

Federated Government Ultrashort Duration Fund

Nasdaq Symbol — R6: FGULX | IS: FGUSX | SS: FEUSX | A: FGUAX

Product Highlights

- Pursues current income.
- Invests in U.S. government securities, including mortgage-backed securities.
- Maintains a portfolio dollar-weighted average effective duration of one year or less.
- Focuses on short-term government securities that can provide a potential yield advantage over government money market securities in exchange for potential minimal principal volatility.

Morningstar Category

Ultrashort Bond

Benchmark

ICE BofAML 6-Month Treasury Bill Index

Key Investment Team

Susan Hill, CFA
Liam O'Connell, CFA

Yields

30-Day Yield - R6	2.01%
30-Day Yield - IS	1.99%
30-Day Yield - SS	1.90%
30-Day Yield - A	1.52%

Fund Statistics

Portfolio Assets	\$790.3 m
Dividends	Paid Monthly
Weighted Average Effective Duration (Yield Book Calculation)	0.21 Years

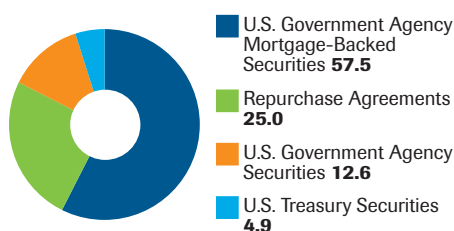
Credit Rating***

NAIC List

Top Holdings (%)

BMO Capital Markets Corp. Repo	12.7
Bank of America N.A. Repo	12.4
GNMA1 2019-6 FJ, 1/20/2049	4.6
GNMA1 2019-10 FC, 1/20/2049	3.7
GNMA1 2015-H02 FA, 1/20/2065	3.4
GNMA1 2015-H06 FB, 2/20/2065	3.4
GNMA1 2012-H25 BF, 9/20/2062	2.9
GNMA1 2016-120 FA, 9/20/2046	2.9
GNMA1 2012-H15 FB, 6/20/2062	2.7
GNMA1 2012-H29 BF, 11/20/2062	2.4

Sector Weightings (%)



Quality Breakdown (%) **



Average Annual Total Returns (%)

Performance shown is before tax.

NAV	Performance Inception	Cumulative 3 Month	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception	Expense Ratio*	
									Before Waivers	After Waivers
R6	7/10/97	0.49	2.05	1.36	0.71	0.52	1.37	1.89	0.43	0.24
IS	7/10/97	0.48	2.03	1.34	0.81	0.71	1.60	2.39	0.48	0.26
SS	9/30/99	0.46	1.92	1.24	0.73	0.61	1.50	1.98	0.74	0.36
A	7/10/97	0.37	1.57	0.89	0.39	0.27	1.15	1.85	0.99	0.71
Benchmark		0.65	2.26	1.33	0.90	0.60	1.60	-	-	-
Maximum Offering Price										
A	7/10/97	-1.63	-0.46	0.21	-0.01	0.06	1.02	1.76	0.99	0.71

Calendar Year Total Returns (%)

A Shares/NAV

	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
NAV	0.37	1.43	0.71	-0.14	-0.40	-0.10	-0.40	0.23	-0.09	0.28
Benchmark	0.65	1.92	0.95	0.67	0.22	0.12	0.18	0.17	0.27	0.36

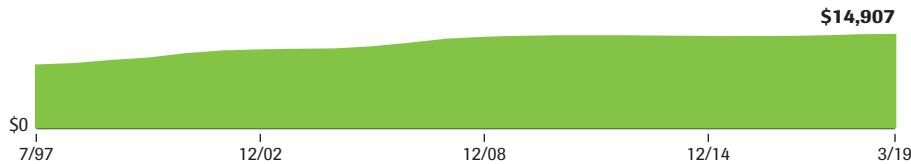
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedInvestors.com. Maximum Offering Price figures reflect the maximum sales charge of 2% for A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

* 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 10/1/19 or the date of the fund's next effective prospectus.

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Growth Over Time

If you had invested \$10,000 in A Shares on 7/31/97 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 3/31/19.



The fund's A Shares commenced operations on March 3, 2003. For the period prior to the commencement of operations of the A Shares, the performance information shown is for the fund's Institutional Shares, adjusted to reflect the sales charges (for maximum offering price performance) and expenses of the A Shares.

The fund's R6 Shares commenced operations on March 29, 2016. For the period prior to the commencement of operations for the R6 Shares, the performance information shown is for the IS Shares. The performance of the IS 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 IS Shares. The performance of the IS Shares has been adjusted to remove any voluntary waiver of fund expenses related to the IS 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. Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

The fund is not a "money market" mutual fund. Some money market mutual funds attempt to maintain a stable net asset value through compliance with relevant Securities and Exchange Commission (SEC) rules. The fund is not governed by those rules, and its shares will fluctuate in value.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

When homeowners prepay their mortgages in response to lower interest rates, the fund will be required to reinvest the proceeds at the lower interest rates available. Also, when interest rates fall, the price of mortgage-backed securities may not rise to as great an extent as that of other fixed-income securities.

Definitions

The holdings percentages are based on net assets at the close of business on 3/31/19 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.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

30-day yield (also known as "SEC yield") is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 1.82% for R6 Shares, 1.77% for Institutional Shares, 1.68% for Service Shares, and 1.25% for A Shares.

Growth Over Time performance is for the fund's A Shares. Figures do not reflect the 2% maximum sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

Weighted Average Effective Duration (sometimes called "Option-Adjusted Duration") is a measure of a security's price sensitivity to changes in interest rates calculated using a model that recognizes that the probability of a bond being called or remaining outstanding until maturity may vary if market interest rates change, and that makes adjustments based on a bond's embedded options (e.g., call rights, or in the case of a mortgage-backed security, the probability that homeowners will prepay their mortgages), if any, based on the probability that the options will be exercised. A fund's weighted average effective duration will equal the market value weighted average of each bond's effective duration in the fund's portfolio. As with any model, several assumptions are made so the weighted average effective duration of a fund in the Federated family of funds may not be comparable to other funds outside of the Federated family of funds. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

ICE BofAML 6-Month Treasury Index is an unmanaged index tracking 6-month U.S. government securities. The index is produced by BofA Merrill Lynch, Pierce, Fenner & Smith, Inc.

Indexes are unmanaged and cannot be invested in directly.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

Ratings and Rating Agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2019 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

** The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.

*** This fund is on the National Association of Insurance Commissioner's list as a Bond Mutual Fund listing. This designation denotes that the fund meets certain quality and pricing guidelines such as: the highest quality rating given by a NAIC credit rating provider, allow a maximum 7 day redemption of proceeds, invest 100% in US government securities, declare a dividend of its net investment income each day prior to calculating its net asset value per share. This is subject to an annual review.