

Federated Hermes MDT Small Cap Core Fund

3/31/26

Fund facts

Performance inception date

9/15/05

Benchmark

Russell 2000® Index

Morningstar category

Small Blend

Lipper classification

Small-Cap Core Funds

Fund assets

\$1.7 billion

Ticker symbols

R6 Shares - QLSCX

Institutional Shares - QISCX

A Shares - QASCX

C Shares - QCSCX

Key investment team

Daniel Mahr, CFA

Damien Zhang, CFA

Frederick Konopka, CFA

John Paul Lewicke

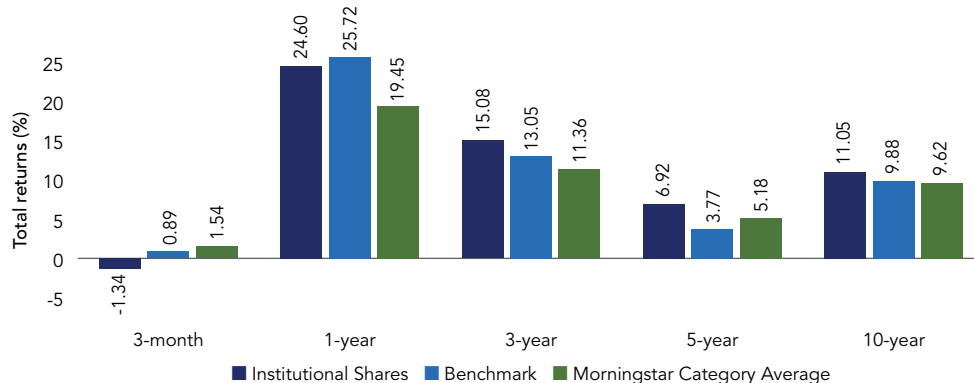
Fund description

The fund pursues long-term capital appreciation by investing in a diversified portfolio of US small-cap companies from the Russell 2000® 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	-1.34	-1.34	24.61	15.09	6.92	11.05	6.37	0.89	0.88
Institutional Shares	-1.34	-1.34	24.60	15.08	6.92	11.05	8.20	0.99	0.89
A Shares (NAV)	-1.37	-1.37	24.32	14.78	6.65	10.77	7.94	1.34	1.14
A Shares (MOP)	-6.80	-6.80	17.50	12.63	5.44	10.15	7.64	1.34	1.14
Benchmark	0.89	0.89	25.72	13.05	3.77	9.88	-	-	-



Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Institutional Shares	14.13	14.83	20.58	-23.11	30.27	16.99	18.06	-11.58	15.58	35.23
Benchmark	12.81	11.54	16.93	-20.44	14.82	19.96	25.53	-11.01	14.65	21.31
Morningstar Category Average	7.89	11.15	16.18	-16.24	24.19	10.99	23.75	-12.72	12.28	20.78

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.

* For A and IS Shares, 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 10/1/26 or the date of the fund's next effective prospectus. Regarding R6 Shares, the fund's expense ratio is from the most recent prospectus, which shows that the fund is not waiving any expenses.

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.



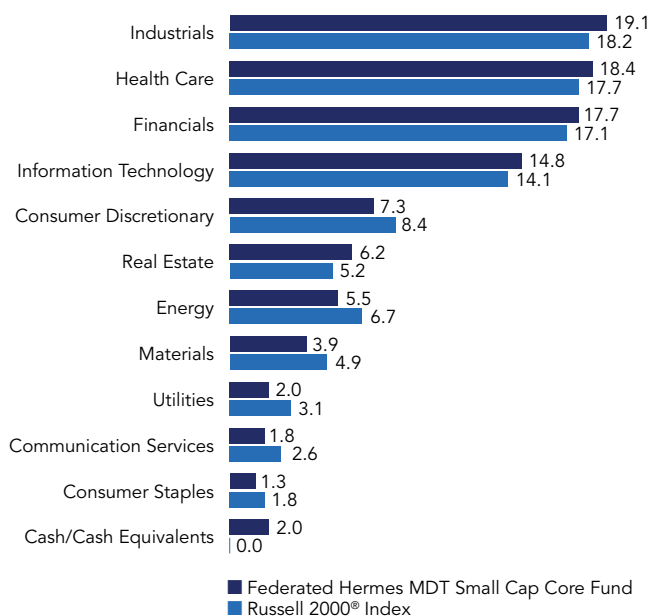
Portfolio statistics

Weighted median P/E (LTM)	22.7x
Weighted median P/E (NTM)	14.8x
Weighted median market cap	\$3.2 b
Weighted median price/book	2.4x
Number of securities	302

Top holdings (%)

American Healthcare REIT Inc. - REIT	2.5
Powell Industries, Inc.	1.6
BrightSpring Health Services Inc.	1.5
Primoris Services Corp.	1.4
Jackson Financial Inc.	1.3
Mirum Pharmaceuticals, Inc.	1.3
Fluor Corp.	1.1
Sphere Entertainment Co.	1.1
SPS Commerce Inc.	1.1
Tidewater, Inc.	1.0
Total % of portfolio	13.9

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 3/31/26 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

- Small cap value stocks outperformed small cap growth stocks
- Weak stock selection among and an underweight to mature companies with strong 1-year returns and positive analyst conviction contributed the most to underperformance
- The fund ended the quarter roughly sector-neutral to benchmark

Looking back

US equity markets experienced increased volatility during the first quarter of 2026. Investor concerns around AI-impacts on software companies weighed on technology stocks over the first several weeks of the period. Rising geopolitical risks related to the Middle East conflict spurred equity volatility higher over the last part of the quarter. Markets globally fell on the back of this conflict, largely due to burgeoning inflation risks. Within the broad equity market, energy was the strongest performing sector as oil prices in March experienced the largest monthly increase in decades. Other notable sectors delivering a positive return for the quarter included Materials, Utilities, and Consumer Staples. Consumer Discretionary, Information Technology and Financials were the weakest performing sectors for the period. Value-oriented segments outperformed, particularly higher dividend-paying stocks. Smaller-cap and lower-volatility stocks also outperformed. The Russell Midcap Index (+1.29%) and the small-cap Russell 2000 Index (+0.89%) outperformed the mega-cap Russell Top 200 Index (-5.54%) and the broad market Russell 3000 Index (-3.96%).

Performance

Federated Hermes MDT Small Cap Core Fund (Institutional Shares) returned -1.34% in the first quarter of 2026, underperforming the 0.89% return of its benchmark, the Russell 2000 Index.

Performance contributors

- An underweight to companies with significant external financing required
- Favorable stock selection in the Industrials, Communication Services and Financials sectors
- Strong performers overweighted by the fund: Powell Industries, Inc., Tidewater Inc. and SkyWater Technology Inc.

Performance detractors

- Weak stock selection among and an underweight to mature companies with strong one-year returns and positive analyst conviction
- Unfavorable stock selection in the Information Technology, Consumer Discretionary and Health Care sectors
- Underweight of the Energy sector
- Weak performers overweighted by the fund: MGP Ingredients, Inc., SPS Commerce, Inc. and Pagaya Technologies Ltd. (Class A)

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 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 & services industry. There were underweight positions of the consumer durables & apparel industry and the financial services industry. At the end of the period, the fund was slightly underweight growth stocks.

See disclosure section for important disclosures and definitions.

Risk statistics

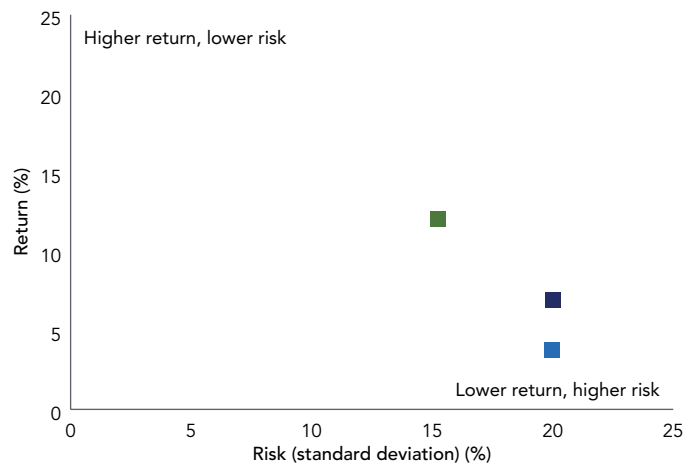
	3-year	5-year	7-year	10-year
Standard deviation	19.40	20.03	22.97	21.37
Alpha	1.95	3.05	1.22	1.03
Beta	0.98	0.98	1.01	1.02
Correlation	0.98	0.98	0.98	0.98
R²	96.36	95.31	96.27	96.31
Up capture ratio	99.17	102.68	101.45	103.40
Down capture ratio	90.74	91.76	97.57	100.03
Sharpe ratio	0.50	0.16	0.30	0.40
Tracking error	3.71	4.34	4.45	4.14

Sources: Federated Hermes, Inc., Morningstar, Inc.

Fund vs. Russell 2000® Index

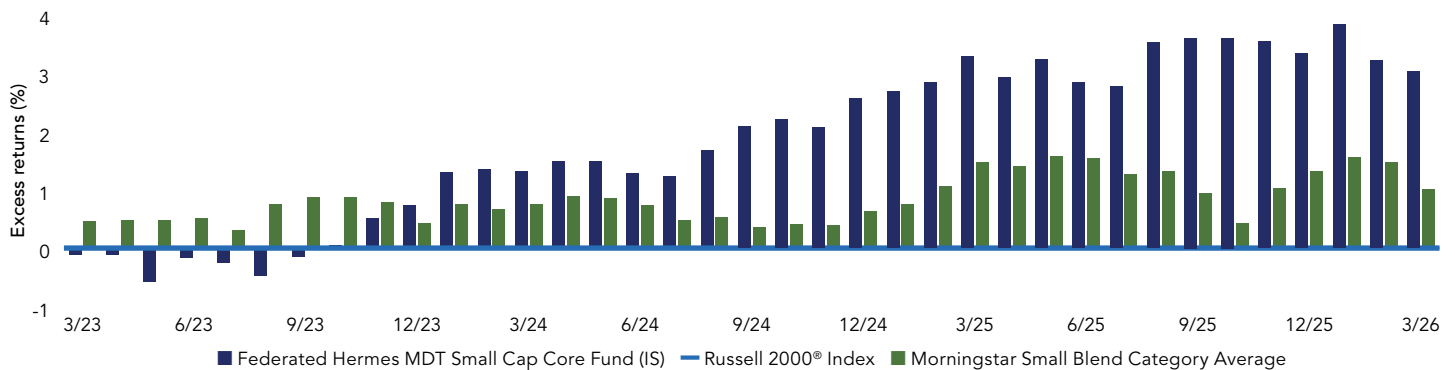
See disclosure section for important definitions.

5-year risk/return



	Risk (%)	Return (%)
Federated Hermes MDT Small Cap Core Fund (IS)	20.03	6.92
Russell 2000® Index	19.98	3.77
S&P 500®	15.26	12.06

5-year rolling excess performance vs. Russell 2000® Index

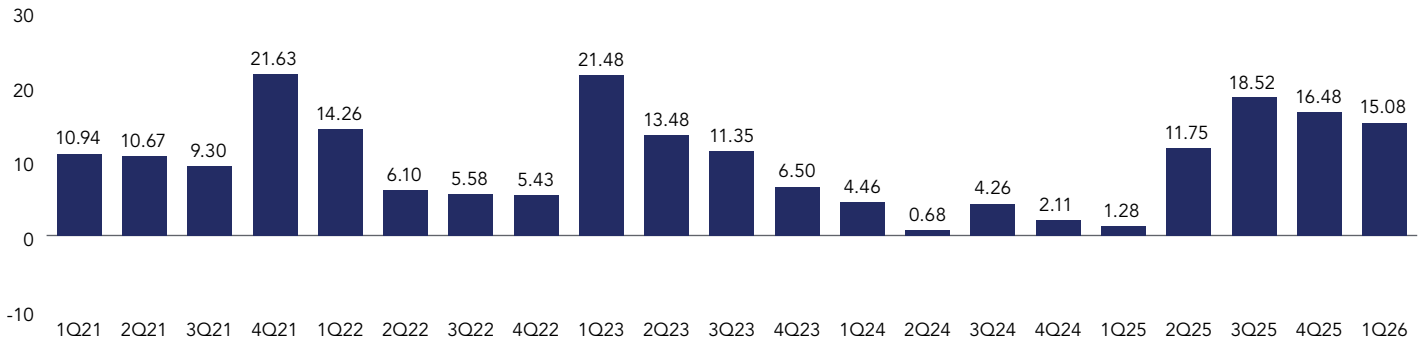


Source: Morningstar, Inc. Performance represents 5-year periods (1-month shift).

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 Small Blend Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	25	13	19	–
	Morningstar Category Rank	151 of 614 funds	80 of 580 funds	111 of 558 funds	–
IS Shares	Morningstar Category % Rank	25	13	19	14
	Morningstar Category Rank	152 of 614 funds	81 of 580 funds	112 of 558 funds	52 of 440 funds
A Shares	Morningstar Category % Rank	26	14	22	16
	Morningstar Category Rank	160 of 614 funds	86 of 580 funds	124 of 558 funds	66 of 440 funds
Lipper Small-Cap Core Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	21	11	21	–
	Lipper Classification Rank	200 of 974 funds	100 of 930 funds	184 of 892 funds	–
IS Shares	Lipper Classification % Rank	21	11	21	10
	Lipper Classification Rank	201 of 974 funds	101 of 930 funds	186 of 892 funds	71 of 712 funds
A Shares	Lipper Classification % Rank	22	13	24	14
	Lipper Classification Rank	210 of 974 funds	113 of 930 funds	208 of 892 funds	96 of 712 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 Small Cap Core 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 MDT Small 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 Small Cap Core Fund.

The fund's R6 Shares commenced operations on June 30, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for the fund's Institutional Shares. The performance of the Institutional Shares has not been adjusted to reflect the expenses applicable to the R6 Shares since the R6 Shares have a lower expense ratio than the expense ratio of the Institutional Shares. The performance of the Institutional Shares have been adjusted to remove any voluntary waiver of the fund expenses related to the Institutional Shares that may have occurred during the period prior to the commencement of operations of the R6 Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund's portfolio, performance and price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.

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.

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.

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.

The quantitative models and analysis used by the fund's adviser 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® Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000® is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

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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