Federated Adjustable Rate Securities Fund

Product Highlights

■ Pursues current income consistent with minimal volatility of principal.
■ Invests primarily in adjustable and floating rate mortgage-backed securities, which pay interest at rates that increase or decrease with changes in market rates.
■ Features a track record of more than 30 years.

Morningstar Category
Short Government

Benchmark
ICE BofAML 1-Year U.S. Treasury Note Index

Key Investment Team
Todd Abraham, CFA
Liam O’Connell, CFA

Yields

30-Day Yield - IS 2.66%
30-Day Yield - SS 2.41%

Fund Statistics

Portfolio Assets $121.9 m
Dividends Paid Monthly
Weighted Average Effective 0.8 Years
Duration (Yield Book Calculation) 2.8
Weighted Average Bond Price $102.73

Credit Rating
Aaa Moody’s***

Top Holdings (%)**

FHLMC Remic 3284 BF 2.3275% due 3/15/37 33.3
FNMA Remic 2010-68 BF 2.5183% due 7/25/40 35.5
U.S. Treasury Floter due 7/31/21 3.3
FNMA ARM 4.841% due 8/1/35 3.2
FNMA Remic 2012-130 DF 2.4183% due 12/25/40 3.2
FNMA BJ3467 4% due 3/1/48 3.0
FNMA Remic 2006-W1 2AF1 2.2383% due 2/25/46 2.8
FNMA ARM 4.446% due 8/1/39 2.6
FNMA Remic 2011-4 PF 2.5683% due 2/25/41 2.6
FHLMC ARM 4.179% due 7/1/34 2.5
FNMA ARM 5.555% due 1/1/36 2.5

Sector Weightings (%)***

U.S. Government Agency
Adjustable Rate Mortgage Securities 46.6
Floating Rate Securities 35.5
Mortgage-Backed Securities 9.6
U.S. Treasury Securities 4.6
Non-Agency Mortgage-Backed Securities 1.3
U.S. Government Agency Commercial Mortgage-Backed Securities 0.9
Asset-Backed Securities 0.6
Cash/Cash Equivalents 0.9

Quality Breakdown (%)**

AAA 99.1
Cash/Cash Equivalent 0.9

Average Annual Total Returns (%)

Performance shown is before tax.

<table>
<thead>
<tr>
<th>NAV</th>
<th>Performance Inception</th>
<th>Cumulative 3 Month</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>15 Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>IS</td>
<td>12/3/85</td>
<td>0.55</td>
<td>2.70</td>
<td>1.46</td>
<td>0.88</td>
<td>0.92</td>
<td>1.97</td>
<td>4.06</td>
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<tr>
<td>SS</td>
<td>12/3/85</td>
<td>0.61</td>
<td>2.76</td>
<td>1.48</td>
<td>0.89</td>
<td>0.93</td>
<td>1.97</td>
<td>4.06</td>
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<tr>
<td>Benchmark</td>
<td>0.56</td>
<td>3.13</td>
<td>1.80</td>
<td>1.12</td>
<td>0.79</td>
<td>1.72</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Calendar Year Total Returns (%) Service Shares/NAV

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>2.12</td>
<td>1.66</td>
<td>0.67</td>
<td>0.26</td>
<td>-0.32</td>
<td>0.78</td>
<td>-0.36</td>
<td>1.22</td>
<td>1.16</td>
</tr>
<tr>
<td>Benchmark</td>
<td>2.33</td>
<td>1.86</td>
<td>0.57</td>
<td>0.76</td>
<td>0.15</td>
<td>0.18</td>
<td>0.25</td>
<td>0.24</td>
<td>0.57</td>
</tr>
</tbody>
</table>

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.

* 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 11/1/20 or the date of the fund's next effective prospectus.
Federated Adjustable Rate Securities Fund

Growth Over Time

If you had invested $10,000 in Service Shares on 12/31/85 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 9/30/19.

$38,478

Effective at close of business on August 2, 2019, the former Institutional Shares were re-designated as new Service Shares; the former Service Shares were converted into the newly re-designated Service Shares; and a new Institutional Share class was created. The performance for the former Institutional Shares was carried over in the re-designation as the performance of the newly re-designated Service Shares.

Effective January 21, 1992, the fund converted its investment policy from intermediate- to longer-term Treasuries to adjustable rate mortgage securities.

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 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.

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Definitions

The holdings percentages are based on net assets at the close of business on 9/30/19 and may not necessarily reflect adjustments that are not 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. For an indefinite period of time, the investment advisor is waiving all or part of its fee and, in addition, may reimburse the fund for some of its expenses. Otherwise, the yield would have been 2.06% for Service Shares and 2.31% for Institutional Shares.

Growth Over Time performance is for the fund's Service Shares. 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.

Weighted Average Bond Price - Morningstar generates this figure from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

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.