

Federated Hermes MDT Large Cap Value Fund

12/31/24

Fund facts

Performance inception date

3/31/82

Benchmark

Russell 1000® Value Index

Morningstar category

Large Value

Lipper classification

Multi-Cap Value Funds

Fund assets

\$1.3 billion

Ticker symbols

R6 Shares - FSTLX

Institutional Shares - FMSTX

Service Shares - FSTKX

A Shares - FSTRX

Key investment team

Daniel Mahr, CFA

Damien Zhang, CFA

Frederick Konopka, CFA

John Paul Lewicke

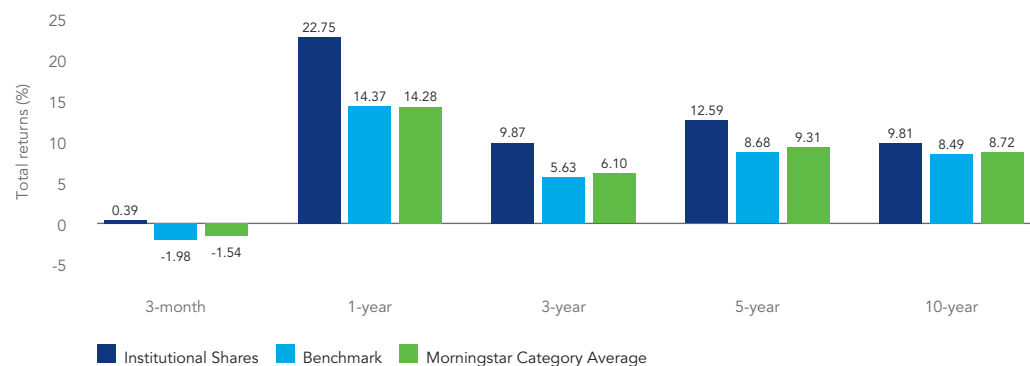
Fund description

The fund pursues growth of income and capital by investing primarily in large US companies it considers undervalued. Through a bottom-up, quantitatively driven 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 | 0.40 | 22.84 | 22.84 | 9.94 | 12.66 | 9.84 | 11.49 | 0.85 | 0.70 |
| Institutional Shares | 0.39 | 22.75 | 22.75 | 9.87 | 12.59 | 9.81 | 11.51 | 0.91 | 0.77 |
| Service Shares | 0.34 | 22.48 | 22.48 | 9.63 | 12.34 | 9.57 | 11.43 | 1.17 | 0.99 |
| A Shares (NAV) | 0.30 | 22.49 | 22.49 | 9.62 | 12.34 | 9.57 | 11.42 | 1.16 | 0.99 |
| A Shares (MOP) | -5.22 | 15.75 | 15.75 | 7.57 | 11.07 | 8.95 | 11.27 | 1.16 | 0.99 |
| Benchmark | -1.98 | 14.37 | 14.37 | 5.63 | 8.68 | 8.49 | — | — | — |



Calendar year total returns (%)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| Institutional Shares | 22.75 | 12.79 | -4.21 | 28.41 | 6.24 | 20.94 | -7.22 | 14.37 | 15.31 | -4.79 |
| Benchmark | 14.37 | 11.46 | -7.54 | 25.16 | 2.80 | 26.54 | -8.27 | 13.66 | 17.34 | -3.83 |
| Morningstar Category Average | 14.28 | 11.63 | -5.90 | 26.22 | 2.91 | 25.04 | -8.53 | 15.94 | 14.81 | -4.05 |

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 1/1/26 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.



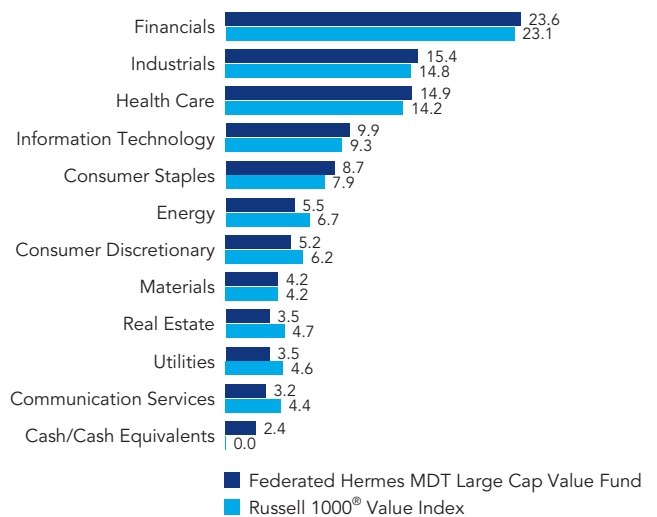
Portfolio statistics

| | |
|----------------------------|----------|
| Weighted median P/E (LTM) | 21.0x |
| Weighted median P/E (NTM) | 15.9x |
| Weighted median market cap | \$47.0 b |
| Weighted median price/book | 4.2x |
| Number of securities | 125 |

Top holdings (%)

| | |
|-----------------------------------|------|
| Johnson & Johnson | 2.5 |
| AbbVie Inc. | 2.4 |
| GoDaddy Inc. | 2.3 |
| Ameriprise Financial, Inc. | 2.2 |
| Veralto Corp. | 2.2 |
| GE Vernova Inc. | 2.1 |
| Prudential Financial, Inc. | 2.1 |
| The Bank of New York Mellon Corp. | 2.1 |
| Fortinet, Inc. | 2.0 |
| Philip Morris International Inc. | 1.9 |
| Total % of portfolio | 21.8 |

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 12/31/24 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

- Value stocks underperformed growth stocks in the Russell 1000 this quarter
- Strong stock selection and an overweight to companies with a strong one-year return, very positive analyst conviction, and low structural earnings contributed the most to outperformance
- The fund ended the quarter roughly sector-neutral to benchmark

Looking back

US equities closed out 2024 in fine fashion as the S&P 500 delivered its fifth consecutive quarter of positive total returns, leaving the index with its best two-year return since the late 1990s. Equities moved higher in November after the US Presidential election; the broad-based rally was led by smaller-cap stocks. However, US stocks cooled in December after the US Federal Reserve signaled a smaller number of interest rate cuts in 2025 than previously expected by the market. Consumer discretionary, communication services, financials and information technology stocks led returns for the quarter, while materials, health care and real estate stocks were the notable laggards. Higher beta, larger cap, growth-oriented equity segments outperformed. The broad market Russell 3000 Index returned 2.63% for the fourth quarter. The mega-cap Russell Top 200 Index (+3.35%) outpaced the Russell Midcap Index (0.62%) and the small-cap Russell 2000 Index (+0.33%). The Russell 3000 Growth Index (+6.82%) handily beat the Russell 3000 Value Index (-1.94%).

Performance

Federated Hermes MDT Large Cap Value Fund (Institutional Shares) returned 0.39% in the fourth quarter of 2024, outperforming the -1.98% return of its benchmark, the Russell 1000 Value Index.

Performance contributors

- Strong stock selection and an overweight to companies with a strong one-year return, very positive analyst conviction, and low structural earnings
- Favorable stock selection in the Information Technology and Utilities sectors
- Strong performers overweighted by the fund: AppLovin Corp. (Class A), GoDaddy, Inc. (Class A) and Interactive Brokers Group, Inc. (Class A)

Performance detractors

- Weak stock selection among companies with attractive valuations and negative analyst conviction
- Unfavorable stock selection in the Industrials and Financials sectors
- Weak performer overweighted by the fund: Newmont Corporation
- Strong performers underweighted by the fund: JPMorgan Chase & Co. and Wells Fargo & Company

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. Other share classes may have experienced different returns than the share class presented. 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 fourth quarter roughly sector-neutral to the benchmark, as intended by our multi-layered risk management. Within the sectors, there were overweight positions of the insurance industry and the pharmaceuticals biotechnology & life sciences industry. There were underweight positions of the banks industry and the health care equipment & services industry.

See disclosure section for important disclosures and definitions.

Risk statistics

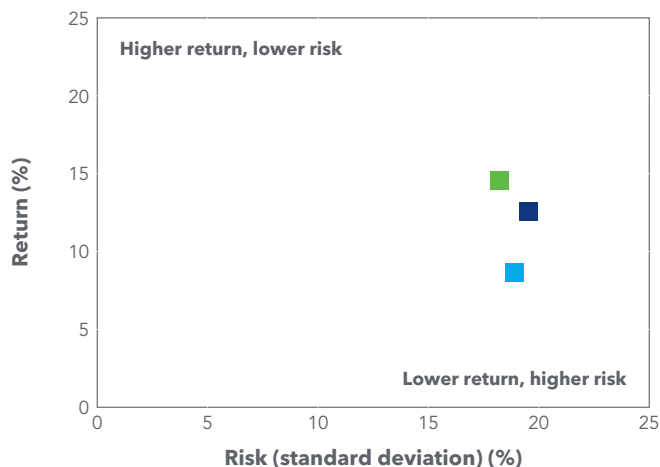
| | 3-year | 5-year | 7-year | 10-year |
|---------------------------|--------|--------|--------|---------|
| Standard deviation | 17.74 | 19.52 | 18.09 | 16.34 |
| Alpha | 3.99 | 3.53 | 2.05 | 1.17 |
| Beta | 1.04 | 1.02 | 1.01 | 1.02 |
| Correlation | 0.99 | 0.99 | 0.99 | 0.98 |
| R² | 97.11 | 97.20 | 97.08 | 96.66 |
| Up capture ratio | 113.81 | 109.51 | 105.22 | 104.27 |
| Down capture ratio | 99.10 | 96.95 | 97.22 | 99.13 |
| Sharpe ratio | 0.30 | 0.50 | 0.44 | 0.48 |
| Tracking error | 3.05 | 3.29 | 3.10 | 3.00 |

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. Russell 1000[®] Value Index

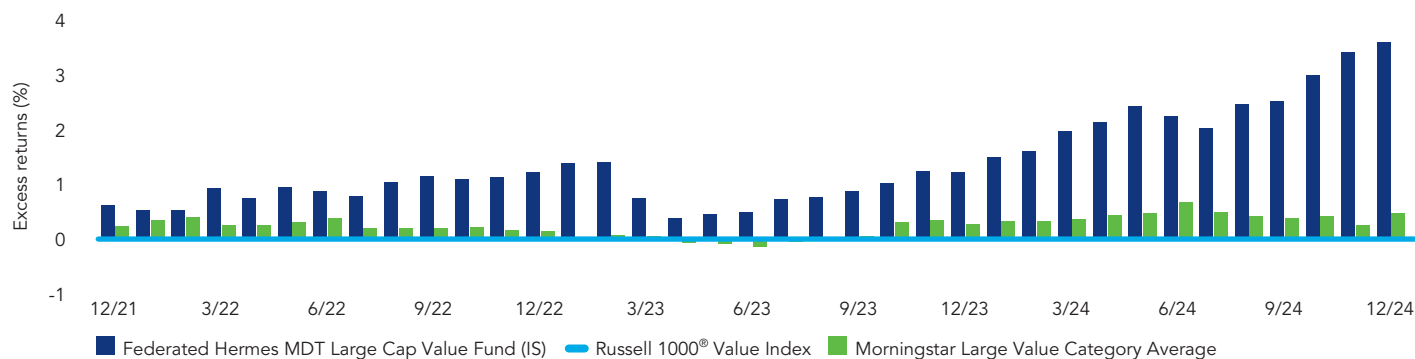
See disclosure section for important definitions.

5-year risk/return



| | Risk (%) | Return (%) |
|--|----------|------------|
| ■ Federated Hermes MDT Large Cap Value Fund (IS) | 19.52 | 12.59 |
| ■ Russell 1000 [®] Value Index | 18.90 | 8.68 |
| ■ S&P 500 [®] | 18.21 | 14.53 |

5-year rolling excess performance vs. Russell 1000[®] Value Index

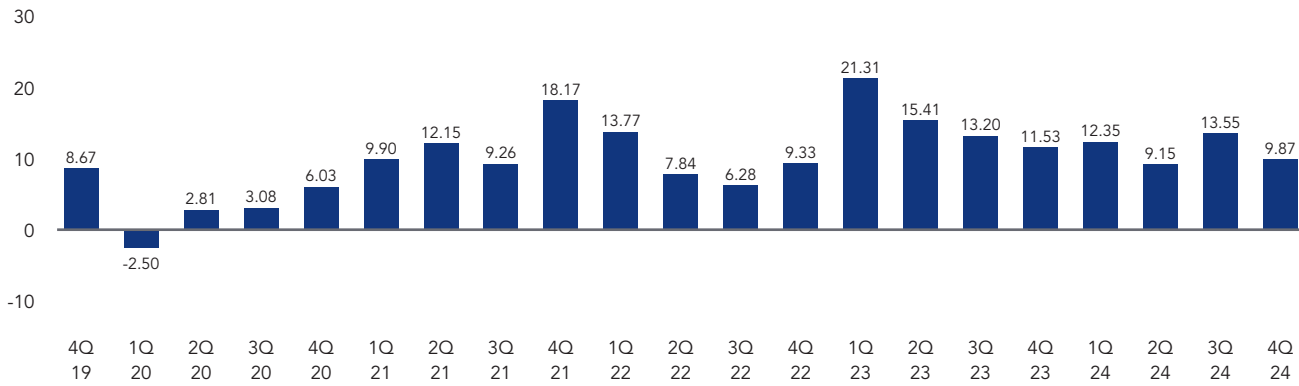


Source: Morningstar, Inc. Performance represents 5-year periods (1-month shift).

Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

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3-year rolling returns - IS (%)



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Category rankings

| Morningstar Large Value Category | | 1-year | 3-year | 5-year | 10-year |
|----------------------------------|-----------------------------|-------------------|-------------------|-------------------|------------------|
| R6 Shares | Morningstar Category % Rank | 2 | 3 | 7 | - |
| | Morningstar Category Rank | 19 of 1,170 funds | 25 of 1,095 funds | 49 of 1,036 funds | - |
| IS Shares | Morningstar Category % Rank | 2 | 3 | 8 | 22 |
| | Morningstar Category Rank | 21 of 1,170 funds | 28 of 1,095 funds | 51 of 1,036 funds | 131 of 808 funds |
| A Shares | Morningstar Category % Rank | 3 | 4 | 9 | 26 |
| | Morningstar Category Rank | 24 of 1,170 funds | 37 of 1,095 funds | 63 of 1,036 funds | 169 of 808 funds |

| Lipper Multi-Cap Value Funds | | 1-year | 3-year | 5-year | 10-year |
|------------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
| R6 Shares | Lipper Classification % Rank | 2 | 3 | 8 | - |
| | Lipper Classification Rank | 7 of 633 funds | 15 of 594 funds | 40 of 560 funds | - |
| IS Shares | Lipper Classification % Rank | 2 | 4 | 8 | 14 |
| | Lipper Classification Rank | 9 of 633 funds | 20 of 594 funds | 42 of 560 funds | 55 of 408 funds |
| A Shares | Lipper Classification % Rank | 2 | 5 | 8 | 18 |
| | Lipper Classification Rank | 11 of 633 funds | 27 of 594 funds | 44 of 560 funds | 71 of 408 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 Large Cap Value 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 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 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 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.

S&P 500[®] 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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