

Firm Overview

Since its founding in 1955, Federated Investors, Inc. (NYSE:FII) and its subsidiaries have grown to become one of the nation's largest investment management organizations with assets under management of \$459.9 billion (as of 12/31/18) 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

Growth and Income Managed Account

Index

S&P 500 (Index)

Key Investment Team

John Nichol, CFA
Senior Portfolio Manager
26 Years Experience

Linda Bakhshian, CPA, CA
Portfolio Manager
20 Years Experience

Growth and Income Managed Account

Objective:

The strategy's objective is to provide both capital appreciation and income.

Positioning:

The Growth and Income strategy focuses on investing in a blended portfolio of growth, value and income opportunities. The strategy's disciplined investment process emphasizes stocks of corporations that have strong franchises, improving fundamentals, and attractive relative valuation. The strategy seeks to deliver active participation in up markets and competitive performance in down markets, with lower risk and volatility.

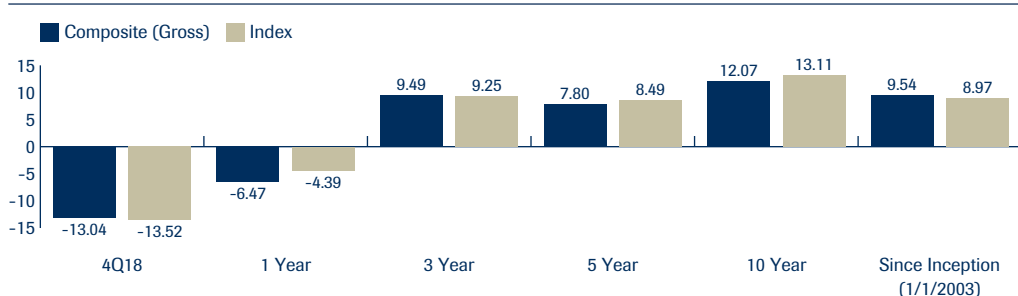
Philosophy:

- We believe a blended approach that balances growth, value and income will outperform "pure" strategies over time with lower risk and volatility.
- We believe the best stocks over time are strong franchises that exercise capital discipline while delivering a growing cash flow stream to their investors.
- We believe broad diversification across all market sectors, market capitalizations, and styles may help to shield investors from extreme volatility and underperformance in any one company or area of the market.

Investment Approach:

- Bottom-up approach striving to emphasize stocks of corporations which are inexpensive relative to their historical valuation, have a strong franchise and possess catalysts for improving fundamentals and market sentiment.
- Security selection driven by fundamental and quantitative research with emphasis on intrinsic value of a business.
- Aims to be diversified across all sectors of the market.

Annualized Returns (%)*



Data as of 12/31/18. Information is supplemental to the attached GIPS presentation.

*For a comparison of gross to net returns, see chart on page 3. "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 presentation which should be referred to for the current performance, including the 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. Performance data quoted represents past performance which is not indicative of future results.

Growth and Income

Portfolio Characteristics

	Portfolio	Index
Dividend Yield (%)	2.92	2.22
Forecast P/E Ratio (NTM)*	13.02x	16.26x
EPS Growth Next 5-years** (%)	10.82	13.10
Price/Book Value Ratio*	3.77x	4.24x
Price/Cash Flow Ratio*	12.92x	16.86x
Wtd. Avg. Market Capitalization (Bil.)	\$174.2	\$200.8
Holdings	67	505

Sector Weightings (%)

	Portfolio	Index
Communication Services	7.8	10.1
Consumer Discretionary	8.9	9.9
Consumer Staples	6.6	7.4
Energy	4.7	5.3
Financials	15.4	13.3
Health Care	15.8	15.5
Industrials	9.0	9.2
Information Technology	23.6	20.1
Materials	2.7	2.7
Real Estate	2.7	3.0
Utilities	2.8	3.3

Top Holdings (%)

	Portfolio
Microsoft Corporation	4.3
Apple Inc.	3.7
Boeing Company	3.7
JPMorgan Chase & Co.	2.9
Oracle Corporation	2.9
Johnson & Johnson	2.6
Walt Disney Company	2.2
Lam Research Corporation	2.2
Comcast Corporation Class A	2.1
Amgen Inc.	2.1

Calendar Year Returns (%)***

	Composite (Gross)	Index
2009	17.01	26.47
2010	12.99	15.06
2011	8.68	2.11
2012	12.51	16.00
2013	32.86	32.38
2014	13.60	13.68
2015	-2.38	1.37
2016	16.91	11.95
2017	20.05	21.82
2018	-6.47	-4.39

Portfolio information is derived from a model portfolio managed in the Strategy as of 12/31/18. 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 presentation.

*Weighted Median

**Weighted Average

***For a comparison of gross to net returns, see chart on page 3. "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 presentation which should be referred to for the current performance, including the net figures.

Past performance is no guarantee of future results.

Schedule of Rates of Return and Statistics

Composite **Growth and Income Managed Account Composite**
 Index **S&P 500 Index**
 Periods Ending **12/31/2018**

Returns (%)			
	Gross Composite Return	Index	Net Composite Return (Assuming Maximum Fee)
Q4 18	-13.04	-13.52	-13.73
1 Year	-6.47	-4.39	-9.26
3 Years (Annlzd)	9.49	9.25	6.27
5 Years (Annlzd)	7.80	8.49	4.63
7 Years (Annlzd)	11.75	12.69	8.47
10 Years (Annlzd)	12.07	13.11	8.79
15 Years (Annlzd)	8.54	7.76	5.35
Jan 03 - Dec 18 (Annlzd)	9.54	8.97	6.32

	Composite Gross Return	Composite Net Return	Benchmark Return	Composite* 3-Yr St Dev	Benchmark* 3-Yr St Dev	Number of Portfolios	Dispersion**	% of Carve-Outs	Composite Assets (\$mil)	Firm Assets (\$bil)
2009	17.01	13.58	26.47	16.20	19.63	<5	N/A	0.00%	572.9	384.4
2010	12.99	9.68	15.06	18.71	21.85	<5	N/A	0.00%	463.5	354.3
2011	8.68	5.48	2.11	16.23	18.71	<5	N/A	0.00%	430.9	363.9
2012	12.51	9.21	16.00	13.58	15.09	<5	N/A	0.00%	458.9	371.3
2013	32.86	29.02	32.38	10.44	11.94	<5	N/A	0.00%	0.3	366.8
2014	13.60	10.27	13.68	9.06	8.97	<5	N/A	0.00%	0.4	349.3
2015	-2.38	-5.28	1.37	11.14	10.47	<5	N/A	0.00%	0.4	343.4
2016	16.91	13.49	11.95	11.57	10.59	<5	N/A	0.00%	0.4	342.3
2017	20.05	16.55	21.82	10.84	9.92	<5	N/A	0.00%	0.5	354.7
2018	-6.47	-9.26	-4.39	10.92	10.80	<5	N/A	0.00%	0.5	377.2

*Represents the 3-year annualized standard deviation for both the composite and index returns. The statistic is used to measure the 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 fully-invested portfolios investing for total return, with a focus on both income and capital appreciation. Portfolios include large, mid, and small capitalization companies across a blend of value and growth styles and are structured to provide exposure to all economic sectors of the broader market. Securities are screened and selected based on a fundamental assessment of the company's businesses, including a search for industry-leading companies with strong franchises, valuations, and balance sheets and improving cash flows and dividends. Accounts deemed by the portfolio manager to have a category restriction shall be excluded from this composite. A category is defined as a collection of investments with similar attributes such as industry classification, business sensitivity, social theme, or security features. Portfolios in the composite are generally managed to the S&P 500 Index. The S&P 500 is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Indexes are unmanaged and cannot be invested in directly. Separate accounts eligible for this composite generally have a minimum of \$100,000 at the time of opening and are a part of an asset-based pricing program. This composite was created in January 2013. Federated Investors has managed portfolios in this investment style since January 2003. Prior to January 2013, this composite consisted of the Income-Oriented Equity Institutional Composite. Federated Investors claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. Federated Investors has been independently verified for the period of January 1, 1992, through September 30, 2018. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis, and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation. Performance results are presented both net and gross of total wrap fees and reflect the reinvestment of income. Net returns reflect the deduction of a maximum fee. A fee equal to the highest anticipated wrap fee that a client could pay (3.00% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.70%) 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. Effective January 2013, the composite does not contain a bundled fee account and non-fee paying portfolios comprise 100% of this composite. For all performance periods, net performance is calculated by reducing the institutional account gross return by the highest wrap/bundled fee.

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 maybe 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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