

Federated Hermes MDT Mid Cap Growth Fund



Nasdaq symbol — R6: FGSKX | IS: FGSIX | A: FGSAX

Combining factors to produce alpha potential

March 31, 2025

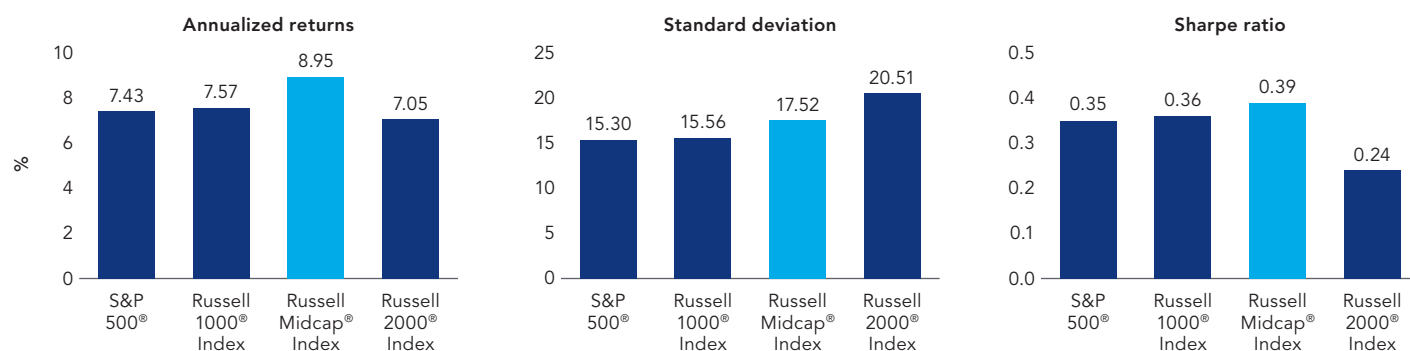
Below the radar: considering mid-cap stocks

With many desirable characteristics, mid-cap companies can combine the beneficial features of larger companies — financial stability, sustainable business models, adaptability — with those of smaller companies — growth potential, niche markets and nimble management.

While large companies have dominated market returns of late, mid-cap stocks have demonstrated sought-after risk/return characteristics over the long run.

Exhibit 1: Index return and risk characteristics — 1/1/00 to 3/31/25

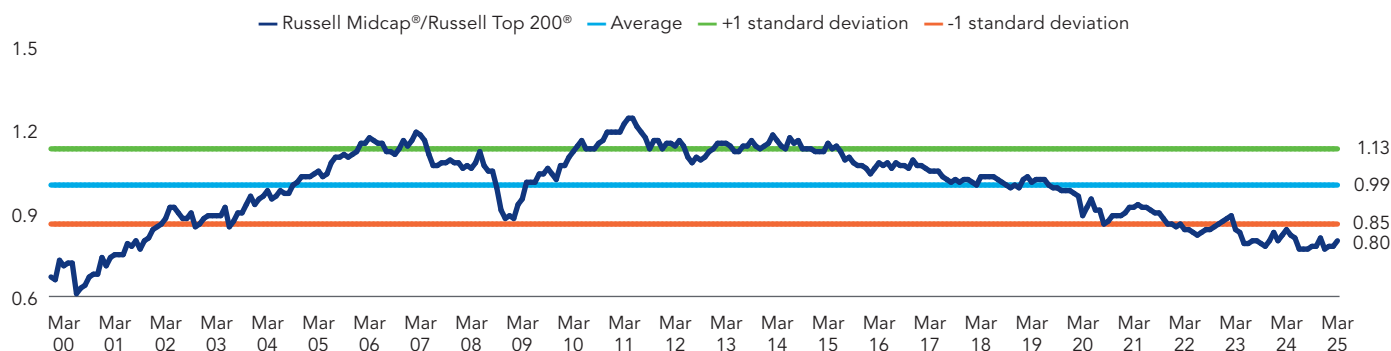
Mid-cap stocks have shown better performance and return efficiency (measured by Sharpe ratio) than both small- and large-cap stocks since 2000.



As of 3/31/25. Sources: Morningstar, Inc., Federated Hermes, Inc. **Past performance is no guarantee of future results.** This chart and the one below are for illustrative purposes only and is not indicative of any specific investment.

A two-decade-low relative valuation may provide opportunistic entry point

Exhibit 2: Russell Top 200® and Russell Midcap® Indexes relative forward P/E ratio



As of 3/31/25. Sources: Morningstar, Inc., Federated Hermes, Inc.

- The chart above shows the relative forward price-to-earnings ratio of the Russell Midcap® and Russell Top 200® Indexes. A measure of 1.00 would indicate “fair value” between the two, with a level below 1.00 currently indicating undervaluation of mid-caps.
- The relative valuation between large- and mid-cap stocks is hovering at levels last observed in late 2001.
- Five-year returns subsequent to 11/1/01 saw the Russell Midcap® Index outperform the Russell Top 200® Index by more than 900bps annualized.
- Russell 1000® investors concerned about valuation and concentration in mega-cap stocks may want to consider mid-cap stocks with an earnings growth focus as a way to pursue return potential within the growth stock space.

Why Federated Hermes MDT Mid Cap Growth Fund

Disciplined investment process

Rigorous factor research

Research identifies powerful combinations of fundamental and technical factors that can be effective across market environments.

Stock selection

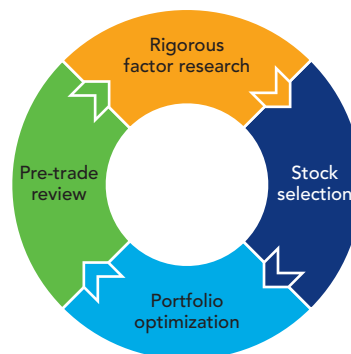
Stock alphas are forecasted based on each company's characteristics. Only stocks within the Russell Midcap® Growth Index are chosen.

Portfolio optimization

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

Pre-trade review

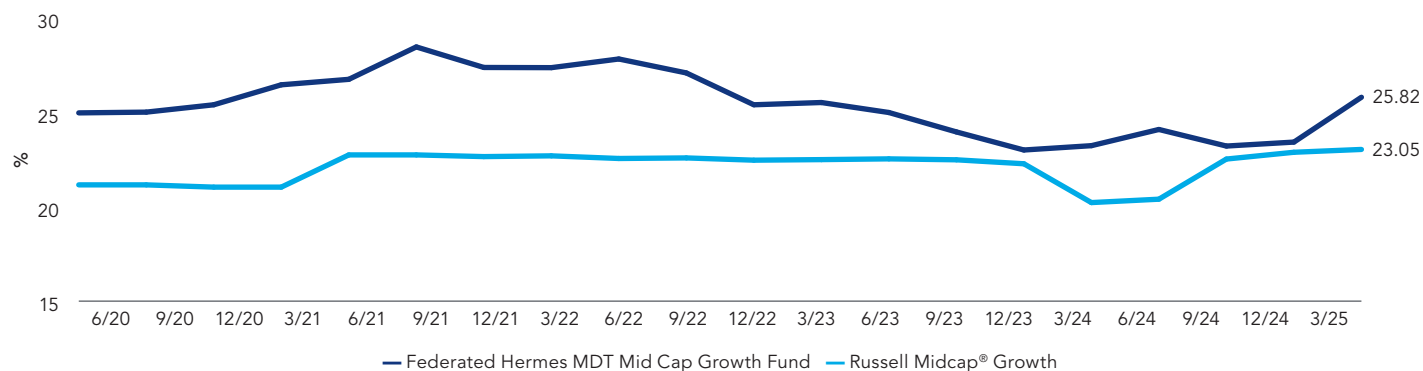
The team reviews all trades to ensure they are based on the most recent and accurate information. Insights from pre-trade review provide important feedback to the team and inspire further research.



Active pursuit of growth

The fund has shown a higher growth rate than the Russell Midcap® Growth Index.

Exhibit 3: Trailing 5-year earnings per share growth rate



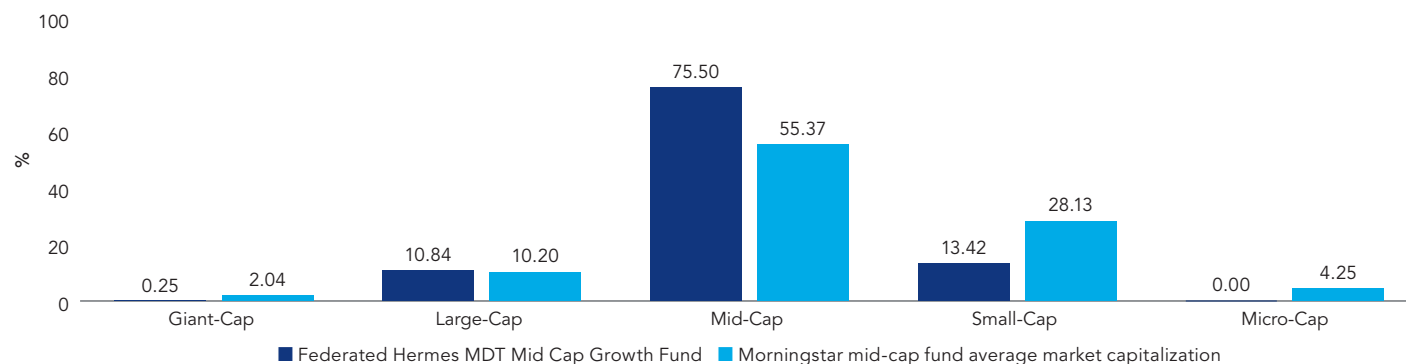
As of 3/31/25. Sources: Factset; Federated Hermes, Inc. Quarterly 5-year trailing weighted average earnings per share growth rate. **Past performance is no guarantee of future results.** This is for a selected time period; results may have varied over longer time periods.

Style adherence

Federated Hermes MDT Mid Cap Growth Fund only selects stocks from within the Russell Midcap® Growth universe, which has different parameters than the Morningstar categories. Many mid-cap funds have a substantial weighting in small-cap stocks, which may reduce diversification benefits.

Exhibit 4: Federated Hermes MDT Mid Cap Growth Fund vs. Morningstar Mid-Cap category

Market capitalization breakdown as of 12/31/24







As of 12/31/24. Sources: Morningstar, Inc., Federated Hermes, Inc. All Morningstar mid-cap funds: mid-cap blend, mid-cap growth, mid-cap value (not including ETFs and index funds). Capitalization breakdowns follow Morningstar's methodology, which evolves over time. As of 12/31/24: Giant: \$390,615m+; Large: \$67,867m to \$390,615m; Mid: \$11,218m to \$67,867m; Small: \$2,860m to \$11,218m; Micro: Less than \$2,860m.

Consistent performance

Exhibit 5: Top-quartile performance vs. peers

Peer rankings as of 3/31/25

Rankings are based on total return and do not consider sales charges.

	1-year	3-year	5-year	10-year
Morningstar Mid-Cap Growth Category Quartile Rank (IS and A)				
Morningstar Mid-Cap Growth Category Percentile Rank (IS/A)	5/5	3/3	4/4	5/5
Number of funds	497	481	447	358

US Fund Mid-Cap Category peer group performance and percentile uses current Morningstar Category as of 3/31/25. Source: Morningstar, Inc. Rankings are based on total return and do not consider sales charges. Returns are for Institutional and A Shares. Other classes of shares are available whose performance will vary due to different charges and expenses. Returns for periods longer than one year are annualized. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedHermes.com/us.

Average annual total return (%) as of 3/31/25

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
Federated Hermes MDT Mid Cap Growth Fund - R6	8/23/84	-7.45	8.98	9.94	20.32	11.99	10.81	0.94	0.84
Federated Hermes MDT Mid Cap Growth Fund - IS	8/23/84	-7.47	8.94	9.92	20.31	12.10	11.40	1.03	0.85
Federated Hermes MDT Mid Cap Growth Fund - A	8/23/84	-7.53	8.62	9.60	19.96	11.79	11.31	1.24	1.15
Russell Midcap® Growth Index		-7.12	3.57	6.16	14.86	10.14	–	–	–
Maximum offering price									
Federated Hermes MDT Mid Cap Growth Fund - A	8/23/84	-12.62	2.64	7.55	18.61	11.16	11.16	1.27	1.15

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 FederatedHermes.com/us. 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 1/1/26 or the date of the fund's next effective prospectus.

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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 FederatedHermes.com/us. 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.

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. ©2024 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.

Definitions

Alpha is a measure of risk-adjusted returns. A portfolio with an alpha greater than 0 has earned more than expected given its beta (a measure of risk) — 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 level.

Forward price-to-earnings ratio is calculated by dividing stock price by an average of 1-year forward earnings estimates for that stock.

Russell Midcap® Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.

Russell 1000® Index measures the performance of the large-cap segment of the US equity universe. It includes approximately 1,000 largest US stocks, representing 93% of investable US equities by market capitalization. The index comprises the Russell Top 200® and the Russell Midcap® Indexes.

Russell 2000® Index measures the performance of approximately 2,000 small-cap US equities.

Russell Midcap® Growth Index is a subset of the Russell 1000® Growth Index. It includes approximately 300+ securities based on a combination of their market cap and growth characteristics.

Russell Top 200® Index measures the performance of the 200 largest companies in the Russell 1000® Index.

S&P 500® is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Sharpe ratio is calculated by using standard deviation and excess return to determine reward per unit of risk.

Standard deviation is measure of volatility. More formally defined, a statistical measurement of dispersion about an average, which depicts how widely an investment's returns varied over a certain period.

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.

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

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

Diversification does not assure a profit nor protect against loss.

The value of equity securities in the fund's portfolio will fluctuate and, as a result, the fund's share price may decline. Equity securities may decline in value because of an increase in interest rates or changes in the stock market.

Because the fund may allocate relatively more assets to certain industry sectors than others, the fund's performance may be more susceptible to any developments which affect those sectors emphasized by the fund.

Growth stocks tend to have higher valuations and thus are typically more volatile than value stocks. Growth stocks also may not pay dividends or may pay lower dividends than value stocks.