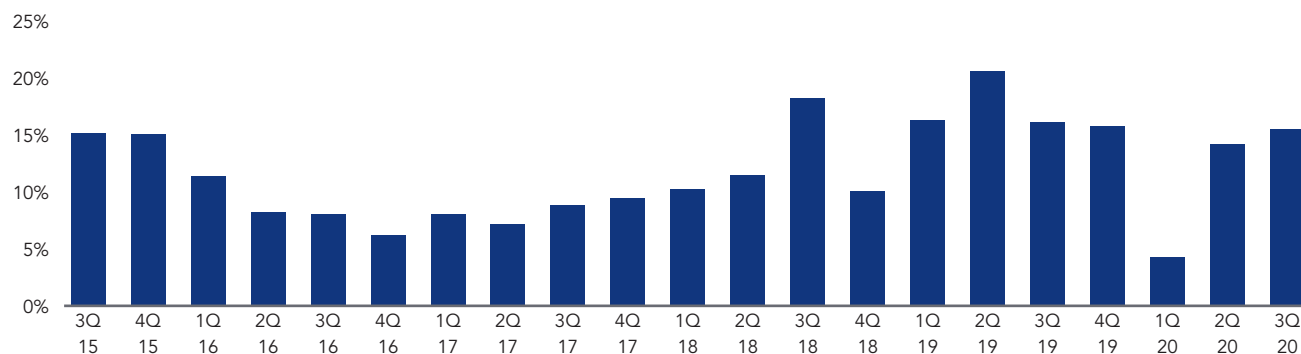
Source: Morningstar, Inc. Performance for 5-year periods (1-month shift) from 10/1/14 - 9/30/20

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 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	60	43	46	63
Morningstar Category Rank	414 of 607 funds	293 of 557 funds	259 of 500 funds	267 of 380 funds
IS Shares				
Morningstar Category % Rank	60	42	44	50
Morningstar Category Rank	416 of 607 funds	292 of 557 funds	243 of 500 funds	216 of 380 funds
A Shares				
Morningstar Category % Rank	62	46	49	60
Morningstar Category Rank	425 of 607 funds	309 of 557 funds	278 of 500 funds	249 of 380 funds

Lipper Mid-Cap Growth Funds

	1-year	3-year	5-year	10-year
R6 Shares				
Lipper Classification % Rank	71	58	58	76
Lipper Classification Rank	285 of 401 funds	212 of 368 funds	192 of 334 funds	199 of 261 funds
IS Shares				
Lipper Classification % Rank	72	58	55	63
Lipper Classification Rank	286 of 401 funds	212 of 368 funds	181 of 334 funds	165 of 261 funds
A Shares				
Lipper Classification % Rank	73	60	62	72
Lipper Classification Rank	292 of 401 funds	219 of 368 funds	205 of 334 funds	188 of 261 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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