Federated Floating Rate Strategic Income Fund

Fund Guidelines

- Floating-rate fixed-income investments constitute a minimum of 80% of portfolio
- Individual sector investments capped at 75% of portfolio
- Neutral portfolio allocations stem from the fund's blended benchmark of 55% domestic non-investment grade, 15% international and 30% domestic investment grade
- Average effective portfolio duration can range from -2 years to +3 years

Key Investment Team

Mark Durbiano, CFA

Steven Wagner

B. Anthony Delserone Jr., CFA

Todd Abraham, CFA

Christopher McGinley

Fund Facts *(as of 3/31/19)*

Fund Assets	$1.0 b
Weighted Average Effective Duration	0.48 Years
Weighted Average Bond Price	$96.80

NASDAQ Symbols

R6 Shares	FFRLX
Institutional Shares	FFRSX
A Shares	FRSAX
C Shares	FRICX

A Unique Multi-Sector Fund Offering Investors a Potential Hedge Against Rising Interest Rates

For investors concerned about the potential effects of rising interest rates in their fixed-income portfolios, a floating-rate, multi-sector approach may be an appropriate diversification strategy. Floating-rate securities feature interest rates that reset periodically, seeking low interest-rate volatility and participation in the upward movement in rates. By investing across a range of securities whose yields adjust to market conditions, Federated Floating Rate Strategic Income Fund seeks to contend against rising interest-rate environments with a strategic mix of three historically non-correlated sectors:

1. **U.S. Non-Investment Grade**

   Floating-rate bank loans are the primary asset class within the non-investment-grade sector. Under most market conditions, Federated Floating Rate Strategic Income Fund will include a significant concentration in floating-rate bank loans, as these securities have typically generated attractive yields and offer the ability to keep pace with interest-rate changes—potentially offering greater investment portfolio stability than a typical bond fund. Floating-rate securities are tied to a short-term benchmark index, typically the 3-month Libor and sometimes the ICE 1-month Libor.

2. **International Fixed Income**

   Federated Floating Rate Strategic Income Fund derives its international exposure primarily through investments in the trade-finance asset class. Trade finance, a subset of the commercial lending market, comprises loans that provide short-term financing to support the production and cross-border shipment of goods—often commodities being exported from an emerging market. The fund utilizes a trade-finance strategy that is well diversified in terms of geographic regions and sectors.

3. **U.S. Investment Grade**

   In the domestic investment-grade sector, Federated Floating Rate Strategic Income Fund primarily invests in mortgage floaters. These are bonds backed by residential home mortgages, or mortgage-backed securities (MBS), including adjustable-rate MBS. Mortgage floaters typically are lower yielding, but provide a high-quality alternative, particularly when portfolio managers need to position the fund to a more defensive posture for lower downside market risk. These assets also have shown low correlation to leveraged loans and have the potential to generate positive returns during volatile conditions.

Extensive Multi-Sector Experience

Federated has managed multi-sector strategies for more than 20 years and currently manages $37.0 billion in multi-sector fixed-income assets. Like our other fixed-income products, Federated Floating Rate Strategic Income Fund draws on Federated's "Alpha Pods"—critical decision-making tools built around four structural factors in bond fund strategy: duration management; sector allocation; yield-curve analysis; and security selection. Team members average 26 years of investment experience, and the fund is overseen by Federated's High-Yield Group, which manages $11.0 billion in assets. The fund managers fully utilize their extensive multi-sector, multi-market-cycle track record by flexibly positioning the fund in what they believe to be the most attractive sectors (up to 75% in any sector). The fund team continues to adjust the sector mix and duration based on relative valuations and economic and market conditions.

Since May 2013, there have been four periods of rates rising by at least 50 basis points, and each time Federated Floating Rate Strategic Income Fund has generated positive returns.

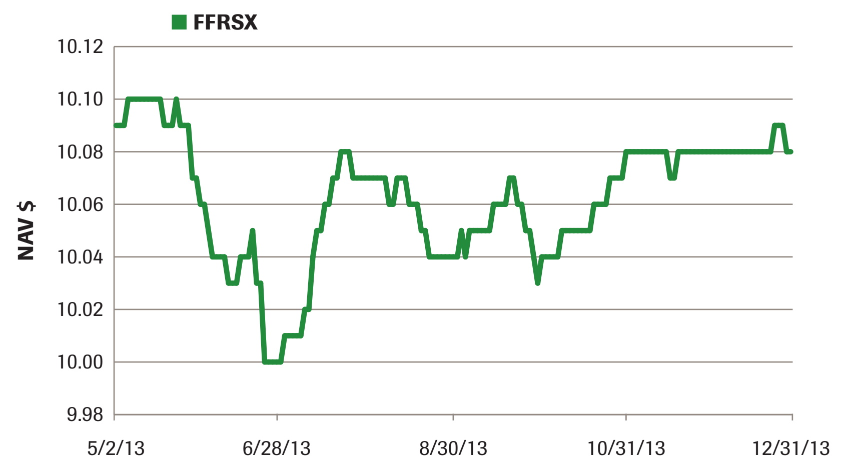
Period One: 5/2/13 - 12/31/13

10-year U.S. Treasury yield increased by 140 basis points (1.63% to 3.03%)

In the second quarter interest rates rose as the economy continued to move forward at a moderate pace and in the midst of Fed "tapering" talk. In the third quarter interest rates stabilized and the Fed announced they would continue buying $85 billion a month in government bonds. The fund was negatively affected by subpar credit selection within leveraged loans, but benefited from both its overweight positioning in the foreign sector and by being underweight in the domestic investment-grade sector.

Strong performance developed in the third and fourth quarters, due to high concentration in the leveraged-loan market and overweight positioning in the domestic non-investment-grade sector. Facing rising-rate conditions, higher-quality fixed-income lagged in performance. However, the fund's higher-yield and shorter-duration characteristics acted as a buffer against the impact of rising-interest rates.

Interest Rates Rise Steadily from "Tapering" Talk



Total Returns	
Federated Floating Rate Strategic Income Fund - IS	2.46%
Bloomberg Barclays U.S. Aggregate Bond Index	-3.02%

Period Two: 1/30/15 - 6/10/15

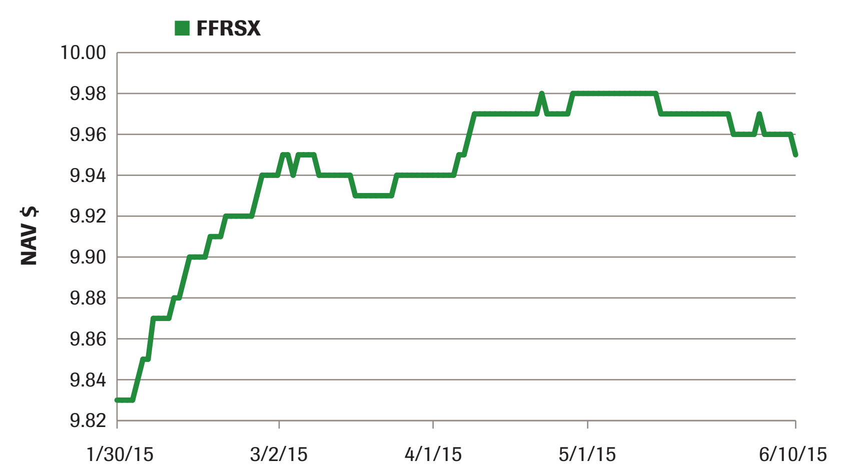
10-year U.S. Treasury yield increased by 85 basis points (1.64% to 2.49%)

Relatively modest direct exposure to topical macro factors, including low oil prices, rising rates and volatility associated with the potential Greek exit contributed to positive performance. The U.S. economy showed signs of reaccelerating from the first quarter's slight contraction, driven in part by favorable labor data and consumer tailwind created by lower commodity prices.

Loans continued to benefit from valuation support as credit risk spread levels remained wide of the historical median. The domestic leveraged-loan market, which offered higher yield and shorter duration characteristics, acted as a buffer against the impact of rising rates.

While the Greek saga was capturing headlines, fund management continued to overweight the domestic non-investment-grade sector.

Leveraged Assets Withstand Impact of "Grexit" Drama and Rising Rates



Total Returns	
Federated Floating Rate Strategic Income Fund - IS	2.57%
Bloomberg Barclays U.S. Aggregate Bond Index	-2.44%

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. See the prospectus for other fees and expenses that apply to a continued investment fund.

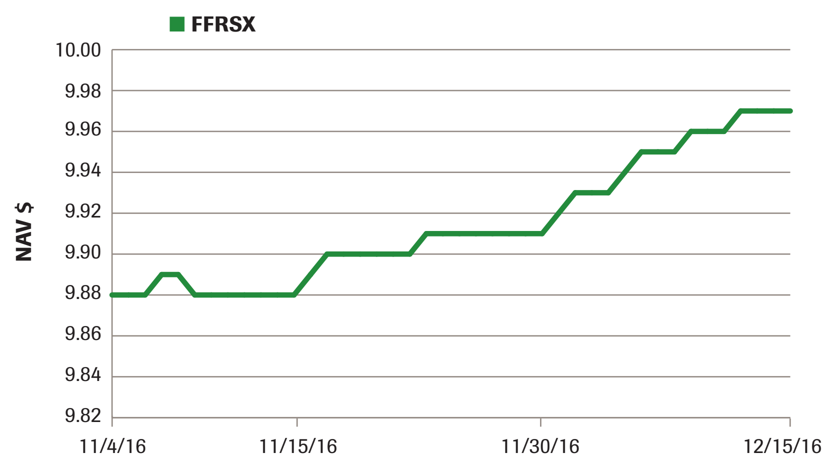
Period Three: 11/4/16 - 12/15/16

10-year U.S. Treasury yield increased by 82 basis points (1.78% to 2.60%)

The positive performance of leveraged-finance assets in the U.S. was driven by various macroeconomic, fundamental and technical factors. Encouraging employment data provided further evidence of a positive economic growth picture in the U.S. Firming oil and natural gas prices lent support to the energy-related sectors of the leveraged-finance market, extending recovery prospects for impacted issuers. In general, corporate debt issuers continued to demonstrate positive credit fundamentals, leading to strong investor demand for leveraged-finance assets in a low-yield environment. Finally, the surprising election of Donald Trump provided another boost to risk assets in anticipation of a pro-business agenda with the new administration.

Rising short-term rates, capped by a quarter-point increase in the federal funds target rate in mid-December, stimulated more demand for floating-rate sectors.

Increased Demand for Floating-Rate Sectors



Total Returns	
Federated Floating Rate Strategic Income Fund - IS	1.23%
Bloomberg Barclays U.S. Aggregate Bond Index	-3.25%

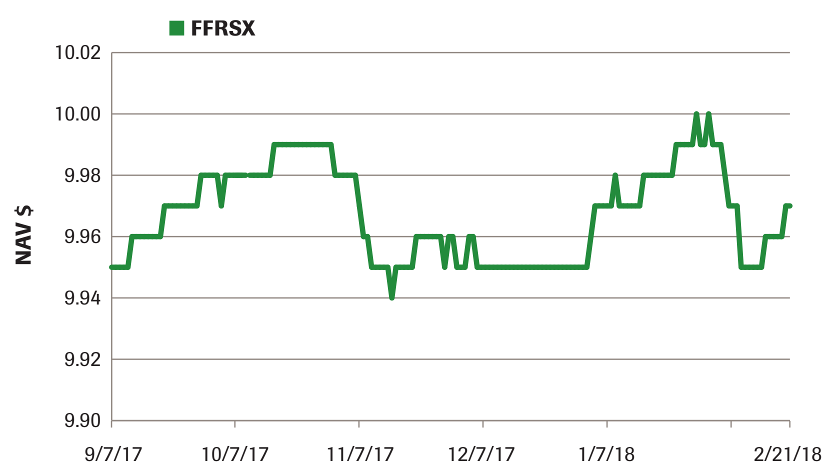
Period Four: 9/7/17 - 2/21/18

10-year U.S. Treasury yield increased by 91 basis points (2.04% to 2.95%)

From emerging markets to high yield to investment-grade corporates, spreads in virtually every credit sector tightened for much of the period, falling below historical medians to pre-2008 lows. This abetted outperformance even as it became more of a "clip the coupon" trade as rates continued to rise on a Fed that appeared committed to sticking to gradual rate hikes.

Volatility returned on signs of potential inflation and talk of tariffs and trade wars in early 2018. The combination blunted a strong rally in the risk markets, which had risen against a backdrop of improving global growth, robust corporate earnings, and tax and regulatory relief. Leveraged-finance asset classes produced positive returns throughout, abetted by the favorable economic conditions, solid credit fundamentals and supportive technical factors in floating-rate markets.

Riskier Fixed-Income Classes Outperform as Credit Spreads Tighten



Total Returns	
Federated Floating Rate Strategic Income Fund - IS	1.88%
Bloomberg Barclays U.S. Aggregate Bond Index	-2.60%

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Each period was selected upon an increase of at least 50 basis points in the 10-year Treasury interest rate, capturing the trough and peak of each increase in rates that reacted to the market environment. Results may vary for different periods.

The 10-year Treasury is composed of public obligations of the U.S. Treasury with a maturity of 10 years and is used as a general benchmark against the market for long-term maturity fixed income.

Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index composed of securities from the Bloomberg Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

Federated Floating Rate Strategic Income Fund Performance

Average Annual Total Returns (%) *as of 3/31/19* **Performance shown is before tax.**

	Performance Inception	Ticker Symbol	Cumulative 3 Month	1 Year	3 Year	5 Year	Since Inception	30-Day Distribution Yield	30-Day Yield	Expense Ratio* Before Waivers	After Waivers
R6	12/3/10	FFRLX	3.36	2.85	4.51	3.28	3.28	4.91	4.97	0.78	0.72
IS	12/3/10	FFRSX	3.47	2.94	4.56	3.35	3.72	4.90	4.95	0.85	0.74
A (NAV)	2/23/11	FRSAX	3.38	2.58	4.20	2.99	3.28	4.54	4.60	1.18	1.09
A (MOP)	2/23/11	FRSAX	1.26	0.56	3.49	2.56	3.02	4.45	4.50	1.18	1.09
Benchmark**			2.41	2.92	3.79	2.50	-	-	-	-	-
Bloomberg Barclays U.S. Aggregate Index			2.94	4.48	2.03	2.74	-	-	-	-	-

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 4.48% at NAV and 4.39% at MOP for A Shares, 4.81% for Institutional Shares and 4.90% for R6 Shares.

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** 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 6/1/19 or the date of the fund's next effective prospectus.*

***Benchmark: 55% Credit Suisse Leveraged Loan Index/15% ICE 1-Month Libor/30% ICE BofAML 1-Year U.S. Treasury Note Index.*

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.

Past performance is no guarantee of future results.

The fund's R6 Shares commenced operations on December 27, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for Institutional Shares. The performance of the Institutional Shares has not been adjusted to reflect the expenses applicable to the R6 since the R6 Shares have a lower expense ratio than the expense ratio of the Institutional Shares. The performance of the Institutional Shares has been adjusted to remove any voluntary waiver of the fund's expenses related to the Institutional Shares that may have occurred during the period prior to the commencement of operations of the R6 Shares.

The fund may invest in Federated Portfolios that are not available to the public and provide for more effective diversification than is available through the purchase of individual securities. Where applicable, the fund holdings reflect exposure to underlying securities held by the portfolios.

A WORD ABOUT RISK

Mutual funds are subject to risks and fluctuate in value.

Diversification does not assure a profit nor protect against loss.

Variable- and floating-rate loans and securities generally are less sensitive to interest-rate changes but may decline in value if their interest rates do not rise as much or as quickly as interest rates in general. Conversely, variable and floating-rate loans and securities generally will not increase in value as much as fixed-rate debt instruments if interest rates decline.

In addition to the risks generally associated with debt instruments, such as credit, market, interest-rate, liquidity and derivatives risks, bank loans are also subject to the risk that the value of the collateral securing a loan may decline, be insufficient to meet the obligations of the borrower or be difficult to liquidate.

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

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

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

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.

DEFINITIONS

ICE 1-Month Libor or London Interbank Offered Rate, is the interest rate offered by a specific group of London banks for U.S. dollar deposits with a one-month maturity.

Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

ICE BofAML 1-Year U.S. Treasury Note Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding two-year Treasury note that matures closest to, but not beyond, one year from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

Credit Suisse Leveraged Loan Index is designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. Average values are computed over the Index for coupon, current yield, initial spread and price. The average coupon, current yield and initial spread are weighted by market value (amount outstanding multiplied by the price) at the end of the measurement period for each loan currently paying interest in the Index. Total return is computed for each loan, which is the percent change in the value of each loan during the measurement period. Total return is the sum of three components: principal, interest and reinvestment return.

Correlation is the degree to which one variable fluctuates relative to another. Correlation ranges from 1.00, when two variables move identically in the same direction, to -1.00, when two variables move identically in the opposite direction.

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 mutual fund in the Federated family of mutual funds may not be comparable to other mutual 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.

Indexes are unmanaged and cannot be invested in directly.

This material must be preceded or accompanied by a prospectus.

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