

# Federated Institutional Prime Obligations Fund

## Trust Shares

Nasdaq Symbol: **POLXX** | Cusip Number: **60934N146** | Newspaper Listing: **PrimeObTR**

### Product Highlights

- Pursues current income consistent with stability of principal.
- Invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government.
- Holds AAAm and AAAMmf ratings from Standard & Poor's and Fitch, respectively.
- Offers intraday liquidity.

### Credit Ratings

**AAAm** Standard & Poor's  
**AAAMmf** Fitch

### Portfolio Manager(s)

Deborah Cunningham  
Paige Wilhelm

### Portfolio Assets

\$20.2 billion

### Top Ten Holdings

Toronto Dominion Bank  
Royal Bank of Canada  
Germany, Government of  
Canadian Imperial Bank of Commerce  
JPMorgan Chase & Co.  
Mizuho Financial Group, Inc.  
Bank of Montreal  
Wells Fargo & Co.  
Mitsubishi UFJ Financial Group, Inc.  
Credit Suisse Group AG

Total % of Portfolio: 37%

### Share Class Statistics

#### Inception Date

2/19/03

#### Federated Fund Number

700

#### Cut-Off Times

3:00 p.m. ET — Purchases  
3:00 p.m. ET — Redemptions

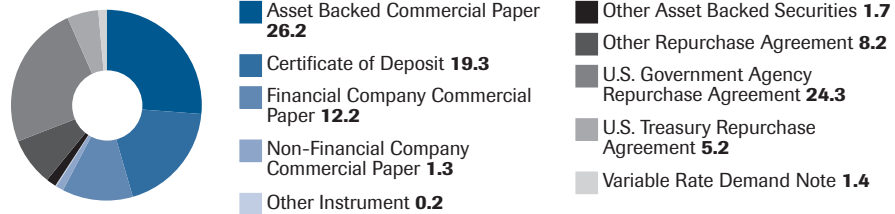
#### Strike Times

8:00 a.m. ET  
12:00 p.m. ET  
3:00 p.m. ET

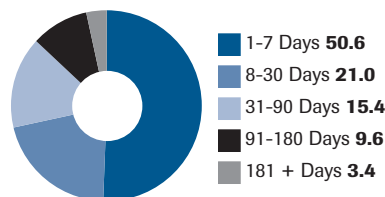
#### Dividends

Declared Daily/Paid Monthly

### Portfolio Composition (%)



### Effective Maturity Schedule (%)



### 2a-7 Liquidity

Daily 35.92%  
Weekly 40.79%

### Weighted Average Maturity

37 Days

### Weighted Average Life

82 Days

### Fund Performance

Net Yields (%)		Total Return (%)	
7-Day	1.95	1 Year	1.90

Annualized Yields (%)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
7-Day	1.59	1.59	1.68	1.80	1.86	2.04	2.07	2.05	2.05	2.02	1.96	1.95

**Performance quoted represents past performance, which is no guarantee of future results. Investment return will vary. An investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com).**

Although not contractually obligated to do so, the advisor and/or certain fund service providers waived all or a portion of their fees or reimbursed the fund for certain operating expenses. These voluntary waivers and reimbursements may be modified or terminated at any time; accordingly, the fund's expenses may vary (i.e., increase or decrease) during the fund's fiscal year. These waivers increase income to the fund and result in a higher return to investors.

Otherwise, the 7-day yield would have been 1.81% and total return would have been lower.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Yield quotations more closely reflect the current earnings of the fund than the total return quotation.

Rule 2a-7 requires that money market funds maintain at least 10% daily liquidity assets and at least 30% weekly liquidity assets. Both requirements are 'point of purchase' requirements. Thus, it is possible that money market funds may, at any given time, have liquidity percentages reflecting less than the 10% and 30% thresholds. In such circumstances, the portfolio manager will be required to purchase securities to meet the requisite liquidity thresholds prior to purchasing longer-dated securities. Additionally, the SEC requirements for what may be defined as 'daily' and 'weekly' differs from the standard maturities used in calculating the 'Effective Maturity Schedule.' Therefore, the percentages in the 2a-7 Liquidity table will generally not equal the amounts shown in the 'Effective Maturity Schedule.'

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## Portfolio Manager Commentary

In the second quarter of 2019, a dovish shift by the Federal Reserve, a breakdown in U.S.-China trade negotiations, an inversion of the Treasury yield curve, signs of U.S. economic slowdown and other issues put downward pressure on yields in the liquidity space. However, the volatility and anxiety stemming from these developments were some of the reasons flows to money market funds increased in the period.

The Federal Open Market Committee (FOMC) meeting in March, which essentially took a 2019 rate hike off the table, led to months of market speculation that the Fed would actually start easing in the second half of the year. In the June FOMC meeting, policymakers held the target range for the fed funds rate steady at 2.25-2.50%, but did forecast cuts on the horizon. The language of the statement from this meeting dropped the word “patient,” indicating they would now be more sensitive to data that would corroborate the new thesis that a greater downshift in the economy was coming.

The talks over a trade agreement between the U.S. and China broke down in May. President Trump increased tariffs from 10% to 25% on \$200 billion of Chinese goods, saying China attempted to change in an unfavorable manner the terms of the nearly completed deal. The breakdown roiled markets, ending a 4-month stock rally that worsened further toward the end of the month when the Trump administration threatened new tariffs on Mexico if it didn't take tougher steps to stem the tide of those seeking asylum in the U.S.

Lastly, the U.S. Treasury and the London interbank offered rate (Libor) yield curves inverted in the reporting period. Often indicative of a coming recession, there was no consensus on this in part because the inversion occurred on the shorter end of the curve and because data on the health of the U.S. economy was mixed. Growth appeared to ease over the quarter as job growth slowed, household spending moderated, manufacturing activity decelerated, business investment softened and inflation remained stubbornly low.

One-, 3- and 6-month Libor ended the quarter at 2.40%, 2.32% and 2.20%, respectively, and the 1-, 3- and 6-month Treasury yields ended at 2.25%, 2.13%, and 2.11%, respectively.

*You could lose money by investing in this fund. Because the share price of this fund will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

Performance shown is for Trust Shares. The fund offers additional share classes whose performance will vary due to differences in charges and expenses. Please consult your financial institution regarding your eligibility to purchase these classes.

### A Word About Risk

The value of some asset-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 guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

Current and future portfolio holdings are subject to risk.

### Definitions

Net yields are based on the average daily income dividend and average net asset value for the 7 days ended on the date of calculation. The 7-day net annualized yield is based on the average net income per share for the 7 days ended on the date of calculation and the offering price on that date.

The fund is a managed portfolio and its holdings are subject to change.

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.

Weighted Average Maturity is the mean average of the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid, (b) would be repaid upon a demand by the fund or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates if their scheduled maturity is 397 days or less, and the later of the two dates if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

Weighted Average Life is calculated in the same manner as the Weighted Average Maturity (WAM), but is based solely on the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid or (b) would be repaid upon a demand by the fund without reference to when interest rates of securities within the fund are scheduled to be readjusted.

Repurchase agreements consist of a financial institution selling securities to a fund and agreeing to repurchase them at a mutually agreed upon price and time.

Variable rate demand notes are tax-exempt securities that require the issuer or a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. The securities also pay interest at a variable rate intended to cause the securities to trade at their face value.

### Ratings And Rating Agencies

Ratings are based on an evaluation of several factors, including credit quality, diversification and maturity of assets in the portfolio, as well as management strength and operational capabilities. A money market fund rated AAAm by Standard & Poor's is granted after evaluating a number of factors, including credit quality, market price, exposure and management. Fitch's money market fund ratings are an assessment of a money market fund's capacity to preserve principal and provide liquidity through limiting credit, market and liquidity risk. For more information on credit ratings, visit [standardandpoors.com](http://standardandpoors.com) and [fitchratings.com](http://fitchratings.com).

Ratings are subject to change and do not remove market risk.

Credit ratings do not provide assurance against default or other loss of money and can change.

**This must be preceded or accompanied by a current prospectus.**