

Federated Hermes MDT Large Cap Value Fund

3/31/24

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

\$1.2 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

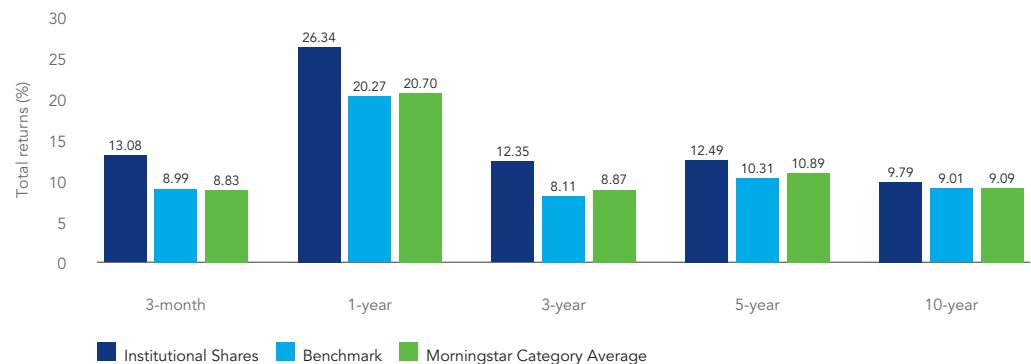
Fund description

The fund pursues growth of income and capital by investing primarily in large U.S. 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	13.16	13.16	26.47	12.44	12.57	9.80	11.49	0.88	0.70
Institutional Shares	13.08	13.08	26.34	12.35	12.49	9.79	11.51	0.96	0.77
Service Shares	13.04	13.04	26.06	12.11	12.25	9.55	11.43	1.20	0.99
A Shares (NAV)	13.07	13.07	26.07	12.11	12.24	9.55	11.43	1.20	0.99
A Shares (MOP)	6.84	6.84	19.14	10.01	10.98	8.94	11.28	1.20	0.99
Benchmark	8.99	8.99	20.27	8.11	10.31	9.01	–	–	–



Calendar year total returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Institutional Shares	12.79	-4.21	28.41	6.24	20.94	-7.22	14.37	15.31	-4.79	14.32
Benchmark	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34	-3.83	13.45
Morningstar Category Average	11.63	-5.90	26.22	2.91	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 1/1/25 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.



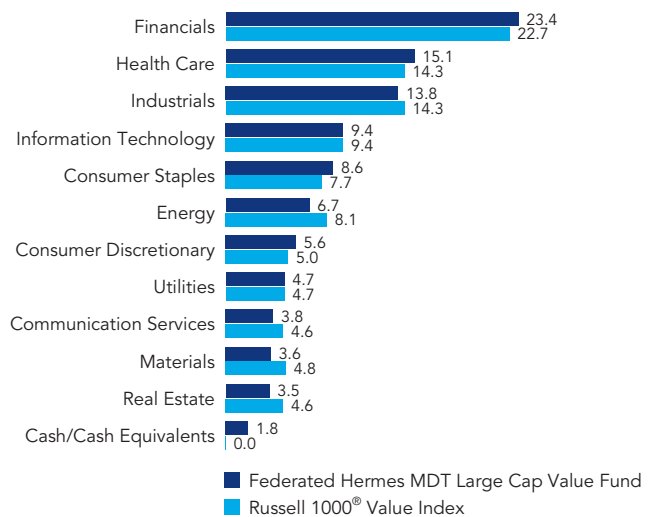
Portfolio statistics

Weighted median P/E (LTM)	19.7x
Weighted median P/E (NTM)	14.9x
Weighted median market cap	\$43.9 b
Weighted median price/book	3.7x
Number of securities	100

Top holdings (%)

Johnson & Johnson	2.9
The Travelers Companies, Inc.	2.8
PepsiCo, Inc.	2.6
The Bank of New York Mellon Corp.	2.6
Nutanix, Inc. - A	2.5
Vistra Corp.	2.4
Merck & Co., Inc.	2.3
GoDaddy, Inc.	2.2
Marathon Petroleum Corp.	2.1
Ameriprise Financial, Inc.	1.9
Total % of portfolio	24.3

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

- Value stocks underperformed growth stocks in the Russell 1000 this quarter
- Favorable stock selection among, and an overweight to, stocks with above-average structural earnings 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 was 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 Large Cap Value Fund (Institutional Shares) returned 13.08% in the first quarter of 2024, outperforming the 8.99% return of its benchmark, the Russell 1000 Value Index.

Performance contributors

- Favorable stock selection among and an overweight to stocks with above-average structural earnings and flat or worsening earnings to price
- Favorable stock selection in Utilities and Industrials sectors
- Strong performers overweighted by the fund: Vistra Corp., Marathon Petroleum Corporation and Constellation Energy Corporation

Performance detractors

- Unfavorable stock selection among stocks with improving earnings to price and negative analyst conviction
- Unfavorable stock selection in Health Care and Materials sectors
- Weak performers overweighted by the fund: SBA Communications Corp. (Class A) and Newmont Corporation

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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 were overweight positions of the insurance industry and the software and services industry. There were underweight positions of the banks industry and the semiconductors and semiconductor equipment industry.

See disclosure section for important disclosures and definitions.

Risk statistics

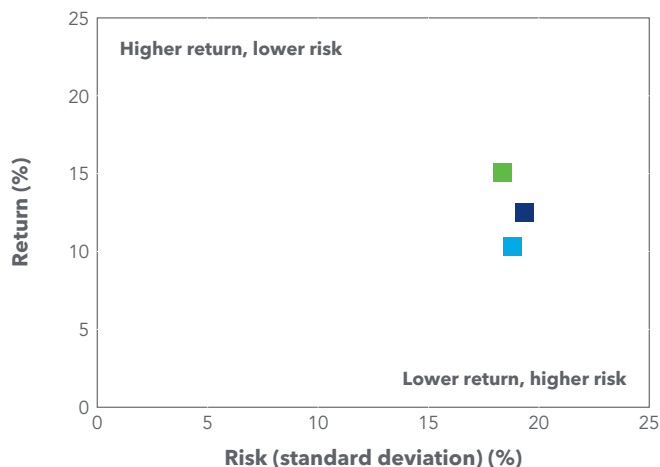
	3-year	5-year	7-year	10-year
Standard deviation	17.33	19.36	17.54	15.92
Alpha	3.77	1.93	1.76	0.65
Beta	1.04	1.01	1.01	1.02
Correlation	0.99	0.99	0.99	0.98
R²	97.16	97.07	97.08	96.63
Up capture ratio	113.38	105.07	105.20	102.66
Down capture ratio	99.24	98.19	98.06	99.63
Sharpe ratio	0.53	0.52	0.51	0.51
Tracking error	2.98	3.32	3.00	2.93

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. Russell 1000[®] Value Index

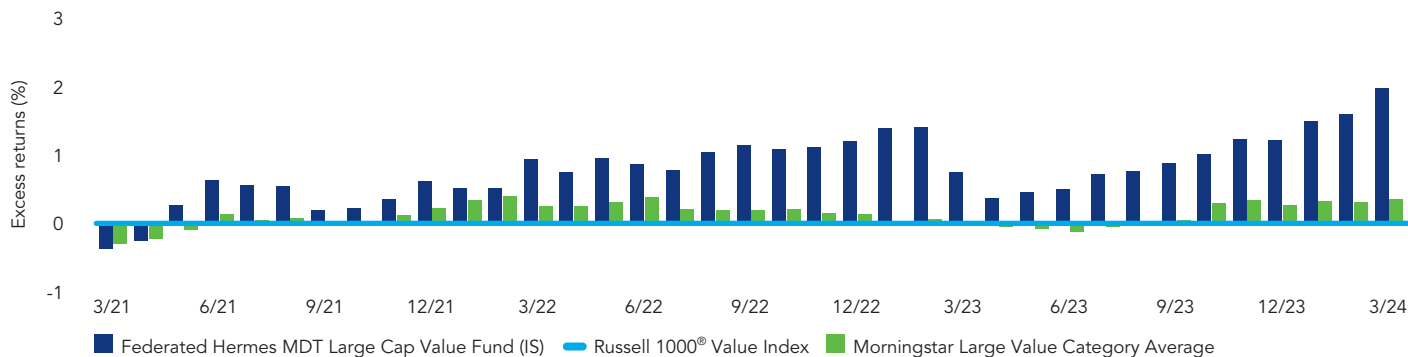
See disclosure section for important definitions.

5-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes MDT Large Cap Value Fund (IS)	19.36	12.49
■ Russell 1000 [®] Value Index	18.79	10.31
■ S&P 500 [®] Index	18.37	15.05

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

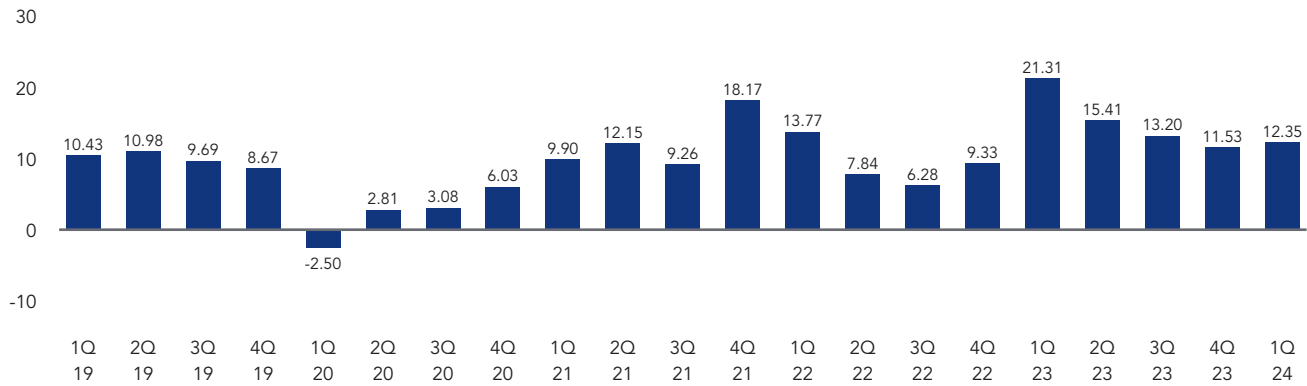


Source: Morningstar, Inc. Performance represents 5-year periods (1-month step).

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	14	5	23	-
	Morningstar Category Rank	168 of 1,204 funds	53 of 1,118 funds	190 of 1,058 funds	-
IS Shares	Morningstar Category % Rank	15	6	25	29
	Morningstar Category Rank	176 of 1,204 funds	58 of 1,118 funds	204 of 1,058 funds	184 of 816 funds
A Shares	Morningstar Category % Rank	16	7	27	-
	Morningstar Category Rank	193 of 1,204 funds	71 of 1,118 funds	237 of 1,058 funds	-

Lipper Multi-Cap Value Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	17	5	19	-
	Lipper Classification Rank	109 of 673 funds	30 of 620 funds	111 of 585 funds	-
IS Shares	Lipper Classification % Rank	17	6	21	22
	Lipper Classification Rank	113 of 673 funds	33 of 620 funds	118 of 585 funds	90 of 423 funds
A Shares	Lipper Classification % Rank	19	7	23	-
	Lipper Classification Rank	123 of 673 funds	42 of 620 funds	133 of 585 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](https://www.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 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 at times, particularly in late stages of a market advance.

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 U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The R1000V 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® 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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