

# Strategic Value Dividend Managed Account

## 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

Strategic Value Dividend  
Managed Account

## Index

Dow Jones Select Dividend  
(Index)

## Key Investment Team

**Daniel Peris, Ph.D., CFA**  
Senior Portfolio Manager  
20 Years of Experience

**Deborah Bickerstaff**  
Portfolio Manager  
23 Years of Experience

**Jared Hoff**  
Portfolio Manager  
18 Years of Experience

**Michael Tucker**  
Portfolio Manager  
26 Years of Experience

## Strategy Inception:

October 1, 2001

## Objective:

The strategy's objective is to provide a high level of current income, long-term capital appreciation driven by dividend growth and lower downside risk.

## Positioning:

The Federated Strategic Value Dividend (Equity Income) strategy pursues income and long-term capital appreciation by investing primarily in high-yielding stocks with dividend growth potential. The strategy seeks to deliver a dividend yield that is higher than the broad market, to invest in companies that are positioned to increase their dividend distribution over time, and to pursue competitive performance in both up and down markets.

## Philosophy:

- We believe client assets should be invested in a businesslike manner, with an eye to cash returns and the long term, using the stock market as a platform to make investments in major enterprises rather than as an end unto itself.
- We believe the discipline of high payout, plus the commitment of management to return funds to investors through regular dividends, are attractive investment characteristics—particularly in a time when cash flows are too readily squandered in low- or no-return projects.
- We believe a portfolio of high-dividend-paying stocks can produce attractive total returns and offer lower levels of long-term volatility compared to low- or non-dividend-paying stocks.
- We believe an investment product with a high current yield, a growing income stream that offsets inflation, and lower downside risk will help meet the needs of a wide range of investors, including those entering a distribution phase over the next decade.

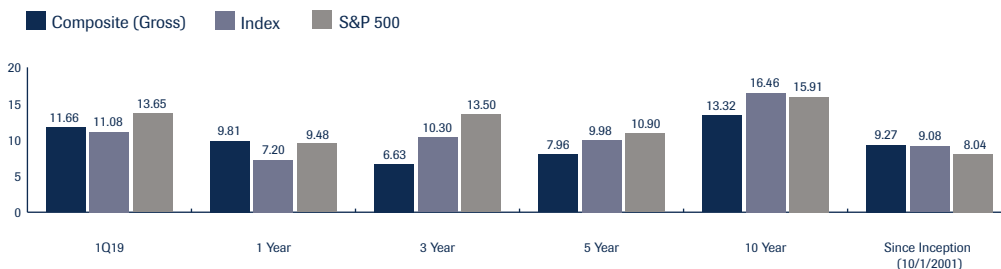
## Investment Approach:

- Bottom-up approach striving to emphasize high-yielding stocks.
- Emphasis on seeking reliable dividend income growth and the resulting capital appreciation.
- Aims to offer diversification across the dividend-paying sectors of the market.

## Dividend Yield (%)

Portfolio: 4.70    Index: 4.09    S&P 500: 2.00    10-Year U.S. Treasury: 2.41

## Annualized Returns (%)\*



Data as of 3/31/19.

\*For a comparison of gross to net returns, see chart on page 5. "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, and index changes.

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.

# Strategic Value Dividend

## Portfolio Characteristics

	Portfolio	Index	S&P 500
Dividend Yield (%)	4.70	4.09	2.00
P/E Ratio (LTM)*	17.40x	15.91x	22.02x
EPS Growth-Next 5-years**(%)	6.72	8.07	12.03
Price/Book Value Ratio*	2.16x	2.19x	4.60x
Price/Cash Flow Ratio*	9.12x	8.61x	15.81x
R-Squared (5-year) vs. Index	0.01	1.00	N/A
R-Squared (5-year) vs. S&P 500	0.43	N/A	1.00
Beta (5-year)**	0.74	0.87	1.00
Standard Deviation (5-year)	9.99	9.33	11.09
Wtd. Avg. Mkt. Capitalization (Mil.)	\$114,350	\$52,068	\$230,715
Turnover (Trailing 1-year) (%)	24.72	-	-
Holdings	34	100	500

## Sector Weightings (%)

	Portfolio	Index	S&P 500
Communication Services	13.4	7.1	10.1
Consumer Discretionary	-	14.6	10.2
Consumer Staples	24.9	8.0	7.3
Energy	16.8	9.1	5.4
Financials	5.7	13.9	12.7
Health Care	7.8	2.0	14.6
Industrials	3.1	4.4	9.5
Information Technology	-	7.7	21.2
Materials	-	8.2	2.6
Real Estate	10.2	-	3.1
Utilities	18.1	25.0	3.3

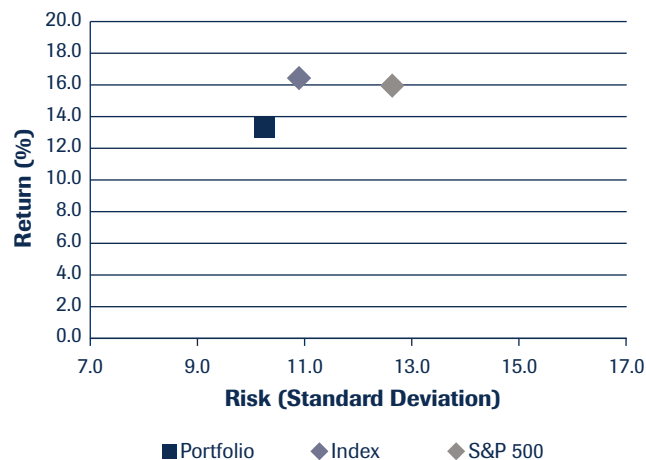
## Top Holdings (%)

	Portfolio
Philip Morris International Inc.	5.36
AT&T Inc.	4.34
Crown Castle International Corp	4.23
BP PLC	4.21
Dominion Energy Inc	4.07
AbbVie, Inc.	4.03
Chevron Corporation	3.99
Exxon Mobil Corporation	3.98
Duke Energy Corporation	3.87
Verizon Communications Inc.	3.86

## Country Weights (%)

	Portfolio
United States	76.4
United Kingdom	15.7
Canada	5.8
France	2.1
<b>Total</b>	<b>100.0</b>

## 10-Year Risk/Return Trade-Off\*\*\*



## Statistics

	Portfolio	Index	S&P 500
Capture Ratio (10-Year)	—	upside 78	upside 70
	—	downside 74	downside 43

## Dividend Increase/Cut History

	Increases	Cuts
2010	35	0
2011	33	1
2012	33	0
2013	33	1
2014	40	0
2015	35	0
2016	35	0
2017	31	0
2018	32	0
2019 (YTD)	10	1

## Calendar Year Returns (%)\*\*\*

	Composite (Gross)	Index	S&P 500
2010	13.15	18.32	15.06
2011	16.85	12.42	2.11
2012	7.53	10.84	16.00
2013	21.59	29.06	32.38
2014	12.34	15.36	13.68
2015	4.00	-1.64	1.37
2016	10.05	21.98	11.95
2017	15.64	15.44	21.82
2018	-7.89	-5.94	-4.38
2019 (YTD)	11.66	11.08	13.65

Portfolio information is derived from a model portfolio managed in the Strategy as of 3/31/19. 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

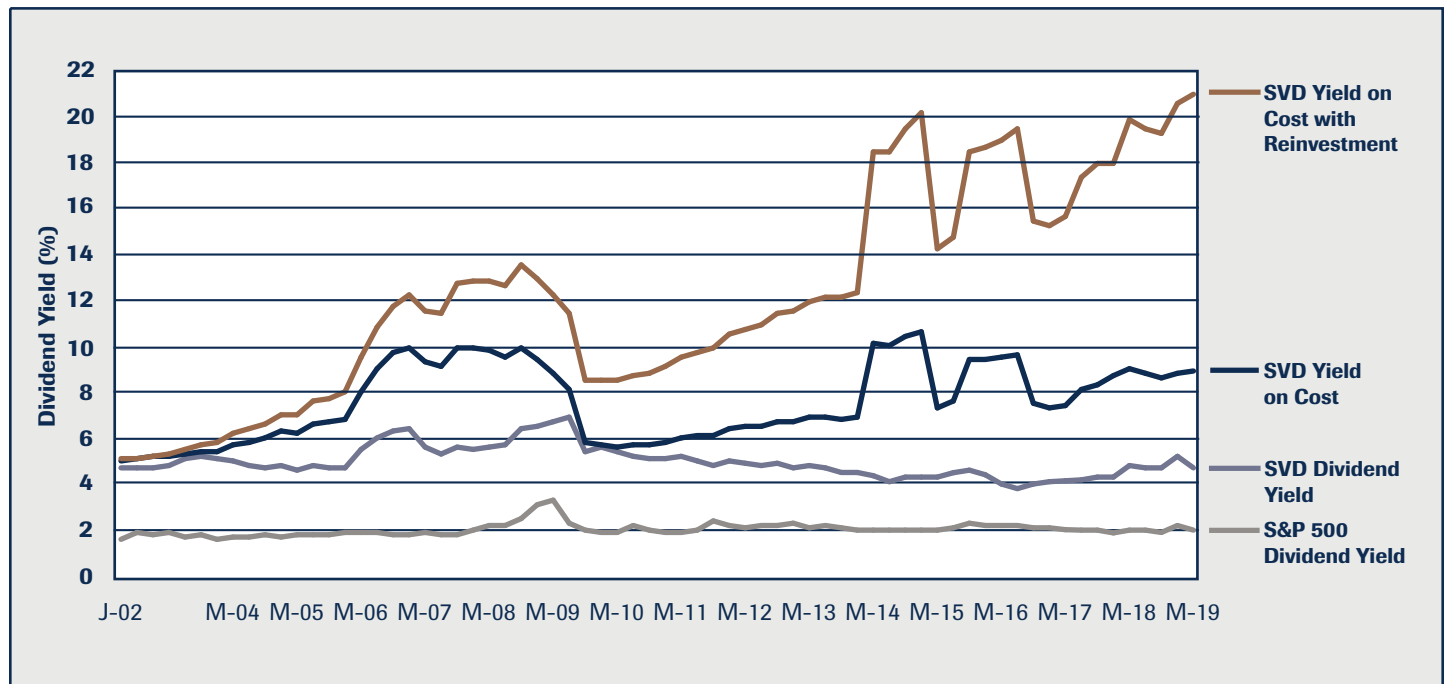
\*\*Weighted Average

\*\*\*For a comparison of gross to net returns, see chart on page 5. "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, and index changes.

Past performance is no guarantee of future results.

# Strategic Value Dividend

## Yield History



Past performance is not indicative of future results. Data reflects the representative portfolio of the wrap composite.

## Top Ten Consecutive Dividend Payers *(As of 3/31/19)*

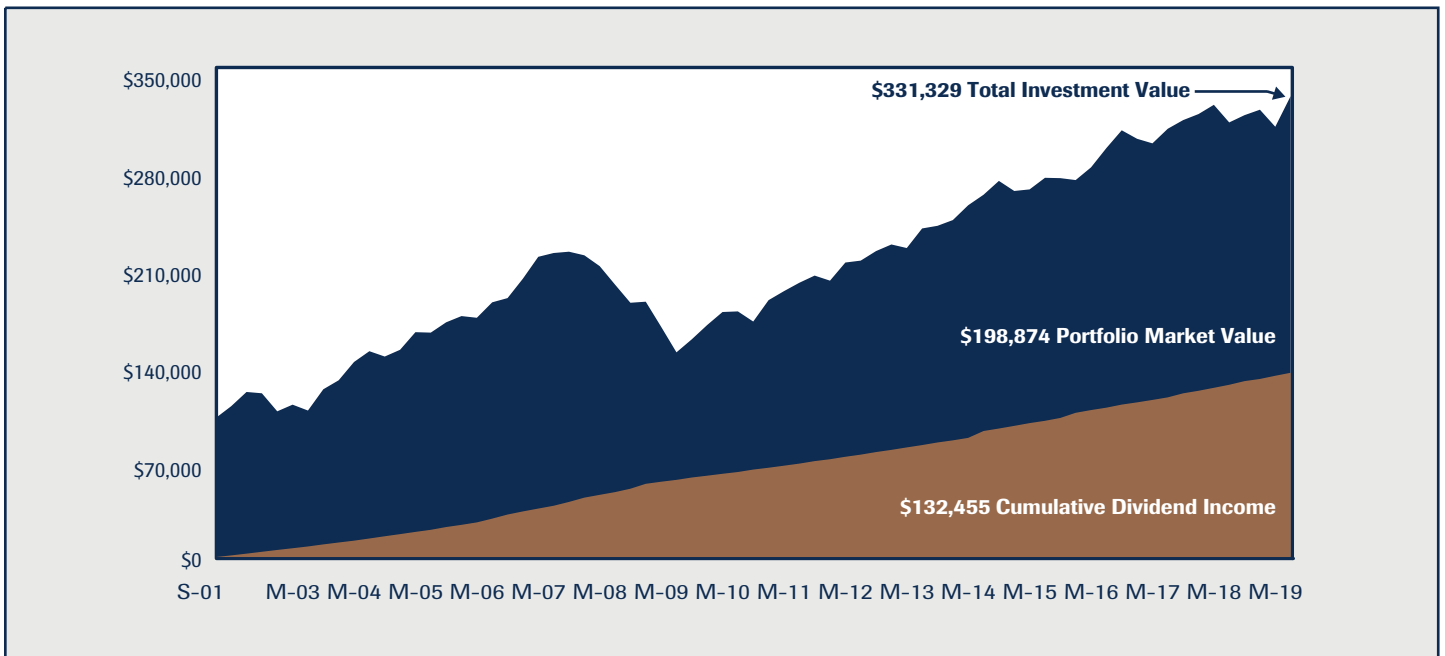
Company	GICS Sector	Prospective Dividend Yield (%)	Paid Dividend Consecutively Since
Canadian Imperial Bank of Commerce	Financials	5.30	1868
GlaxoSmithKline PLC	Health Care	5.01	1889
Procter & Gamble Co.	Consumer Staples	2.76	1890
AT&T, Inc.	Communication Services	6.51	1893
Verizon Communications	Communication Services	4.08	1893
General Mills, Inc.	Consumer Staples	3.79	1899
American Electric Power Co., Inc.	Utilities	3.20	1910
Exxon Mobil Corp.	Energy	4.06	1911
Chevron Corp.	Energy	3.86	1912
Coca-Cola Co.	Consumer Staples	3.41	1920

Dividend payment histories account for structural changes companies have experienced. Information is supplemental to the attached GIPS presentation.

# Strategic Value Dividend

## Strategic Value Dividend SMA Price Appreciation and Dividend Income Growth

\$331,329—Total Investment Value at 3/31/19



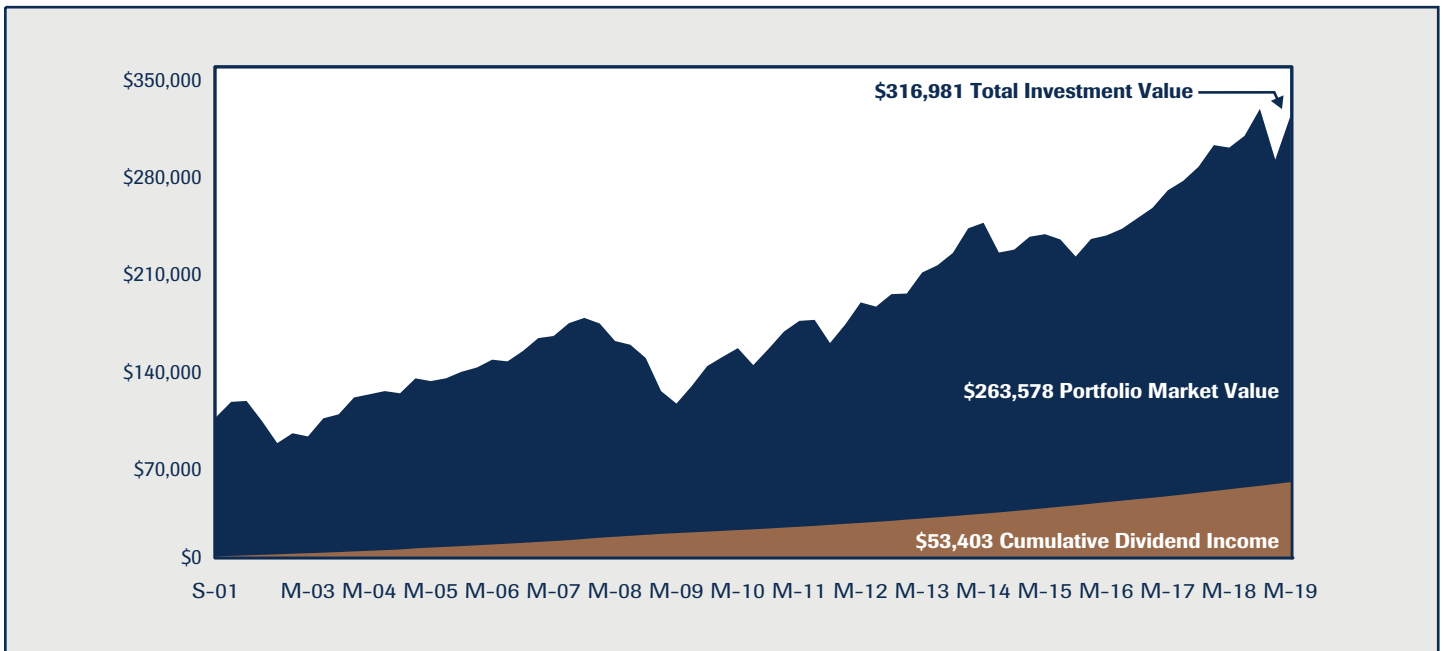
Source: Federated Investors

Represents a hypothetical investment of \$100,000 at September 30, 2001 with no expenses. The Portfolio's cumulative price return reflects the divesting of all dividends and distributions. Total investment value, cumulative price appreciation and dividend income, is \$331,329 at 3/31/2019.

Hypothetical illustration above reflects gross returns and does not include the deduction of investment management fees. A maximum wrap fee of 3.00% would have returned a net amount of \$219,935 for this example. See your financial advisor for specific fee information.

## S&P 500 Index Price Appreciation and Dividend Income Growth

\$316,981—Total Investment Value at 3/31/19



Source: Federated Investors

Represents a hypothetical investment of \$100,000 at September 30, 2001 with no expenses. The Portfolio's cumulative price return reflects the divesting of all dividends and distributions. Total investment value, cumulative price appreciation and dividend income, is \$316,981 at 3/31/2019.

# Schedule of Rates of Return and Statistics

Composite Index Periods Ending **Strategic Value Dividend Managed Account Composite**  
**Changed 1/07 to Dow Jones Select Dividend from Russell Midcap® Value Index**  
**3/31/2019**

Returns (%)			
	Gross Composite Return	Index	Net Composite Return (Assuming Maximum Fee)
<b>Q1 19</b>	11.66	11.08	10.85
<b>YTD</b>	11.66	11.08	10.85
<b>1 Year</b>	9.81	7.20	6.58
<b>3 Years (Annlzd)</b>	6.63	10.30	3.49
<b>5 Years (Annlzd)</b>	7.96	9.98	4.78
<b>7 Years (Annlzd)</b>	10.23	12.45	7.00
<b>10 Years (Annlzd)</b>	13.32	16.46	10.00
<b>15 Years (Annlzd)</b>	7.93	9.06	4.76
<b>Oct 01 - Mar 19 (Annlzd)</b>	9.27	10.13	6.06

	Composite Gross Return	Composite Net Return	Benchmark Return	Composite* 3-Yr Std Dev	Benchmark* 3-Yr Std Dev	Number of Portfolios	Dispersion**	% of Carve-Outs	Composite Assets (\$mil)	Firm Assets (\$bil)
<b>2009</b>	10.50	7.25	11.13	15.46	22.26	6,970	0.47	0.00%	1,401.0	384.4
<b>2010</b>	13.15	9.84	18.32	17.18	23.70	5,818	0.31	0.00%	1,470.9	354.3
<b>2011</b>	16.85	13.44	12.42	14.33	19.86	5,869	1.10	0.00%	1,678.9	363.9
<b>2012</b>	7.53	4.37	10.84	10.48	11.50	6,300	0.47	0.00%	1,817.0	371.3
<b>2013</b>	21.59	18.05	29.06	8.53	9.36	7,420	0.42	0.00%	2,444.2	366.8
<b>2014</b>	12.34	9.05	15.36	8.92	9.04	6,412	0.23	0.00%	2,223.3	349.3
<b>2015</b>	4.00	0.93	-1.64	9.97	9.91	6,982	0.21	0.00%	2,303.9	343.4
<b>2016</b>	10.05	6.82	21.98	9.93	9.31	11,970	0.25	0.00%	3,189.3	342.3
<b>2017</b>	15.64	12.26	15.44	9.11	7.69	13,884	0.16	0.00%	3,918.8	354.7
<b>2018</b>	-7.89	-10.64	-5.94	9.83	8.92	10,330	0.21	0.00%	2,526.3	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. Statistic would be not applicable ("N/A") for any period with less than 3 years of monthly performance.

\*\*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 domestic portfolios investing in US and foreign stocks that management believes will provide high yield, reasonable dividend growth and lower volatility in falling equity market environments, yet will provide potential participation in rising markets. Eligible portfolios are managed with wide latitude to choose the sectors and securities to fulfill the mandate. Within eligible portfolios, securities are selected based on a fundamental assessment of their financial strength, dividend yields, dividend growth rates, and performance during periods of market weakness. Portfolios in this composite implement the strategy using American Depositary Receipts (ADR) versus directly purchasing shares of companies on foreign exchanges. Investments in ADRs entail risks related to daily fluctuations in the value of currency, which may be more volatile in times of increased market risk. There are no guarantees that dividend-paying stocks will continue to pay dividends. The benchmark was changed January 2007 to the Dow Jones U.S. Select Dividend Index which proved to be more representative of the current strategy. The Dow Jones U.S. Select Dividend Index aims to represent U.S. leading stocks by dividend yield. One hundred stocks are selected to the index by dividend yield, subject to screens for dividend-per-share growth rate, dividend payout ratio and average daily dollar trading volume. Components are weighted by indicated annual dividend. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. Indexes are unmanaged and cannot be invested in directly. Effective July 2013, performance for this composite is calculated in U.S. dollars net of foreign withholding taxes on dividends, interest, and capital gains. Individual tax rates may vary dependent on individual residency. Effective January 2016 accounts previously assigned to a platform-restricted composite may be eligible for inclusion in this composite. 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. 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. Wrap fee accounts make up 100% of this composite for all time periods. This composite was created in December 2001. Federated Investors has managed portfolios in this investment style since July 1997. Performance shown for 2001 is for a partial period starting on October 1, 2001. 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 December 31, 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. "Pure" gross returns are shown as supplemental and do not reflect the deduction of transaction costs. 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.

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 US. 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.*

# Strategy Transactions

## Purchases during the quarter:

### *Increasing positions within the portfolio:*

#### **AbbVie Inc. (ABBV)**

- We believe AbbVie has an attractive drug pipeline of de-risked late-stage programs, in addition to recently launched products, all poised to deliver significant growth. Specifically, the company has seven key near-term growth assets that represent nominal peak revenue potential of \$20–25 billion. It appears ABBV's inclination to pay and grow the dividend is very significant even relative to its peers.

#### **BP PLC, ADR (BP)**

- BP has been relentlessly focused on reducing unit costs in all of its segments and has been among the world's most disciplined allocators of shareholder capital during the oil downturn. We believe that free cash flow continues to improve and capital spending projects are expected to stay flat over the medium term.

#### **British American Tobacco PLC, ADR (BTI)**

- BTI has been able to grow its currency-neutral EPS and increase its dividend every year for over a decade and is committed to at least a 65% payout ratio. BTI's balanced portfolio of tobacco products provides a steady base of cash flow, giving us confidence that it would be able to support a growing stream of dividends in the future. Its portfolio spans every major product category, price point and geography.

#### **Coca-Cola Co./The (KO)**

- KO has increased its dividend every year for over 50 years. KO's balanced global footprint and innovation have helped KO to achieve stronger organic revenue growth rate than Consumer Staples peers, which should support a modestly growing dividend stream. KO runs one of the more conservative balance sheets in the Consumer Staples sector, rated A+ and A by S&P and Fitch, respectively.

#### **Dominion Energy, Inc. (D)**

- Dominion has shifted focus back to its low-risk regulated business with the acquisition of SCANA, selling some merchant generation, midstream assets and unwinding its MLP and the complex financing strategy that went along with it. Dominion offers solid management, an above-average dividend yield that is safe and growing with an improved balance sheet and enjoys solid regulatory relationships in its service territories.

#### **Huntington Bancshares, Inc. (HBAN)**

- Huntington maintains a rational, steady growth policy that includes the generation of positive operating leverage and an explicit objective to increase the dividend payout ratio over time. It is large enough to compete, but small enough to avoid the heaviest regulatory hand with respect to capital returns. Huntington provides a differentiated profile within vehicle finance and SBA lending.

#### **Kimberly-Clark Corp. (KMB)**

- We expect KMB's leading portfolio of personal care and consumer tissue products to provide consistent earnings and cash flow to provide defensive earnings growth and cash flow in times of economic weakness. Over the long term, we expect KMB's adult care products to benefit from an aging population in the developed markets.

#### **Kraft Heinz Co./The (KHC)\***

- KHC has a portfolio of iconic brands that supports a stable revenue stream. We expect KHC's focus on cost management and product innovation to produce modestly positive revenue, earnings and dividend growth over the next three to five years.

\*KHC was subsequently eliminated in February 2019 after announcing a surprise dividend cut.

#### **PepsiCo, Inc. (PEP)**

- PEP has raised its dividend every year over the last 40 years and increased its payout ratio over time. The company also recently increased its dividend 3% in February 2019, demonstrating its commitment to dividends. PEP's leading portfolio of snacks provide the company with earnings growth while its beverage brands provide a steady base of cash flow, as beverages are relatively insulated from the threats of e-commerce.

#### **Phillip Morris International, Inc. (PM)**

- We expect PM's leading portfolio of premium brands in cigarettes and heat-not-burn categories to continue to provide consistent earnings and dividend growth. PM's balanced global footprint offers investors stability and opportunities for dividend growth. PM's management team has demonstrated its commitment to dividends by increasing its dividend every year since its inception, weathering the Great Recession and significant currency headwinds in recent years.

#### **PPL Corp. (PPL)**

- PPL owns a diversified mix of high-quality generation and distribution assets, including recent acquisitions in Kentucky and the U.K. PPL operates in constructive regulatory environments and sports a healthy yield of 5.1%. PPL recently reiterated that their dividend is secure and it remains committed to dividend growth. In every quarter since 1946, PPL has paid a dividend.

#### **Procter & Gamble Co. (PG)**

- P&G has demonstrated its commitment to dividend growth by increasing its dividend every year since 1992 and increasing its payout ratio over time. P&G's leading portfolio of home and personal care brands and exposure to the emerging markets underpin prospects for earnings and dividend growth. P&G's recent changes in its corporate structure have invigorated the company, evidenced by improved revenue growth fueled by relevant product innovation and better execution.

#### **Southern Co. (SO)**

- We believe SO has one of the largest rate base and customer counts in the nation with a well-diversified portfolio that should produce mid-single-digit EPS growth for the next several years with good visibility. SO's regulatory environment has historically been one of the strongest among the regulated utilities and its service territories provide above-average economic fundamentals. Southern should continue to invest in higher-growth, long-term contracted renewables and midstream pipelines as electricity unit sales stagnate.

#### **Total SA, ADR (TOT)**

- Total is a French integrated energy company with an efficient and diversified portfolio of production, liquefaction (LNG), refining, chemical, marketing and power assets that is resilient to commodity price cycles. Total's balance sheet is strong and stable with management committed to low leverage through cycles to maintain dividend-paying capacity and maximize business opportunities. Total's capital allocation plan is friendly to income investors with disciplined capital spending and a commitment to maintaining or increasing the dividend every year.

#### **United Parcel Service, Inc. (UPS)**

- UPS has a strong history of providing stable or growing dividends for nearly 50 years and is committed to growing dividends over time, including its most recent 5.5% dividend increase in February 2019. We believe UPS is a well-managed company with industry-leading returns and margins and expect the dividend to grow along with global GDP growth, aided by the rise of e-commerce.

*(continued on next page)*

*Issues discussed within this communication represent the investment manager's explanation of factors that were considered when executing transactions or holding specific securities on the prior date indicated. Because this is a managed portfolio, the investment mix will change and the holdings are not indicative of future portfolio composition. Marketplace conditions fluctuate suddenly and frequently, and the investment manager's opinions may change. These comments are not intended to be and do not constitute recommendations that others buy, sell or hold any of the securities discussed. Opinions relate to the representative portfolio as of 3/31/19 and are subject to change. Past performance is not indicative of future results. Information is supplemental to the attached GIPS.*

# Definitions

**Dow Jones Select Dividend:** The Index universe is defined as all dividend-paying companies in the Dow Jones U.S. Total Market Index that have a non-negative historical five-year dividend-per-share growth rate, a five-year average dividend earnings-per-share ratio of less than or equal to 60%, and a three-month average daily trading volume of 200,000 shares. Current index components are included in the universe regardless of their dividend payout ratio. The Dow Jones U.S. Total Market Index is a rule-governed, broad-market benchmark that represents approximately 95% of the U.S. market capitalization. Indexes are unmanaged and cannot be invested in directly.

**S&P 500:** The Index is an unmanaged capitalization-weighted index of 500 stocks designated 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.

**Prospective Dividend Yield:** The annualized current payment divided by the current share price.

**Up-Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up markets.

**Down-Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down markets.

**Standard Deviation:** The square root of the variance. A measure of dispersion of a set of data from its mean.

**Price-to-Earnings Ratio (LTM):** A ratio comparing the company's current share price, as compared to its earnings per share, over the last twelve months.

**EPS Growth—Next 5 Years:** The estimated average annual growth rate of fiscal year earnings per share for the next five years for a given corporation.

**Price/Book Value Ratio:** A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

**Price/Cash Flow Ratio:** A stock valuation measure calculated by dividing a firm's cash flow per share into the current stock price.

**R-Squared:** A statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index.

**Beta:** A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

**Weighted Average Market Capitalization:** A stock market index weighted by the market capitalization of each stock in the index.

**Turnover:** The number of shares traded for a period as a percentage of the total shares in a portfolio or of an exchange.

**Holdings:** Legally owned property, especially stocks, bonds, or real estate.

**Yield on Cost:** The annual dividend rate of a security divided by the average cost basis of the investments. It shows the dividend yield of the original investment.

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## Sells during the quarter: *(continued from page 7)*

*Reducing positions within the portfolio:*

*Altria Group, Inc. (MO)  
American Electric Power Co., Inc. (AEP)  
Crown Castle International Corp. (CCI)  
Procter & Gamble Co. (PG)  
Coca-Cola Co. /The (KO)  
Verizon Communication (VZ)  
Vodafone Group PLC –ADR (VOD)*

*Eliminating positions within the portfolio:*

*AstraZeneca Group PLC, ADR (AZN)  
Kraft Heinz Co. /The (KHC)*

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G26483-69 (5/19)

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