

Federated Short-Term Trader Redemption Fee Processing Parameters



1. Functionality Parameters

Fund Name	Class	CUSIP	NASDAQ	Fund #	Holding Period	Effective Date
Federated International Small-Mid Company Fund	A	31428U748	ISCAX	695	30 days	5/15/2004
Federated International Small-Mid Company Fund	C	31428U722	ISCCX	697	30 days	8/1/2004
Federated International Small-Mid Company Fund	IS	31428U631	ISCIX	682	30 days	3/31/2008
Federated High Yield Trust	A	314197302	FHYAX	113	90 days	4/30/2014
Federated High Yield Trust	C	314197401	FHYCX	120	90 days	4/30/2014
Federated High Yield Trust	IS	314197203	FHTIX	77	90 days	6/11/2013
Federated High Yield Trust	SS	314197104	FHYTX	38	90 days	5/15/2004
Federated High Yield Trust	R6	314197807	FHYLX	430	90 days	4/27/2017
Federated Institutional High Yield Bond Fund	IS	31420B300	FIHBX	900	90 days	11/4/2002
Federated Institutional High Yield Bond Fund	R6	31420B847	FIHLX	221	90 days	6/30/2016

The recordkeeping system for your mutual fund shareholder accounts must support:

- A 2% redemption fee at a CUSIP level
- A holding period or day count of 30/90 calendar days at a CUSIP level
- A purchase trade date of Day 1 for tracking/aging purposes
- A first allowable redemption on the last day of the holding period, plus one day (e.g., if the holding period is 30 days, a redemption cannot be processed without being assessed a fee until the start of the 31st day)
- FIFO (First In/First Out) purchase lot tracking at the CUSIP level
- A calculation for the fee as gross proceeds of the sale

The following transactions will not be subject to the redemption/exchange fee:

- Non-participant-directed Retirement Plan Transactions (see below)
- Shares acquired by reinvestment of dividends or distributions of the Fund
- Shares purchased through a Systematic Investment Program
- Shares redeemed through a Systematic Withdrawal Program
- Shares purchased through a 529 Plan

Participant-directed transactions involving Shares held in retirement plans established under Section 401(a) or 401(k) of the Internal Revenue Code (the "Code"), custodial plan accounts established under Section 403(b)(7) of the Code, or deferred compensation plans established under Section 457 of the Code ("Retirement Plan Transactions") will be subject to the redemption/exchange fee.

Specific examples of non-participant-directed Retirement Plan Transactions that will not be subject to the redemption/exchange fee:

- Distributions from a Retirement Plan due to death, disability, health or financial hardship
- Distributions from a Retirement Plan made in connection with the termination of employment
- Distributions from Retirement Plans required by the Code, such as the required distribution when the plan participant reaches age 70½ (and any subsequent, related distributions for years thereafter)
- Distributions from a Retirement Plan made in connection with a qualified participant loan
- Redemptions from a Retirement Plan made in connection with the regularly scheduled automatic rebalancing of assets in a Retirement Plan (i.e., automatic rebalancing according to predetermined allocation levels)
- Redemptions from, or exchanges within, a Retirement Plan made as a result of plan-level directed events, such as changes to plan investment options

Additionally, the redemption/exchange fee will not apply to Shares held in plans administered as college savings programs under Section 529 of the Code. Shares redeemed due to the death of the last surviving shareholder on any account will also not be subject to the redemption fee.

2. Redemption Fees and Remittance

Section 1 contains current funds with redemption fees, system requirements as well as transactions that will not be subject to the redemption fee.

Federated expects our omnibus account partners to collect all applicable redemption fees.

Redemption fees are to be remitted to the Federated Funds once a month, along with a report of redemption fees collected. Payment may be made in the form of a check or wire transfer. Based on our contract language, Federated reserves the right to perform periodic due diligence/audits on the redemption fees collected and remitted.

You may navigate to the **Federated Short-Term Trader and/or Redemption Fee Remittance** form on our website by going to FederatedInvestors.com, clicking on Customer Service at the top of the page, and then clicking on the link to the Operational Support page. (Please note: Registration on FederatedInvestors.com is required to view the Operational Support page.)

3. Redemption Fee Prospectus Disclosure

Redemption Fee Disclosure as outlined in the “What do Shares Cost—Fees When You Redeem or Exchange” section:

“For 30 days (or 90 days, depending on the fund) following your purchase, Shares are redeemable at a price equal to the current NAV per Share less a 2.00% redemption fee in the manner described below. Redemptions include Shares redeemed through an exchange.

The 2.00% fee, referred to in the prospectus and Statement of Additional Information (SAI) as a redemption/exchange fee, directly affects the amount a shareholder who is subject to the fee receives upon redemption or exchange. This redemption fee is intended to encourage long-term investments in the Fund, to offset transaction and other Fund expenses caused by short-term redemptions and to facilitate portfolio management (e.g., by decreasing the likelihood that the Fund will need to sell portfolio securities at an inopportune time, or maintain a larger cash position, in order to meet short-term redemption requests).

There are no assurances that the redemption/exchange fee will deter short-term redemptions, as intended, including redemptions made as part of an overall strategy to buy and sell Shares in response to incremental changes in the Fund's NAV. The redemption/exchange fee will be paid to the Fund. The redemption/exchange fee is not a sales charge, is not paid to the Adviser or its affiliates and is not subject to waiver or reduction except as described in this section.

The Fund reserves the right to modify the terms of or terminate this redemption fee at any time. For purposes of computing this redemption fee, Shares will be deemed to be redeemed on a first in, first out basis (i.e., Shares held the longest will be deemed to be redeemed first)...

Participant directed transactions involving Shares held in retirement plans established under Sections 401(a) or 401(k) of the Internal Revenue Code (the “Code”), custodial plan accounts established under Section 403(b)(7) of the Code or deferred compensation plans established under Section 457 of the Code will be subject to the redemption/exchange fee.

Nonparticipant directed transactions such as distributions due to disability, health or financial hardship will not be subject to the redemption/exchange fee. Shares redeemed due to the death of the last surviving shareholder on any account will also not be subject to the redemption fee. The redemption/exchange fee will not apply to Shares held in plans administered as college savings programs under Section 529 of the Code.

In addition, Shares redeemed pursuant to an asset allocation program which provides for systematic, non-investor-directed rebalancing, including Shares redeemed as a result of elimination of the Fund as an investment option under such a program, will not be subject to the redemption fee so long as such a program has first been approved in writing by Federated.

Such rebalancing transactions must be made: for the purpose of implementing a model program at the direction of an investment professional, and on behalf of all participants in the model program; and may not be made at the direction of individual participants in the program.

The redemption/exchange fee also does not apply to purchases and sales of Fund Shares by other Federated funds, as discussed under “Frequent Trading Policies.” Finally, Shares acquired by reinvestment of dividends or distributions of the Fund, or purchased pursuant to the Systematic Investment Program or withdrawn pursuant to the Systematic Withdrawal Program, will not be subject to the redemption fee. For more discussion regarding the redemption fee, please see the Fund's SAI.”

4. Frequent Trade Monitoring

Frequent trading is also monitored for funds that charge a redemption fee.

Prospectus Disclosure as outlined in the “Account and Share Information—Frequent Trading Policies” parameters:

“The Fund also monitors trading in Fund Shares in an effort to identify disruptive trading activity. The Fund monitors trades into and out of the Fund within a period of 30 days or less. The Fund may also monitor trades into and out of the Fund for potentially disruptive trading activity over periods longer than 30 days. The size of Share transactions subject to monitoring varies. Where it is determined that a shareholder has exceeded the detection amounts twice within a period of 12 months, the Fund will temporarily prohibit the shareholder from making further purchases or exchanges of Fund Shares. If the shareholder continues to exceed the detection amounts for specified periods the Fund will impose lengthier trading restrictions on the shareholder, up to and including permanently prohibiting the shareholder from making any further purchases or exchanges of Fund Shares. Whether or not the specific monitoring limits are exceeded, the Fund's management or the Adviser may determine from the amount, frequency or pattern of purchases and redemptions or exchanges that a shareholder is engaged in excessive trading that is or could be detrimental to the Fund and other shareholders and may prohibit the shareholder from making further purchases or exchanges of Fund Shares...”

5. Shareholder Transaction Data Requests

Federated will support the DTCC Standardized Data Reporting (SDR) process.

Initially, Federated expects to request shareholder data on an ad hoc/periodic basis; however, based on results of reviewed data and account activity, requests for certain accounts and underlying shareholder activity may become more frequent. This may consist of daily, weekly, monthly, or quarterly requests.

Federated has the ability to accept certain encrypted ad hoc files. Contact Tim Allen or Melissa Owens if you would like additional clarification on data sharing.

6. Contact Information

If you would like to discuss placing an auto restriction, or if you require a current list of funds excluded from frequent trade monitoring, please contact:

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