

# Process drives performance

## Federated Hermes MDT Advisers



Advisors and investors want to be confident that their managers' performance is driven by skill, not chance, and that results can be delivered consistently. Federated Hermes MDT Advisers employs a systematic, repeatable process built on well-tested metrics believed to be predictive of a stock's future performance. MDT funds offer a history of outperformance driven by this process.

### Investment process overview

- Active, bottom-up, risk-managed investment process that is designed to be dynamic, unemotional and equipped with an analytical advantage
- Leverages MDT's expertise in data science, built over 30+ years

### Alpha forecasting

- Differentiated, transparent process seeks to identify opportunities from a wide range of unique company types, which can provide diverse alpha sources for portfolio consideration

### Portfolio construction

- Builds well-diversified portfolios that seek to limit unintended risks and benefit from diverse alpha sources

### Risk management

- Sector, industry, sub-industry and company-specific risk constraints
- Team reviews all trades

### Ongoing research

- Continuous evaluation of every element of investment process for potential enhancements

### Annualized total returns (%) as of 6/30/24

■ Outperformance ■ Underperformance

Federated Hermes mutual fund	Ticker	1 year	3 year	5 year	10 year	Expense ratio*	
						Gross	Net
<b>MDT All Cap Core</b>							
IS Shares	QIACX	29.19	12.00	16.05	12.92	0.95	0.75
A Shares (MOP)	QAACX	21.74	9.59	14.40	11.95	1.21	1.05
Benchmark: Russell 3000®	-	23.13	8.05	14.14	12.15	-	-
Excess returns (IS vs benchmark)	-	6.06	3.95	1.91	0.77	-	-
<b>MDT Large Cap Growth</b>							
IS Shares	QILGX	36.15	14.35	20.13	15.57	1.03	0.75
A Shares (MOP)	QALGX	28.29	11.91	18.48	14.63	1.29	1.00
Benchmark: Russell 1000® Growth	-	33.48	11.28	19.34	16.33	-	-
Excess returns (IS vs benchmark)	-	2.67	3.07	0.79	-0.76	-	-
<b>MDT Large Cap Value</b>							
IS Shares	FMSTX	21.21	9.15	11.46	9.12	0.96	0.77
A Shares (MOP)	FSTRX	14.29	6.88	9.97	8.27	1.20	0.99
Benchmark: Russell 1000® Value	-	13.06	5.52	9.01	8.23	-	-
Excess returns (IS vs benchmark)	-	8.15	3.63	2.45	0.89	-	-
<b>MDT Mid Cap Growth</b>							
IS Shares	FGSIX	22.27	5.52	12.77	12.07	1.03	0.85
A Shares (MOP)	FGSAX	15.20	3.25	11.17	11.13	1.24	1.15
Benchmark: Russell Midcap® Growth	-	15.05	-0.08	9.93	10.51	-	-
Excess returns (IS vs benchmark)	-	7.22	5.60	2.84	1.56	-	-
<b>MDT Small Cap Core</b>							
IS Shares	QISCX	13.53	0.68	8.31	8.68	1.04	0.89
A Shares (MOP)	QASCX	7.00	-1.44	6.82	7.80	1.39	1.14
Benchmark: Russell 2000®	-	10.06	-2.58	6.94	7.00	-	-
Excess returns (IS vs benchmark)	-	3.47	3.26	1.37	1.68	-	-
<b>MDT Small Cap Growth</b>							
IS Shares	QISGX	8.32	-2.41	6.97	9.18	1.09	0.89
A Shares (MOP)	QASGX	2.11	-4.47	5.50	8.30	1.39	1.14
Benchmark: Russell 2000® Growth	-	9.14	-4.86	6.17	7.39	-	-
Excess returns (IS vs benchmark)	-	-0.82	2.45	0.80	1.79	-	-

Excess returns are based on IS Share returns. In certain instances, the fund underperformed the applicable index based on A Share returns.

**Past performance 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://FederatedHermes.com/us). Maximum offering price figures reflect the maximum sales charge of 5.5% for A Shares. See the prospectuses for other fees and expenses that apply to a continued investment in the funds.**

\* The funds' expense ratios are from their most recent prospectuses. Expense ratios may reflect voluntary fee waivers and/or expense reimbursements determined by the funds's Advisor and affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of each fund's next effective prospectus or 10/1/24 for MDT All Cap Core Fund, Large Cap Growth Fund, Small Cap Core Fund, Small Cap Growth Fund, and 1/1/25 for MDT Large Cap Value Fund and Mid Cap Growth Fund.

Not all funds shown are offered on all intermediary programs. Consult with your Federated Hermes representative about availability.

Federated Hermes MDT Advisers also offers their disciplined approach to equity management through ETFs, Separately Managed Accounts and Institutional Separate Accounts.

Request a Portfolio Construction Solutions consultation from your Federated Hermes representative to explore where MDT investment solutions could be most impactful in your clients' portfolios. Call [1-888-400-7838](tel:1-888-400-7838) to learn more.

The MDT All Cap Core, Large Cap Growth, Small Cap Core and Small Cap Growth funds are the successors to the MDT All Cap Core Fund, MDT Large Cap Growth Fund MDT Small Cap Core and MDT Small Cap Growth Fund pursuant to a reorganization that took place on December 8, 2006. Prior to that date, the funds had no investment operations. Accordingly, the performance information shown for periods prior to that date is that of MDT All Cap Core Fund, MDT Large Cap Growth Fund and MDT Small Cap Growth Fund.

The MDT Large Cap Value 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. For the periods prior to the commencement of operations of the predecessor fund's A and IS 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 since the IS Shares have a lower expense ratio than the expense ratio of the SS Shares.

The MDT Mid Cap Growth fund's Institutional Shares commenced operations on January 29, 2010. For the period prior to the commencement of operations for the Institutional Shares, the performance information shown is for the fund's A Shares. The performance of the A Shares has not been adjusted to reflect the expenses of the Institutional Shares since the Institutional Shares have a lower expense ratio than the expense ratio of the A Shares. The performance of the A Shares has been adjusted to remove any voluntary waiver of the fund's expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the Institutional Shares. The performance information shown also has been adjusted to reflect the absence of sales charges applicable to the A Shares.

**For more complete information, visit [FederatedHermes.com/us](https://FederatedHermes.com/us) or contact your Federated Hermes sales professional for summary prospectuses or prospectuses. You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's summary prospectus or prospectus which you should read carefully before investing.**

**Russell 3000® Index:** Measures the performance of the 3,000 largest US companies based on total market capitalization, which represents approximately 98% of the investable US equity market.

**Russell 1000® Growth Index:** Measures the performance of the large-cap growth segment of the US equity universe. The index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment.

**Russell 1000® Value Index:** Measures the performance of the large-cap value segment of the US equity universe. The index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment.

**Russell 2000® Index:** Measures the performance of the small-cap segment of the US equity universe. The index is constructed to provide a comprehensive and unbiased small-cap barometer.

**Russell 2000® Growth Index:** Measures the performance of the small-cap growth segment of the US equity universe. The index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment.

**Russell Midcap® Growth Index:** Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000® Growth Index.

Alpha is a measure of excess performance.

Indexes are unmanaged and cannot be invested in directly.

## A word about risk

Mid-capitalization companies often have narrower markets and limited managerial and financial resources compared to larger and more established companies.

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 loss.

Mutual funds are subject to risks and fluctuate in value.

Investing in equities is speculative and involves substantial risk.

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 share price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment funds for funds that invest in them.

When investing in value securities, the market may not necessarily have the same value assessment as the manager, and, therefore, the performance of the securities may decline.

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