

Federated Hermes MDT Large Cap Value Fund



Investment case

Ticker — R6: FSTLX | IS: FMSTX | A: FSTRX

December 31, 2025

Why Federated Hermes MDT Large Cap Value Fund

- Federated Hermes MDT Advisers has been utilizing machine learning and advanced statistics to make objective, unemotional investment decisions for more than 30 years.
- Daily stock analysis provides the opportunity to generate alpha in shifting markets while being mindful of trading costs.
- MDT applies its differentiated investment process to the value stock universe seeking to create a well-diversified, risk-managed portfolio.

Disciplined investment process

Rigorous factor research

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

Stock selection

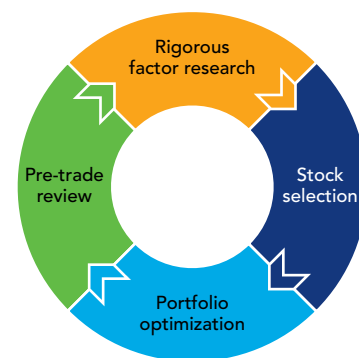
Stock alphas are forecasted based on each company's characteristics. Only stocks within the Russell 1000® Value Index are chosen.

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.



The fund has outperformed its benchmark and peers over multiple periods

Exhibit 1: Trailing total returns as of 12/31/25

	1-year	3-year	5-year	10-year
Federated Hermes MDT Large Cap Value Fund - IS	19.78	18.41	15.39	12.41
Russell 1000® Value Index	15.91	13.90	11.33	10.53
Excess return	3.87	4.51	4.06	1.88

Source: Federated Hermes, Inc. **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.** See the prospectus for other fees and expenses that apply to a continued investment in the fund. See page 3 for standard fund performance.

Exhibit 2: Peer rankings as of 12/31/25

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

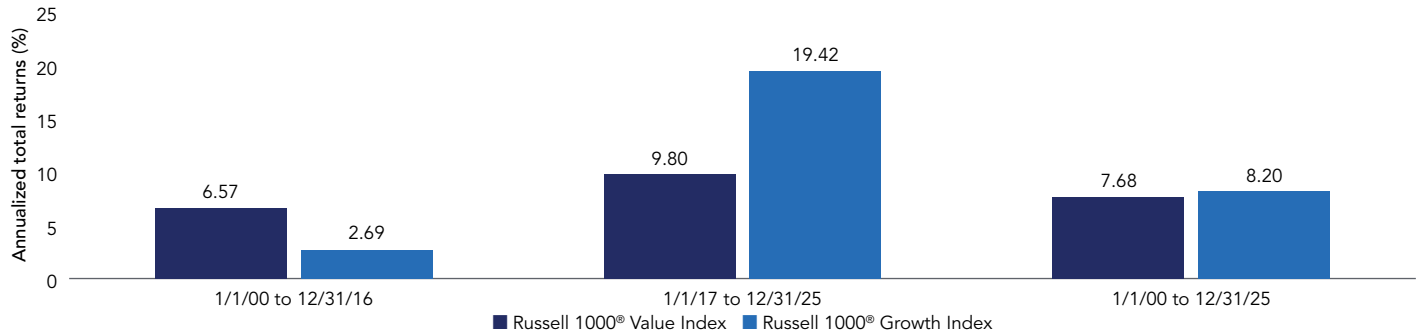
	1-year	3-year	5-year	10-year
Morningstar Large-Cap Value Category Quartile Rank (IS and A)				
Morningstar Large-Cap Value Category Percentile Rank (IS/A)	10/12	10/11	3/4	13/16
Number of funds	1,107	1,059	995	832

US Fund Large-Cap Value Category peer group performance and percentile uses current Morningstar Category as of as of 12/31/25. 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.

Value and growth go through performance cycles

- Value and growth stocks can go through extended periods of relative outperformance of varying range and duration.
- Despite the performance disparity since 2017, the performance difference between growth and value is not as conclusive over the long term, highlighting why chasing performance trends may not be a sustainable long-term investment approach.

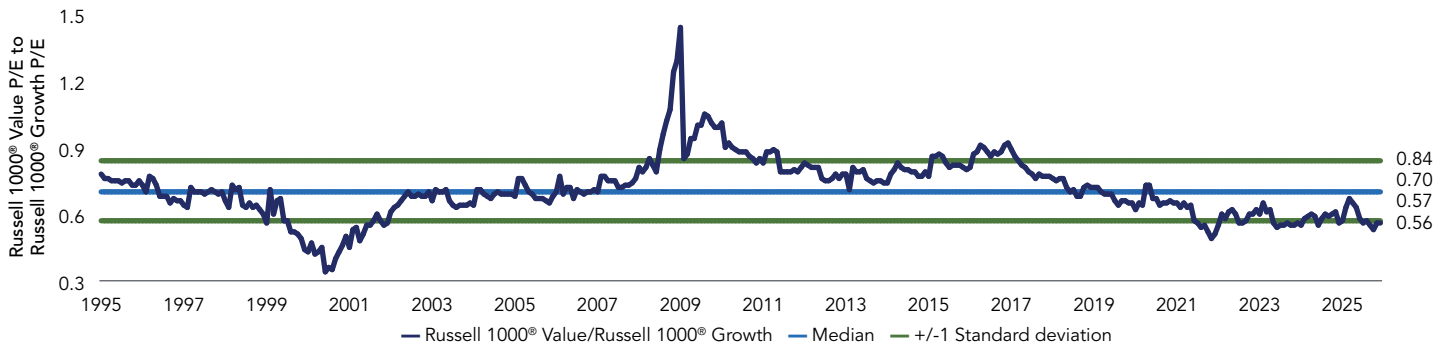
Exhibit 3: Value and growth stocks have had two major cycles since 2000



Source: Morningstar, Inc.; Federated Hermes, Inc. **Past performance is no guarantee of future results.** For illustrative purposes only. Indexes are unmanaged and cannot be invested in directly.

Valuations favor value stocks

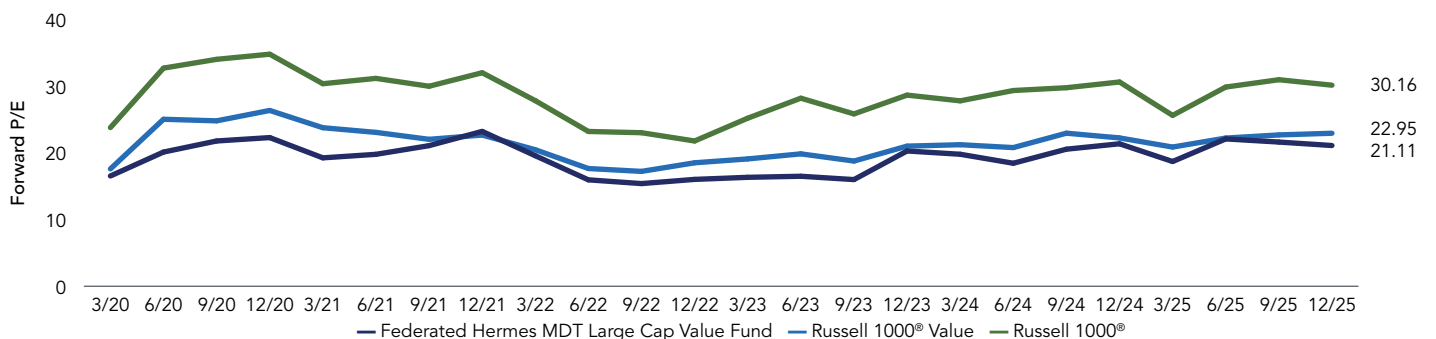
Exhibit 4: Value stocks' 12-month forward price/earnings (P/E) ratio relative to growth stocks, Russell 1000® Value and Russell 1000® Growth Indexes



Sources: MSCI and Bloomberg. From 1/31/95 to 12/31/25. **Past performance is no guarantee of future results.**

Federated Hermes MDT Large Cap Value Fund typically has lower P/E relative to its benchmark and the broader Russell 1000® Index

Exhibit 5: 12-month forward P/E ratios

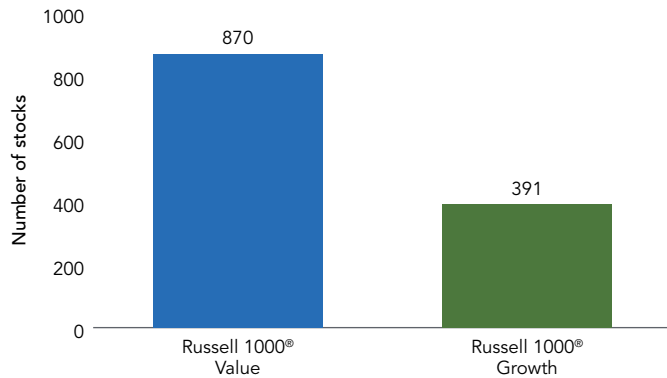


Sources: Bloomberg and Federated Hermes, Inc.; from 3/31/20 to 12/31/25. **Past performance is no guarantee of future results.**

A diverse opportunity set with low tech exposure

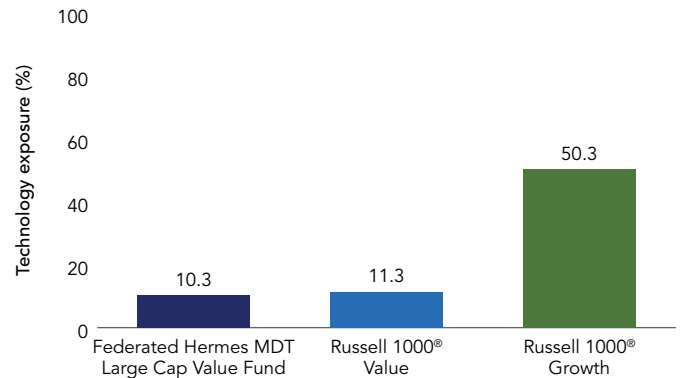
With nearly 900 stocks from defensive value to cyclical value to low P/E, the Russell 1000® Value provides a diverse opportunity set with low technology exposure.

Exhibit 6: Number of stocks, Russell 1000® Value and Growth indexes



Sources: FTSE Russell, Federated Hermes, Inc.; as of 12/31/25.

Exhibit 7: Information Technology sector exposure



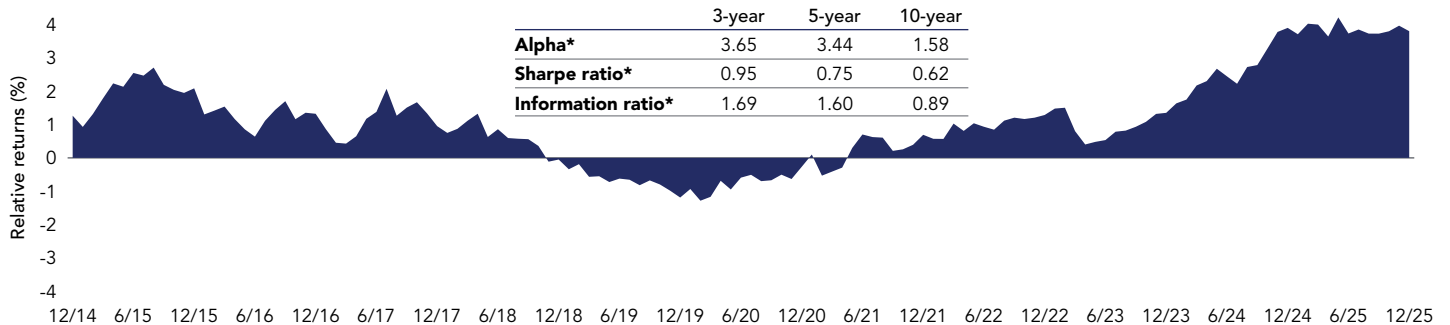
Sources: FTSE Russell, Federated Hermes, Inc.; as of 12/31/25.

A history of consistent outperformance

Federated Hermes MDT Large Cap Value Fund is a diversified large-cap value fund that seeks to outperform the Russell 1000® Value Index over time through bottom-up stock selection. The fund's quantitative process selects investments based on fundamental and technical attributes that MDT believes drive performance.

Exhibit 8: Rolling five-year excess returns, MDT Large Cap Value Fund vs. Russell 1000® Value Index

MDT has beaten the Russell 1000® Value Index in 78% of rolling 5-year periods from 1/1/10 through 12/31/25.



Sources: Factset; Federated Hermes, Inc. Rolling five-year total returns, monthly step, beginning 1/1/10. **Past performance is no guarantee of future results.**

*Calculated using the Russell 1000® Value benchmark; periods ending 12/31/25.

Average annual total return (%) as of 12/31/25

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6	3/31/82	4.66	19.78	18.41	15.39	12.41	11.68	0.81	0.70
IS	3/31/82	4.65	19.66	18.33	15.30	12.35	11.69	0.89	0.77
A	3/31/82	4.57	19.42	18.07	15.05	12.11	11.60	1.12	0.99
Russell 1000® Value Index	-	3.81	15.91	13.90	11.33	10.53	-	-	-
Maximum offering price									
A	3/31/82	-1.17	12.86	15.86	13.76	11.47	11.45	1.12	0.99

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](https://www.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 1/1/27 or the date of the fund's next effective prospectus.

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 FederatedHermes.com/us. Please carefully read the summary prospectus or the prospectus before investing.

The fund is the successor to the Federated MDT Large Cap Value Fund pursuant to a reorganization completed on December 8, 2017. The predecessor fund is both the tax and accounting survivor of the reorganization. The performance information, including information on fees and expenses and financial information provided above for periods prior to December 8, 2017 is historical information for the predecessor fund. The predecessor fund's A Shares commenced operations on May 1, 2014. The predecessor fund's IS Shares commenced operations on January 29, 2010. The predecessor fund's R6 Shares commenced operations on June 29, 2016. For the periods prior to the commencement of operations of the predecessor fund's A, IS, and R6 Shares, the performance information is that of the predecessor fund's SS Shares. The performance of the SS Shares has not been adjusted, except for sales charges, to reflect the expenses applicable to the A Shares since the A Shares have the same net expense ratio as the SS Shares. The performance of the SS Shares has also not been adjusted to reflect the expenses applicable to the IS Shares and the R6 Shares since the IS Shares and R6 Shares have a lower expense ratio than the expense ratio of the SS Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

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

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance, particularly in late stages of a market advance.

Diversification does not assure a profit nor protect against a 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.

Large-cap companies may have fewer opportunities to expand the market for their products or services, may focus their competitive efforts on maintaining or expanding their market share, and may be less capable of responding quickly to competitive challenges.

The above factors could result in the share price of large-cap companies lagging the overall stock market or growth in the general economy, and, as a result, could have a negative effect on the fund's portfolio, performance and share price.

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.

Holdings percentages are based on net assets at the close of business on the date indicated 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.

Information ratio is a measure of risk-adjusted return. It is calculated by dividing a portfolio's return in excess of its benchmark (active return) by its tracking error. A return series combining higher return and lower tracking error is desirable.

Sharpe ratio is calculated by dividing a fund's annualized excess return minus the risk-free rate, 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 statistical measurement of dispersion about an average which depicts how widely the returns varied over a certain period of time. The higher the standard deviation, the greater the volatility.

Russell 1000® Index measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® Index represents approximately 92% of the US market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 1000® Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

Russell 1000® Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000® Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

Ratings and rating agencies

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. ©2026 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.