

**Firm Overview**

Since its founding in 1955, Federated Investors, Inc. and its subsidiaries have grown to become one of the nation's largest investment management organizations with assets under management of \$575.9 billion (as of 12/31/19) in investment strategies of domestic and international equity, fixed income and money market asset classes. Federated offers depth and breadth in its selection of products to meet the needs of virtually any client, from the large institutional investor and high net worth individuals, to retirement plan participants.

**Composite(s)**

Corporate 0-5 Year Ladder Managed Account  
 Corporate 0-10 Year Ladder Managed Account Composite

**Index(s)**

Bloomberg Barclays 1-5 Year U.S. Treasury Index  
 Bloomberg Barclays U.S. Intermediate Treasury Index

**Key Investment Team**

**Robert Ostrowski, CFA**  
 Chief Investment Officer for the Global Fixed Income Group  
 32 Years Experience  
**Denis Doherty, CFA**  
 Senior Portfolio Manager  
 32 Years Experience

**Corporate Bond Ladders  
 Managed Account**

**Objective**

Federated Bond Ladders seek to provide income that is relatively stable compared to interest rate movements.

**Philosophy**

Ladders are appropriate for investors who seek regular income and prefer holding most bonds to maturity, thus reducing principle gains and losses.

**Strategies**

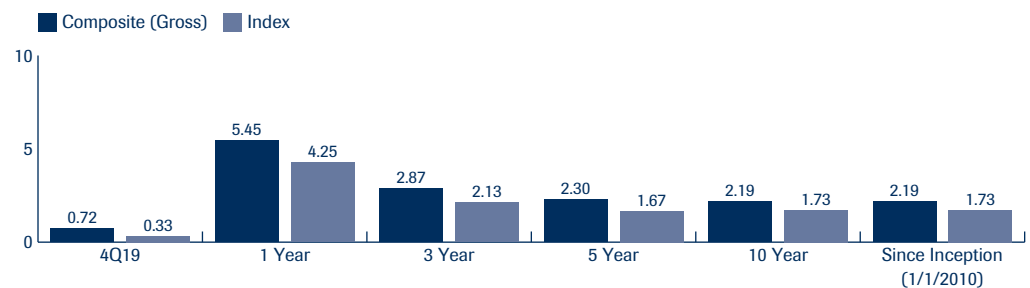
- Corporate 0-5 yr. Ladder
  - Corporate 0-10 yr. Ladder
- Goal: Buy and Hold with Credit Oversight
- Individual investment-grade credits and occasionally Treasury bonds
  - May sell security if there is material deterioration of credit
  - May realize principle loss
  - Target 20-50 maturities
  - \$250,000 minimum

**Target Audience**

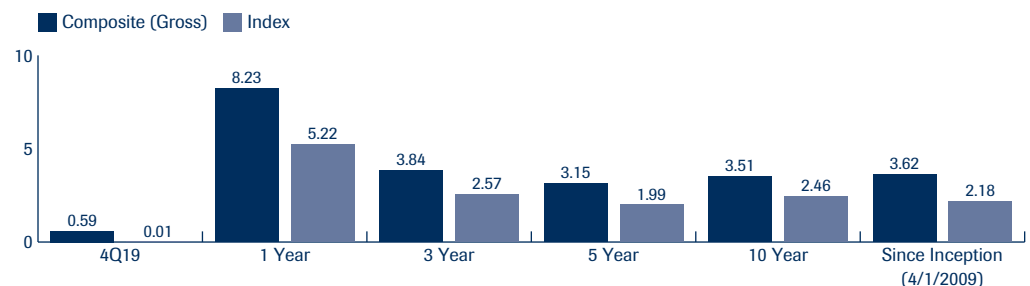
- Seeks higher income (wants higher yield than Treasuries)
- Seeks predictable coupon income generated by ladder
- Prefers liquidity provided by regular maturities

**Annualized Returns (%)\***

**Corporate 0-5 Year Ladder**



**Corporate 0-10 Year Ladder**



Data as of 12/31/19. Information is supplemental to the attached GIPS report.

\*For a comparison of gross to net return, see charts on pages 3 & 4. "Pure" gross-of-fees returns do not reflect the deduction of any expenses, including trading costs. "Pure" gross-of-fees returns are supplemental to net returns. This information is supplemental to the attached GIPS report which should be referred to for the current performance, including net figures.

While there is no assurance that the strategy will achieve its objective, the advisor endeavors to do so by selecting securities in the manner described in this document. Past performance is no guarantee of future results.

# Corporate Bond Ladders

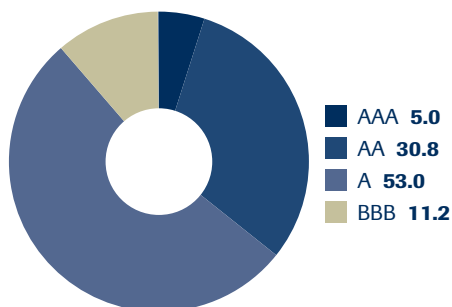
## Corporate 0-5 yr Ladder Portfolio Characteristics

	Portfolio	Index
Holdings	47	150
Effective Duration (years)	2.03	2.63
Yield to Maturity	1.92%	1.62%

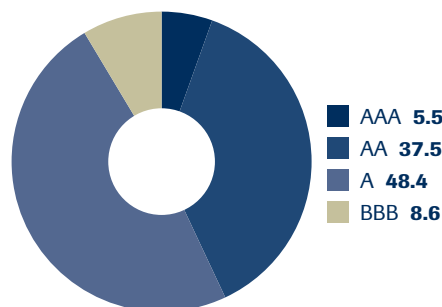
## Corporate 0-10 yr Ladder Portfolio Characteristics

	Portfolio	Index
Holdings	47	206
Effective Duration (years)	4.15	3.73
Yield to Maturity	2.11%	1.68%

## Portfolio Quality (%)



## Portfolio Quality (%)



## Top Holdings

	Coupon	Maturity	% of Portfolio
Shell International Finance	2.125	5/11/2020	2.9
Chevron Corporation	2.498	3/3/2022	2.9
Microsoft Corporation	1.850	2/12/2020	2.8
Walmart Inc.	2.550	4/11/2023	2.8
Berkshire Hathaway Inc.	2.750	3/15/2023	2.7

## Top Holdings

	Coupon	Maturity	% of Portfolio
Walmart Inc.	3.700	6/26/2028	3.1
Johnson & Johnson	2.950	3/3/2027	2.9
Equinor Asa	3.700	3/1/2024	2.8
Procter & Gamble Company	3.100	8/15/2023	2.8
Exxon Mobil Corporation	3.176	3/15/2024	2.7

## Security Selection Process



Portfolio information is derived from a model portfolio managed in the strategy as of 12/31/19. Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change. Information is supplemental to the attached GIPS report.

**Past performance is no guarantee of future results.**

**Index Descriptions (An index is unmanaged and has no expenses and it is not possible to invest directly in an index.)**

**Bloomberg Barclays 1-5 Year U.S. Treasury Index:** Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 5 years, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

**Bloomberg Barclays U.S. Intermediate Treasury Index:** Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 10 years, are rated investment grade, and have \$250 million or more of outstanding face value.

**Effective Duration:** A measure of a security's price sensitivity to changes in interest rates. One of the methods of calculating the risk associated with interest-rate changes on securities such as bonds.

# Schedule of Rates of Return and Statistics

Composite **Corporate 0-5 Year Ladder Managed Account Composite**  
 Index **Bloomberg Barclays 1-5 Year U.S. Treasury Index**  
 Periods Ending **12/31/2019**

Returns (%)			
	Gross Composite Return	Index	Net Composite Return (Assuming Maximum Fee)
<b>Q4 19</b>	0.72	0.33	0.35
<b>1 Year</b>	5.45	4.25	3.88
<b>3 Years (Annlzd)</b>	2.87	2.13	1.35
<b>5 Years (Annlzd)</b>	2.30	1.67	0.78
<b>7 Years (Annlzd)</b>	1.91	1.34	0.39
<b>10 Years (Annlzd)</b>	2.19	1.73	0.67
<b>Jan 10 - Dec 19 (Annlzd)</b>	2.19	1.73	0.67

	Composite Gross Return	Composite Net Return	Benchmark Return	Composite* 3-Yr St Dev	Benchmark* 3-Yr St Dev	Number of Portfolios	Dispersion**	Composite Assets (\$mil)	Firm Assets (\$bil)
<b>2010</b>	3.04	1.51	3.73	N/A	N/A	<5	N/A	0.3	354.3
<b>2011</b>	3.25	1.72	3.38	N/A	N/A	<5	N/A	25.5	363.9
<b>2012</b>	2.28	0.76	0.89	1.23	1.41	<5	N/A	26.0	371.3
<b>2013</b>	0.26	-1.23	-0.14	1.24	1.14	<5	N/A	28.3	366.8
<b>2014</b>	1.58	0.07	1.17	1.13	0.97	<5	N/A	27.8	349.3
<b>2015</b>	1.32	-0.19	0.92	1.16	1.14	<5	N/A	26.7	343.4
<b>2016</b>	1.60	0.09	1.02	1.18	1.43	<5	N/A	0.3	342.3
<b>2017</b>	1.65	0.14	0.68	1.07	1.39	<5	N/A	2.0	354.7
<b>2018</b>	1.57	0.06	1.51	1.10	1.47	<5	N/A	1.4	377.2
<b>2019</b>	5.45	3.88	4.25	1.11	1.44	<5	N/A	2.5	503.1

\*Represents the 3-year annualized standard deviation for both the composite and index returns. This statistic is used to measure volatility of composite returns.

\*\*Standard deviation is calculated using gross returns. Standard deviation is not applicable ("N/A") for any period if fewer than five accounts are in the composite for that period. (See footnote 5)

This composite is comprised of all separately managed account portfolios with the authority to invest in treasuries, agencies, and corporates that are managed in a ladder structure out to approximately five years on the ladder. Portfolios in this style are generally benchmarked against the Bloomberg Barclays 1-5 Year U.S. Treasury Index. The Bloomberg Barclays U.S. Treasury 1-5 Year Index measures the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with remaining years to maturity between 1 and 5 years. Indexes are unmanaged and cannot be invested in directly. Accounts eligible for this composite must have wrapped or bundled fees, follow this style, and be fully-discretionary. Accounts eligible for this composite generally are stand-alone portfolios and not part of a balanced portfolio. Wrap fee accounts make up 100% of this composite for all time periods. Separate accounts eligible for this composite generally have a minimum of \$250,000 at the time of opening. Effective 2Q 2009, the significant cash flow policy in effect for this composite requires portfolios with a 10% or larger cash flow to be removed from the composite until it is invested in line with the model. Additional detail on this policy is available upon request. This composite was created in June 2009. Federated Investors has managed portfolios in this investment style since July 2009. Federated Investors claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy of quality of the content contained herein. Federated Investors has been independently verified for the period of January 1, 1992, through September 30, 2019. The verification report is available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Performance results are presented both net and gross of total wrap fees and reflect the reinvestment of income. "Pure" gross returns are shown as supplemental and do not reflect the deduction of transaction costs. Net returns reflect the deduction of a maximum fee. A fee equal to the highest anticipated wrap fee that a client could pay (1.50% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.25%) is used. This total wrap fee includes all charges for trading costs, portfolio management, custody and other administrative fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

See Notes to the Schedule of Rates of Return and Statistics.

# Schedule of Rates of Return and Statistics

Composite **Corporate 0-10 Year Ladder Managed Account Composite**  
 Index **Bloomberg Barclays U.S. Intermediate Treasury Index**  
 Periods Ending **12/31/2019**

Returns (%)			
	Gross Composite Return	Index	Net Composite Return (Assuming Maximum Fee)
<b>Q4 19</b>	0.59	0.01	0.22
<b>1 Year</b>	8.23	5.22	6.63
<b>3 Years (Annlzd)</b>	3.84	2.57	2.30
<b>5 Years (Annlzd)</b>	3.15	1.99	1.61
<b>7 Years (Annlzd)</b>	2.67	1.59	1.15
<b>10 Years (Annlzd)</b>	3.51	2.46	1.97
<b>Apr 09 - Dec 19 (Annlzd)</b>	3.62	2.18	2.08

	Composite Gross Return	Composite Net Return	Benchmark Return	Composite* 3-Yr St Dev	Benchmark* 3-Yr St Dev	Number of Portfolios	Dispersion**	Composite Assets (\$mil)	Firm Assets (\$bil)
<b>2010</b>	5.78	4.21	5.29	N/A	N/A	<5	N/A	1.8	354.3
<b>2011</b>	6.68	5.10	6.57	N/A	N/A	<5	N/A	2.2	363.9
<b>2012</b>	4.03	2.48	1.71	2.30	2.49	<5	N/A	2.1	371.3
<b>2013</b>	-1.30	-2.78	-1.34	2.46	2.17	<5	N/A	2.1	366.8
<b>2014</b>	4.39	2.84	2.57	2.41	1.78	<5	N/A	1.9	349.3
<b>2015</b>	2.03	0.52	1.18	2.62	1.98	<5	N/A	1.9	343.4
<b>2016</b>	2.20	0.68	1.06	2.52	2.31	<5	N/A	1.1	342.3
<b>2017</b>	2.96	1.43	1.14	2.30	2.23	<5	N/A	1.1	354.7
<b>2018</b>	0.48	-1.02	1.41	2.14	2.26	<5	N/A	1.4	377.2
<b>2019</b>	8.23	6.63	5.22	2.20	2.14	<5	N/A	1.6	503.1

\*Represents the 3-year annualized standard deviation for both the composite and index returns. This statistic is used to measure volatility of composite returns.

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See Notes to the Schedule of Rates of Return and Statistics.

# Notes to the Schedule of Rates of Return and Statistics

- 1. Federated Investors is a global, independent, multi-strategy investment management firm with offices in Pittsburgh, New York, Rochester, Boston, London, Dublin and Frankfurt. For GIPS® purposes, Federated Investors is defined to include the assets of registered investment companies, separate (or private) accounts, managed accounts (including wrap accounts) and commingled or collective trusts that are advised or sub-advised by the following subsidiaries: Federated Advisory Services Co.; Federated Equity Management Co. of PA; Federated Investment Counseling; Federated Investment Management Co.; Federated Global Investment Management Corp.; International Management Limited; MDT Advisers; Federated Securities Corp.; effective December, 2008, (the date of acquisition) the institutional assets of Federated Clover Investment Advisors, and effective September, 2009, (the date the assets were brought into compliance) the SMA/Wrap assets of Federated Clover Investment Advisors; and effective April, 2012 (the date of acquisition) Federated Investors (UK) LLP. Effective with the January 1, 2011, change in GIPS® policies regarding fair value, the assets of the Capital Preservation Fund (a Guaranteed Investment Contract vehicle) were included in the defined firm assets. Prior to that date they were excluded as they are not market value based investments. Firm assets on this report exclude the advisory-only, model-based assets that may be included in other reports providing total firm assets.*
- 2. Interest income and dividends are recognized on an accrual basis. Returns include the reinvestment of all income.*
- 3. All market values and performance information are valued in U.S. dollars unless currency is denoted in composite title.*
- 4. With the exception of the Federated Clover Investment Advisors composites, annual composite dispersion is measured and presented using the asset weighted standard deviation of the returns of all of the portfolios included in the composite over the entire year. Quarterly dispersion is measured using all portfolios included in the composite for that quarter. With regard to Federated Clover Investment Advisors composites, annual dispersion is measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year.*
- 5. Composite dispersion does not measure the risk of the product presented, it simply measures the return variance among portfolios managed in a similar fashion. This variance can be affected by variations in cash flow or specific client parameters among the portfolios comprising the composites, as well as by Federated's execution of strategy across accounts.*
- 6. See the composite description language on the prior page for a discussion on appropriate fees currently applied to calculate composite performance. With regard to the institutional composites not managed by the Federated Clover or MDT Advisers teams, for the period July 1, 1992 through September 30, 2009, net of fee performance was calculated monthly by reducing the gross composite return by the highest actual fee of any account in the composite for that month, regardless of investment vehicle. Prior to this, the maximum management fee charged for the period July 1, 1992 through September 30, 1992 was used to calculate net of fee performance back to inception of the composite. In addition, further fee information can be obtained from Federated's respective Forms ADV Part 2 Brochure Item 5.*
- 7. Additional information regarding the policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list and description of the firm's composites is available upon request.*
- 8. Past performance is not indicative of future results.*
- 9. See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.*



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Federated Investment Counseling

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