

Small-cap investing

More ways to tap into small-cap opportunities

	Federated Hermes Kaufmann Small Cap Fund	Federated Hermes MDT Small Cap Core Fund	Federated Hermes MDT Small Cap Growth Fund	Federated Hermes Clover Small Value Fund
Client profile	Clients seeking growth style portfolio with high active share. Access to the IPO market.	Clients seeking blend of value and growth-style portfolio with diversified alpha potential. Style pure core equity option.	Clients seeking growth style portfolio with diversified alpha potential. Style pure growth equity option.	Clients seeking value style portfolio with high active share. Style pure value equity option.
Fund profile	<ul style="list-style-type: none"> • Selects stocks through an intensive, bottom-up process that includes frequent conversations with key executives and employees, regular on-site visits, industry analysis and thorough fundamental research • Typically around 200 holdings • May hold domestic small-cap stocks, foreign stocks, IPOs and REITs 	<ul style="list-style-type: none"> • Fundamentally based, systematic, bottom-up process • Typically less than 300 holdings • Holds domestic small-cap stocks • Employs multiple, distinct combinations of value, growth and quality characteristics of all index companies • Diversified across different types of companies, sectors and individual holdings 	<ul style="list-style-type: none"> • Fundamentally based, systematic, bottom-up process • Typically less than 250 holdings • Holds domestic small-cap stocks • Employs multiple, distinct combinations of value, growth and quality characteristics of all index companies • Diversified across different types of companies, sectors and individual holdings 	<ul style="list-style-type: none"> • Bottom-up quantitative and qualitative stock selection process • Typically 70-90 holdings • Holds domestic and foreign small-cap value stocks • Focus on companies at an inflection point; focus on free cash flow • Diversified across market sectors and holdings
Benchmark	Russell 2000® Growth Index	Russell 2000® Index	Russell 2000® Growth Index	Russell 2000® Value Index
Morningstar category	Small growth	Small blend	Small growth	Small Value
Share classes	R6: FKALX IS: FKAIX A: FKASX C: FKCSX R: FKKSX	R6: QLSCX IS: QISCX A: QASCX C: QCSCX	R6: QLSGX IS: QISGX A: QASGX C: QCSGX	R6: VSFSX IS: VSFIX A: VSFAX C: VSFCX R: VSFRX

Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set 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 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

Indexes are unmanaged and cannot be invested in directly.

As of June 29, 2020 the funds have been renamed Federated Hermes Kaufmann Small Cap Fund, Federated Hermes MDT Small Cap Core Fund, Federated Hermes MDT Small Cap Growth Fund and Federated Hermes Clover Small Value Fund.

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Mutual funds are subject to risks and fluctuate in value.

Diversification does not assure a profit nor protect against loss.

Value stocks may lag growth stocks in performance at times, particularly in late stages of a market advance.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

Due to their relatively high valuations, growth stocks are typically more volatile than value stocks.

Investments in real estate investment trusts ("REITs") involve special risks associated with an investment in real estate, such as limited liquidity and interest rate risks.

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks.

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 is a measure of the volatility, or systematic risk, of a security or a portfolio, in comparison to the market as a whole.

Active Share is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index.

Investing in initial public offerings (IPOs) involves special risks such as limited liquidity and increased volatility.

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

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the summary prospectus or the prospectus before investing.