

Federated Muni and Stock Advantage Fund

Uniquely Diversified to Help Investors Keep More of Every Dollar They Earn

In a low-yield environment, investors seek opportunities to pursue income and protect more of it from taxes. Federated Muni and Stock Advantage Fund combines non-AMT municipal bonds with qualified dividend-paying stocks to pursue monthly tax-advantaged income.

A Strategic Combination Pursuing Current Income with Lower Volatility

- Diversified across asset classes and sectors, the fund's active allocation process seeks the optimal yield and total return opportunities between munis and equities over time.
- Two distinct asset classes, typically with low correlations, combine to create a portfolio that seeks to be less volatile than an all-stock portfolio.

Muni Bonds Help Maximize After-Tax Income

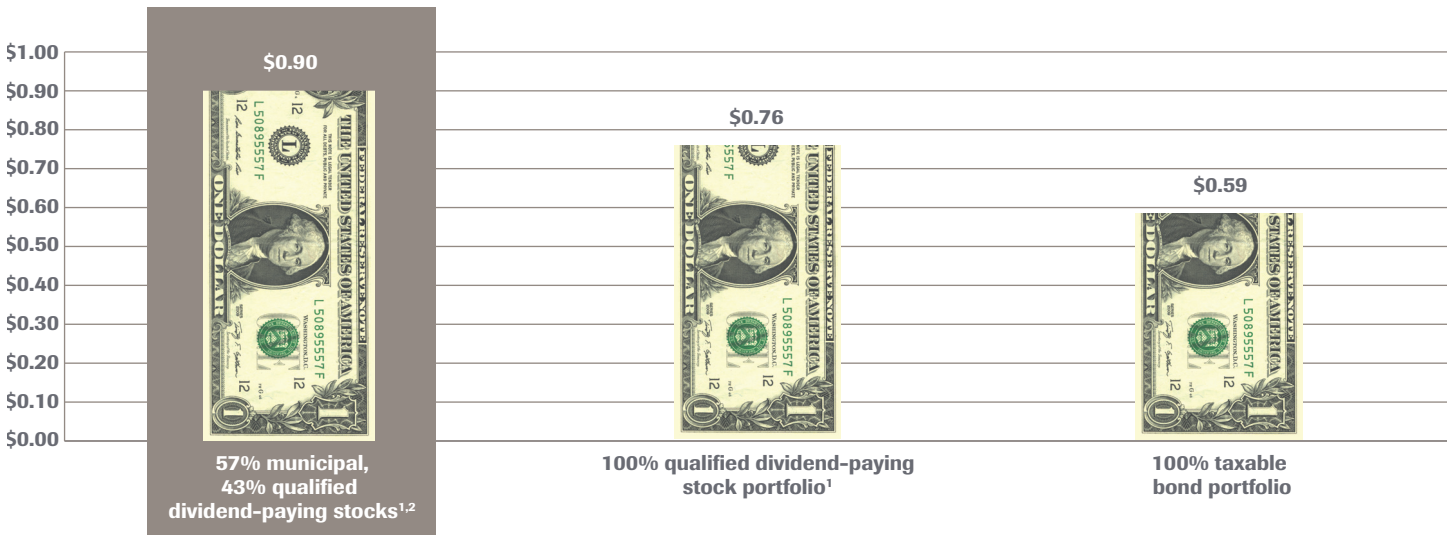
- More than 55% of the fund's assets are invested in tax-exempt municipal bonds.
- Bonds are specifically selected to avoid the alternative minimum tax (AMT).
- Tax-exempt bond interest is not subject to the 3.8% Health Care and Education Reconciliation Act tax.

Dividend-Paying Stocks Offer Portfolio Growth Potential and Favorable Tax Treatment

- The fund's dividend-paying and dividend-growing stock position boosts potential total return and income over time.
- Dividend-paying stocks offer the opportunity for capital appreciation and to potentially offset the negative impact of inflation.
- Income from dividend-paying stocks qualifies for varying degrees of favorable tax treatment based on income level.

Keep More of Every Dollar You Earn After Paying Taxes

Amount of Ordinary Dividend Income You Retain After Federal Income Tax (Cents per Dollar)



¹ Qualified dividend income taxed at 23.8% (includes the 3.8% tax on net investment income) is assumed for the purposes of the illustration. The federal tax rate on qualified dividend income for noncorporate taxpayers with taxable income in excess of prescribed thresholds is 20%.

² Represents the fund's current portfolio allocation. Municipal is allocated by United States Fixed Income (Municipal) and Cash/Cash Equivalents (Municipal). Taxable bond portfolio assumes a 37% tax rate plus the 3.8% tax on net investment income.

Muni bond income is not subject to the federal income tax or the federal individual alternative minimum tax.

Diversification does not assure a profit nor protect against loss.

Tax information presented is generic in nature and should not be considered advice. Consult your personal tax advisor regarding your situation.

Average Annual Total Returns % (as of 12/31/19)

Performance shown is before tax.

	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception	30-Day Yield	30-Day Yield (unsubsidized)	Expense Ratio*	
									Before Waivers	After Waivers
IS	9/26/03	3.47	13.57	4.90	6.61	5.60	1.53	1.46	0.83	0.75
A (NAV)	9/26/03	3.41	13.19	4.62	6.40	5.69	1.28	1.21	1.08	1.00
A (MOP)	9/26/03	-2.26	6.95	3.45	5.80	5.33	1.21	1.14	1.08	1.00
40% Russell 1000® Value Index/ 60% S&P Municipal Bond Index		3.32	14.90	5.60	7.55	-	-	-	-	-

After-Tax Average Annual Total Returns % (as of 12/31/19)

	Return After Taxes on Distributions					Return After Taxes on Distributions and Sale of Fund Shares				
	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception
IS	3.10	12.35	4.15	6.05	5.15	2.05	8.00	3.89	5.55	4.87
A (NAV)	3.06	12.09	3.91	5.85	5.25	2.02	7.78	3.66	5.35	4.95
A (MOP)	-2.59	5.91	2.75	5.26	4.89	-1.34	4.09	2.73	4.84	4.62

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. Maximum Offering Price figures reflect the maximum sales charges of 5.5% for A 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 1/1/21 or the date of the fund's next effective prospectus.

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. Please carefully read the summary prospectus or the prospectus before investing.

As indicated in its name, Federated Muni and Stock Advantage Fund invests in both municipal (muni) securities and equity securities (stock) as described in the fund's prospectus. Thus, the fund is not entirely a "tax-exempt" or "municipal" fund, and a portion of the income derived from the fund's portfolio (or dividend distributions) will be subject to federal income tax and state and local personal income tax. The fund's Institutional Shares commenced operations on December 29, 2010. 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 had 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 adjusted to remove any voluntary waiver of fund expenses related to the A Shares during the period prior to the commencement of operations of the Institutional Shares.

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.

Fund income may be subject to state and local taxes. Although this fund pursues tax-advantaged income and seeks to invest primarily in securities whose interest is not subject to the federal alternative minimum tax, there are no assurances that it will achieve these goals.

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

There are no guarantees that dividend-paying stocks will continue to pay dividends.

In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

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

The tax law set specific dollar thresholds for each filing status above which the 20% qualified dividend income rate applies. Consult your personal tax advisor regarding your situation.

Definitions

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. The figure is compounded and annualized. Yields for other classes will vary. The portfolio composition percentages are based on net assets at the close of business on 12/31/19 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. After-tax returns are calculated using a standard set of assumptions. Actual after-tax returns depend on each investor's personal tax situation, and are likely to differ from those shown. The stated returns assume the highest historical federal income and capital gains tax rates, but do not reflect the effect of any applicable state and local taxes. Return After Taxes on Distributions assumes a continued investment in the fund and shows the effect of taxes on fund distributions. Return After Taxes on Distribution and Sale of Fund Shares assumes all shares were redeemed at the end of each measurement period, and shows the effect of any taxable gain (or offsetting loss) on redemption, as well as the effects of taxes on fund distributions. After-tax returns are not relevant to investors holding shares through tax-deferred programs, such as IRA, 401(k) plans. The after-tax average annual returns are based on the 37% tax bracket and include the 3.8% tax on net investment income.

Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The R1000V is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000® Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

S&P Municipal Bond Index is a broad, market value-weighted index that seeks to measure the performance of the U.S. municipal bond market. The index includes bonds of all quality—from "AAA" to non-rated, including defaulted bonds—from all sectors of the municipal bond market.

Indexes are unmanaged and cannot be invested in directly.