

# Federated Global Allocation Fund

Nasdaq Symbol — R6: FSBLX | IS: SBFIX | A: FSTBX | B: FSBBX | C: FSBCX | R: FSBKX

## Product Highlights

- Pursues relative safety of capital, with the possibility of long-term growth of capital and income. Consideration is also given to current income.
- Invests in a mix of asset classes including a globally diverse range of equity, fixed-income and currency instruments that provide targeted region, country, sector, style and size exposures.
- Under normal circumstances, at least 40% of the fund's investments are in countries outside the U.S., allowing investment managers to capture diversified opportunities for outperformance internationally.
- The asset mix will change based upon the team's view of economic and market conditions. The portfolio is continually reviewed taking into account macro considerations such as liquidity, volatility, interest rates, inflation, individual country impacts and economic events along with factors such as risk, return and correlations among holdings.

## Morningstar Category

World Allocation

## Benchmark

60% MSCI All Country World Index/40%  
Bloomberg Barclays Global Aggregate Index

## Key Investment Team

Timothy Goodger, Ph.D.  
John Sherman, CFA  
Steven Chiavarone, CFA  
Ihab Salib  
Chengjun (Chris) Wu, CFA  
Qun Liu, CFA

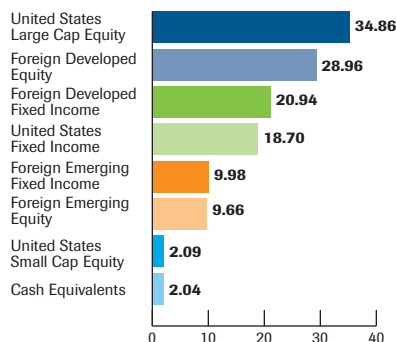
## Yields

30-Day Yield - R6	1.98%
30-Day Yield - IS	1.96%
30-Day Yield - A	1.59%
30-Day Yield - B	0.87%
30-Day Yield - C	0.91%
30-Day Yield - R	1.29%

## Fund Statistics

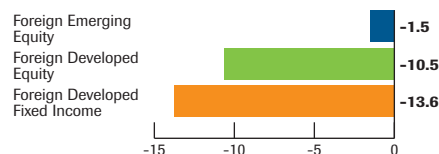
Portfolio Assets	\$355.7 m
Number of Fixed-Income Securities	259
Number of Equity Securities	1326
Dividends	Paid Quarterly
Portfolio Beta (Source: S&P 500 vs. Raw trailing 3yr beta)	0.60
Weighted Average Effective Maturity	8.5 Years
Weighted Average Effective Duration	6.6 Years
Weighted Median P/E (NTM)	16.1x
Weighted Median P/E (LTM)	18.9x
Weighted Median Market Cap	\$27.3 b
Weighted Median Price/Book	2.9x

## Portfolio Allocation (%) — Long Exposure



Futures require no cash outlays; thus the notional value is reported.

## Portfolio Allocation (%) — Short Exposure



## 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	12/31/68	2.77	4.07	7.56	3.62	7.49	5.34	7.30	0.97	0.85
IS	12/31/68	2.80	4.06	7.57	3.74	7.71	5.39	7.23	1.02	0.87
A	12/31/68	2.69	3.72	7.24	3.43	7.40	5.28	7.28	1.29	1.16
B	8/30/96	2.49	2.89	6.39	2.60	6.70	4.83	5.70	2.10	1.99
C	4/19/93	2.52	2.97	6.45	2.66	6.58	4.74	6.05	2.07	1.95
R	12/31/68	2.61	3.30	6.79	3.00	6.93	4.82	6.80	1.72	1.59
Benchmark		3.59	6.14	7.68	4.32	8.20	5.86	-	-	-

## Maximum Offering Price

A	12/31/68	-2.94	-1.98	5.23	2.26	6.79	4.88	7.16	1.29	1.16	
B	8/30/96	-3.01	-2.50	5.20	2.25	6.70	4.83	5.70	2.10	1.99	
C	4/19/93	1.52	1.99	6.45	2.66	6.58	4.74	6.05	2.07	1.95	

## Calendar Year Total Returns (%)

A Shares/NAV

	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
NAV	12.10	-8.60	17.06	3.25	-4.43	3.67	18.52	11.90	-2.84	10.93
Benchmark	12.02	-6.00	17.09	5.69	-2.47	2.78	12.06	11.45	-2.07	10.15

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](http://FederatedInvestors.com). Maximum Offering Price figures reflect the maximum sales charge of 5.5% for A Shares, and the maximum contingent deferred sales charges of 5.5% for B Shares and 1% for C 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 2/1/20 or the date of the fund's next effective prospectus.

# Federated Global Allocation Fund

## Foreign Country Equity (%)

	Long	Short
Europe ex U.K.	6.08	-2.95
U.K.	0.00	-0.65
Asia ex Japan	0.00	-6.42
Japan	0.00	-0.49
Canada	0.12	0.00
Emerging Markets	1.56	-1.53
U.S.	4.28	0.00

## Currency (%) – Long Exposure

Canadian Dollar/US Dollars	2.44
British Pound/US Dollar	1.62
Swedish Krona/US Dollar	1.24
Korean Won/US Dollar	1.05
Mexican Peso/US Dollar	0.98
New Zealand Dollar/US Dollar	0.79
Australian Dollar/US Dollar	0.55
Turkish Lira/US Dollar	0.20
Swiss Franc/US Dollars	0.00

## Currency (%) – Short Exposure

Norwegian Krone/US Dollar	-1.16
Singapore Dollar/US Dollars	-2.13
Japanese Yen/US Dollar	-3.40
Euro/US Dollar	-4.69

All currency exposures are achieved via currency forwards.

## Top Holdings (%)

### Equity Portion

AMSTERDAM IDX FUT Jul19	4.9
S&P 500 E-Mini Futures	4.6
KOSPI2 INX FUT Sep19	1.6
FTSE/MIB IDX FUT Sep19	1.1
Amazon.com, Inc.	1.0

### Fixed-Income Portion

Emerging Markets Core Fund	10.0
Federated Mortgage Core Portfolio	4.6
U.S. Treasury Note, 2.125% due 5/31/21	1.6
Federated Project and Trade Finance Core Fund	1.4
The High Yield Bond Portfolio	1.0

*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](http://FederatedInvestors.com). Please carefully read the summary prospectus or the prospectus before investing.*

*Past performance is no guarantee of future results.*

The performance information shown for periods prior to September 5, 2008 reflects historical performance data for Federated Stock and Bond Fund, Inc. (the "Predecessor Fund") prior to its reorganization into Federated Asset Allocation Fund (formerly, Federated Stock and Bond Fund) on September 5, 2008. The fund is the successor to the Predecessor Fund pursuant to the reorganization.

The fund's Institutional Shares commenced operations on June 12, 2009. For the period prior to the commencement of operations of 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 reflect the absence of sales charges and 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 fund's R Shares commenced operations on April 7, 2003. For the period prior to the commencement of operations of the R Shares, the performance information shown is for the fund's A Shares, adjusted to reflect the expenses of the R Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

The fund's R6 Shares commenced operations on June 30, 2016. For the period prior to the commencement of operations of the R6 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 applicable to the R6 Shares since the R6 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 fund expenses related to the A Shares that may have occurred during the periods prior to the commencement of operations of the R6 class and to reflect the differences in sales loads and charges imposed on the purchase and redemption of the fund's A and R6 Shares.

The B Shares of this Federated fund are closed to new investors and new investments from existing shareholders (excluding reinvestment of dividends and capital gains and exchanges from B Shares of other Federated Funds).

## A Word About Risk

Mutual funds are subject to risks and fluctuate in value.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment-grade securities.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

The fund may make short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested.

## Definitions

The holdings percentages are based on net assets at the close of business on 6/30/19 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 1.76% for R6 Shares, 1.71% for Institutional Shares, 1.38% for A Shares, 0.66% for B Shares, 0.70% for C Shares, and 1.07% for R Shares.

Weighted Average Effective Maturity is the average time to maturity of debt securities held in the fund.

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 Median P/E (LTM - Latest Twelve Months) is a ratio comparing share price to earnings per share using data from the previous twelve months.

Weighted Median P/E (NTM - Next Twelve Months) in calculating this, individual holdings with values greater than 60 are capped at 60 in accordance with Morningstar's methodology for calculating "Weighted Median P/E."

Weighted Median Market Capitalization is the calculation represented by the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

Weighted Median Price/Book is a ratio comparing share price to book value or assets minus liabilities.

Beta analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually the higher betas represent riskier investments.

MSCI All Country World Index captures large- and mid-cap representation across 23 developed markets countries and 23 emerging markets countries. The index covers approximately 85% of the global investable equity opportunity set.

Bloomberg Barclays Global Aggregate Bond Index is a measure of global investment grade debt from twenty-four different local currency markets. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers.

Indexes are unmanaged and cannot be invested in directly.

## 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.