

Federated Hermes MDT All Cap Core Fund

3/31/24

Fund facts

Performance inception date

10/1/02

Benchmark

Russell 3000® Index

Morningstar category

Large Blend

Lipper classification

Multi-Cap Core Funds

Fund assets

\$831.8 million

Ticker symbols

R6 Shares - QKACX

Institutional Shares - QIACX

A Shares - QAACX

C Shares - QCACX

Key investment team

Daniel Mahr, CFA

Damien Zhang, CFA

Frederick Konopka, CFA

John Paul Lewicke

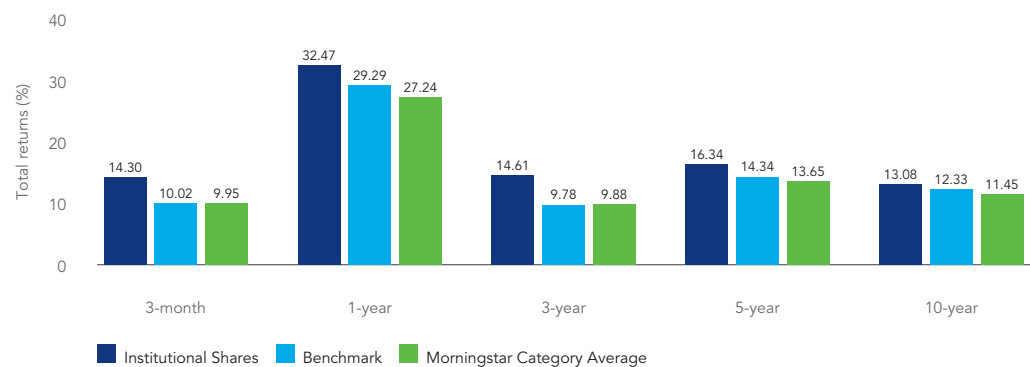
Fund description

The fund pursues long-term capital appreciation by taking a “whole-market” approach to U.S. stocks and investing in a diversified portfolio of companies from the Russell 3000® Index. Through a 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 | 14.27 | 14.27 | 32.45 | 14.61 | 16.35 | 12.89 | 10.43 | 0.88 | 0.74 |
| Institutional Shares | 14.30 | 14.30 | 32.47 | 14.61 | 16.34 | 13.08 | 10.95 | 0.95 | 0.75 |
| A Shares (NAV) | 14.21 | 14.21 | 32.11 | 14.27 | 15.99 | 12.75 | 10.64 | 1.21 | 1.05 |
| A Shares (MOP) | 7.92 | 7.92 | 24.83 | 12.13 | 14.68 | 12.11 | 10.35 | 1.21 | 1.05 |
| Benchmark | 10.02 | 10.02 | 29.29 | 9.78 | 14.34 | 12.33 | – | – | – |



Calendar year total returns (%)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| Institutional Shares | 23.51 | -14.03 | 31.22 | 21.91 | 26.91 | -2.49 | 21.07 | 12.41 | -4.21 | 13.32 |
| Benchmark | 25.96 | -19.21 | 25.66 | 20.89 | 31.02 | -5.24 | 21.13 | 12.74 | 0.48 | 12.56 |
| Morningstar Category Average | 22.32 | -16.96 | 26.07 | 15.83 | 25.04 | -8.53 | 15.94 | 14.81 | -4.05 | 10.21 |

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. 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 10/1/24 or the date of the fund's next effective prospectus.

Investment process

Alpha forecasting

Utilizes a combination of fundamental and technical factors to predict each stock's potential performance relative to the benchmark based on each company's characteristics.

Portfolio construction

Incorporates multiple benchmark-relative risk controls in an attempt to maximize excess return, net of trading costs.

Trading review

Proposed trades are reviewed daily to help ensure they reflect accurate, up-to-date information.

Ongoing research

Continuous research is conducted to look for opportunities that can strengthen the investment process and ensure strategies remain robust.



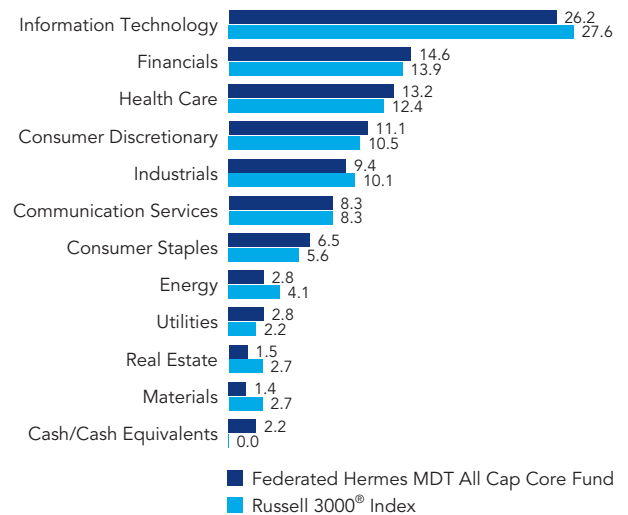
Portfolio statistics

| | |
|----------------------------|----------|
| Weighted median P/E (LTM) | 26.7x |
| Weighted median P/E (NTM) | 21.4x |
| Weighted median market cap | \$74.0 b |
| Weighted median price/book | 8.9x |
| Number of securities | 175 |

Top holdings (%)

| | |
|----------------------------|------|
| Apple Inc. | 5.4 |
| Microsoft Corp. | 5.1 |
| AbbVie Inc. | 3.1 |
| NVIDIA Corporation | 3.1 |
| Alphabet Inc. | 2.8 |
| Meta Platforms, Inc. | 2.7 |
| Amazon.com, Inc. | 2.0 |
| Nutanix, Inc. - A | 1.9 |
| Prudential Financial, Inc. | 1.9 |
| Vistra Corp. | 1.8 |
| Total % of portfolio | 29.8 |

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 3/31/24 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

- Domestic market favored large-cap stocks over mid and small stocks, with growth stocks outperforming value stocks in all capitalization ranges
- Favorable stock selection among companies with positive analyst conviction and flat or worsening earnings to price contributed the most to outperformance
- Fund ended the quarter roughly sector-neutral to benchmark

Looking back

U.S. equities continued to surge higher to start 2024, with the S&P 500 delivering its strongest first quarter return since 2019. Positive economic data, including a persistently strong labor market, helped market sentiment – even though the number of expected interest rate cuts in 2024 were recalibrated lower. Healthy corporate earnings also helped share prices for the period. U.S. equity returns have been periodically driven by a narrow set of large-cap tech stocks over the recent years, though the market rally was broader-based in the first quarter. Nonetheless, momentum was the dominant U.S. equity theme to start 2024. The broad market Russell 3000 Index rose 10.02% for the period, led by larger-cap, growth-oriented segments. The mega-cap Russell Top 200 returned 10.84%, outpacing the Russell Midcap (+8.60%) and small-cap Russell 2000 (+5.18%). The Russell 3000 Growth Index (+11.23%) outperformed the Russell 3000 Value Index (+8.62%) during the quarter.

Performance

Federated Hermes MDT All Cap Core Fund (Institutional Shares) returned 14.30% in the first quarter of 2024, outperforming the 10.02% return of its benchmark, the Russell 3000 Index.

Performance contributors

- Favorable stock selection among companies with positive analyst conviction and flat or worsening earnings to price
- Favorable stock selection in Consumer Discretionary and Utilities sectors
- Strong performers overweighted by the fund: Vistra Corp., Spotify Technology S.A., and Advance Auto Parts, Inc.
- Weak performer underweighted by the fund: Tesla, Inc.

Performance detractors

- Poor stock selection among companies with flat or improving earnings to price and negative analyst conviction
- Unfavorable stock selection in Health Care sector
- Weak performers overweighted by the fund: Zscaler, Inc. and Kilroy Realty Corporation
- Strong performer underweighted by the fund: Nvidia Corporation

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.

How we are positioned

The fund ended the first quarter roughly sector-neutral to the benchmark, as intended by our multi-layered risk management. Within the sectors there was an overweight position of the insurance industry. There was an underweight position of the semiconductors and semiconductor equipment industry. At the end of the period, the fund was slightly overweight growth stocks.

See disclosure section for important disclosures and definitions.

Risk statistics

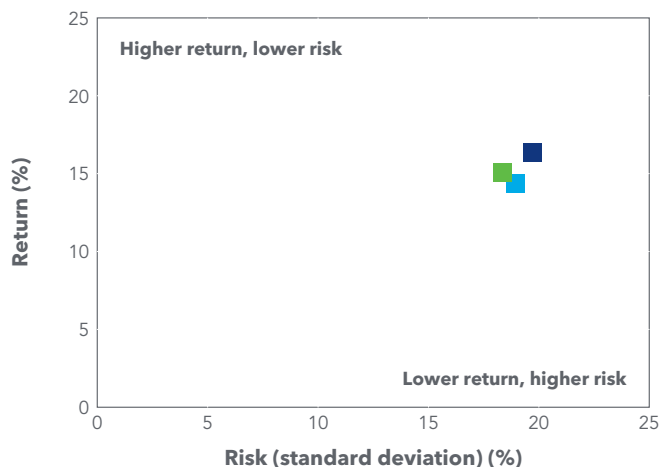
| | 3-year | 5-year | 7-year | 10-year |
|---------------------------|--------|--------|--------|---------|
| Standard deviation | 18.48 | 19.69 | 18.09 | 16.36 |
| Alpha | 4.31 | 1.61 | 1.78 | 0.49 |
| Beta | 1.02 | 1.02 | 1.02 | 1.03 |
| Correlation | 0.98 | 0.98 | 0.98 | 0.98 |
| R² | 96.32 | 96.48 | 96.45 | 96.06 |
| Up capture ratio | 109.44 | 103.38 | 104.13 | 101.21 |
| Down capture ratio | 93.33 | 97.09 | 96.24 | 97.81 |
| Sharpe ratio | 0.61 | 0.71 | 0.74 | 0.68 |
| Tracking error | 3.54 | 3.71 | 3.43 | 3.27 |

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. Russell 3000[®] Index

See disclosure section for important definitions.

5-year risk/return



| | Risk (%) | Return (%) |
|---|----------|------------|
| ■ Federated Hermes MDT All Cap Core Fund (IS) | 19.69 | 16.34 |
| ■ Russell 3000 [®] Index | 18.94 | 14.34 |
| ■ S&P 500 [®] Index | 18.37 | 15.05 |

A diversified equity holding can help weather market cycles

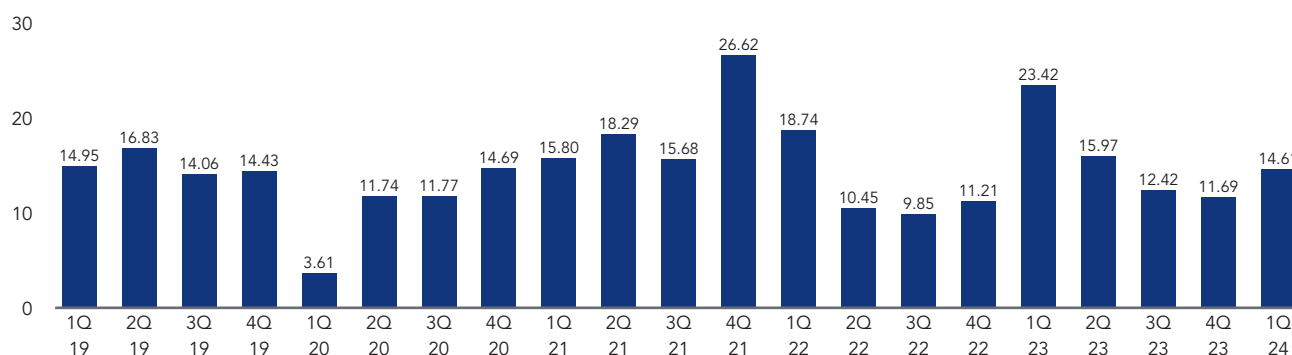
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 YTD |
|---|---|---|---|---|--|---|---|
| Large Growth 29.59% | Large Growth -2.12% | Large Growth 35.85% | Large Growth 38.26% | MDT All Cap Core Fund (IS) 31.22% | Large Value -7.98% | Large Growth 41.21% | MDT All Cap Core Fund (IS) 14.30% |
| Mid Growth 25.27% | MDT All Cap Core Fund (IS) -2.49% | Mid Growth 35.47% | Mid Growth 35.59% | Mid Value 28.34% | Mid Value -12.03% | Mid Growth 25.87% | Large Growth 11.23% |
| Small Growth 22.17% | Mid Growth -4.75% | Small Growth 28.48% | Small Growth 34.63% | Small Value 28.27% | MDT All Cap Core Fund (IS) -14.03% | MDT All Cap Core Fund (IS) 23.51% | Mid Growth 9.50% |
| MDT All Cap Core Fund (IS) 21.07% | Large Value -8.58% | Mid Value 27.06% | MDT All Cap Core Fund (IS) 21.91% | Large Growth 25.85% | Small Value -14.48% | Small Growth 18.66% | Large Value 8.62% |
| Mid Value 13.34% | Small Growth -9.31% | MDT All Cap Core Fund (IS) 26.91% | Mid Value 4.96% | Large Value 25.37% | Small Growth -26.36% | Small Value 14.65% | Mid Value 8.23% |
| Large Value 13.19% | Mid Value -12.29% | Large Value 26.26% | Small Value 4.63% | Mid Growth 12.73% | Mid Growth -26.72% | Mid Value 12.71% | Small Growth 7.58% |
| Small Value 7.84% | Small Value -12.86% | Small Value 22.39% | Large Value 2.87% | Small Growth 2.83% | Large Growth -28.97% | Large Value 11.66% | Small Value 2.90% |

Source: Morningstar, Inc. Small Cap Value is represented by the Russell 2000[®] Value Index; Small Cap Growth is represented by the Russell 2000[®] Growth Index; Mid Cap Value is represented by the Russell Midcap[®] Value Index; Mid Cap Growth is represented by the Russell Midcap[®] Growth Index; Large Cap Value is represented by the Russell 3000[®] Value Index and Large Cap Growth is represented by the Russell 3000[®] Growth Index.

See back for index definitions. Index performance is for illustrative purposes only and is not representative of performance for any particular investment. This chart is for a selected time period. Results over different periods would have varied. Investments cannot be made in an index.

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.

3-year rolling returns - IS (%)



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Category rankings

| Morningstar Large Blend Category | | 1-year | 3-year | 5-year | 10-year |
|----------------------------------|-----------------------------|--------------------|-------------------|-------------------|------------------|
| R6 Shares | Morningstar Category % Rank | 14 | 1 | 5 | 12 |
| | Morningstar Category Rank | 218 of 1,422 funds | 12 of 1,293 funds | 56 of 1,179 funds | 80 of 888 funds |
| IS Shares | Morningstar Category % Rank | 14 | 2 | 5 | 6 |
| | Morningstar Category Rank | 216 of 1,422 funds | 13 of 1,293 funds | 57 of 1,179 funds | 42 of 888 funds |
| A Shares | Morningstar Category % Rank | 15 | 2 | 8 | 17 |
| | Morningstar Category Rank | 243 of 1,422 funds | 14 of 1,293 funds | 87 of 1,179 funds | 129 of 888 funds |

| Lipper Multi-Cap Core Funds | | 1-year | 3-year | 5-year | 10-year |
|-----------------------------|------------------------------|-----------------|----------------|-----------------|-----------------|
| R6 Shares | Lipper Classification % Rank | 12 | 1 | 4 | 5 |
| | Lipper Classification Rank | 72 of 635 funds | 5 of 572 funds | 18 of 529 funds | 18 of 365 funds |
| IS Shares | Lipper Classification % Rank | 12 | 2 | 4 | 4 |
| | Lipper Classification Rank | 71 of 635 funds | 6 of 572 funds | 19 of 529 funds | 12 of 365 funds |
| A Shares | Lipper Classification % Rank | 13 | 2 | 6 | 8 |
| | Lipper Classification Rank | 78 of 635 funds | 7 of 572 funds | 30 of 529 funds | 26 of 365 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 FederatedHermes.com/us. Please carefully read the summary prospectus or the prospectus before investing.

The fund is the successor to MDT All Cap Core Fund pursuant to a reorganization that took place on December 8, 2006. Prior to that date, the fund had no investment operations. Accordingly, the performance information shown for periods prior to that date is that of MDT All Cap Core Fund.

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 Institutional Shares, adjusted to reflect the expenses of the R Shares and the performance information for the R6 Shares prior to September 1, 2016 reflects the higher R Shares expenses. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

Federated Hermes MDT All Cap Core Fund

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.

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 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® 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.

Russell 3000® Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 3000® Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Growth Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad growth market. 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 3000® Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values.

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. It 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.

Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

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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