

Federated Bond Fund

1Q
2019

3/31/19

Fund Facts

Performance Inception Date

6/28/95

Benchmark 1

Bloomberg Barclays U.S. Credit Index

Benchmark 2

75% Bloomberg Barclays U.S. Credit Index/25% Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index

Morningstar Category

Corporate Bond

Lipper Classification

Corporate Debt Funds
BBB-Rated

Fund Assets

\$1.2 billion

Ticker Symbols

Class R6 Shares - FDBLX
Institutional Shares - FDBIX
Class A Shares - FDBAX
Class C Shares - FDBCX
Class F Shares - ISHIX

Key Investment Team

Brian Ruffner
Bryan Dingle, CFA
Mark Durbiano, CFA
Steven Wagner
Christopher McGinley

Fund Description

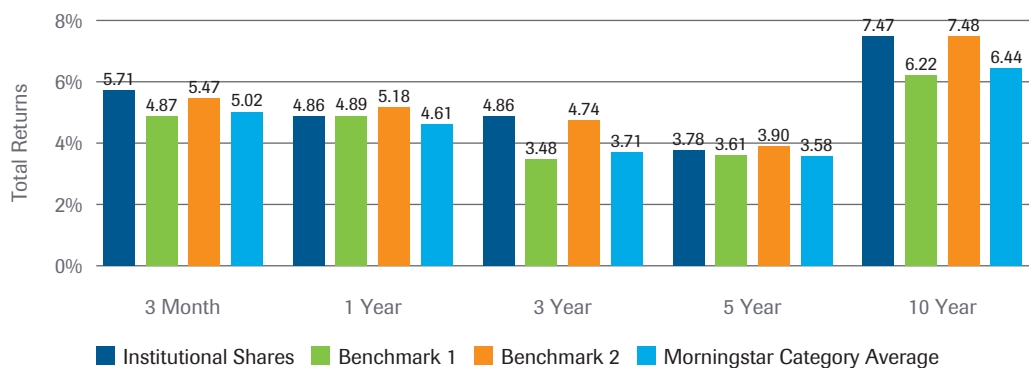
The fund seeks to provide a high level of current income and to preserve capital by investing in a diversified portfolio of fixed-income securities. It invests primarily in investment-grade corporate bonds, but also may invest up to 35% of its portfolio assets in lower-rated high-yield bonds.

Performance

Average Annual Total Returns (%)

Performance shown is before tax.

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception	Expense Ratio*	
									Before Waivers	After Waivers
R6 Shares	5.59	5.59	4.86	4.81	3.69	7.32	5.25	5.88	0.66	0.59
Institutional Shares	5.71	5.71	4.86	4.86	3.78	7.47	5.36	5.95	0.76	0.61
A Shares (NAV)	5.64	5.64	4.60	4.62	3.58	7.26	5.21	5.86	1.00	0.86
A Shares (MOP)	0.88	0.88	-0.16	3.03	2.62	6.77	4.89	5.66	1.00	0.86
Benchmark 1	4.87	4.87	4.89	3.48	3.61	6.22	4.66	-	-	-
Benchmark 2	5.47	5.47	5.18	4.74	3.90	7.48	5.38	-	-	-



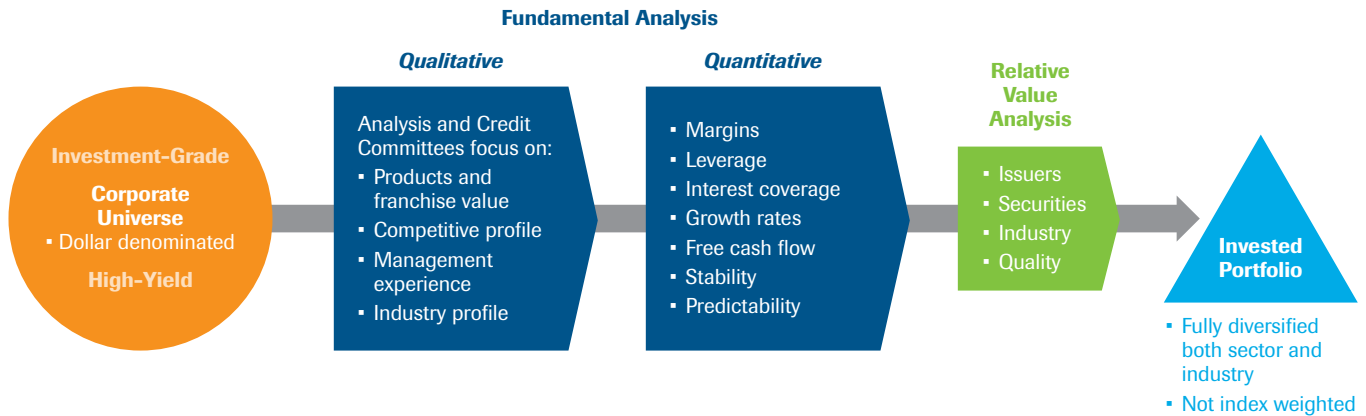
Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	-2.84	7.05	8.44	-1.77	5.93	1.03	10.54	6.17	11.16	26.68
Benchmark 1	-2.11	6.18	5.63	-0.77	7.53	-2.01	9.37	8.35	8.47	16.04
Benchmark 2	-2.08	6.51	8.43	-1.66	6.25	0.28	10.95	7.55	10.10	25.70
Morningstar Category Average	-2.49	5.79	6.51	-1.39	6.93	-1.06	11.06	7.46	10.00	22.61

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 4.5% 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 2/1/20 or the date of the fund's next effective prospectus.

Investment Process



Portfolio Statistics

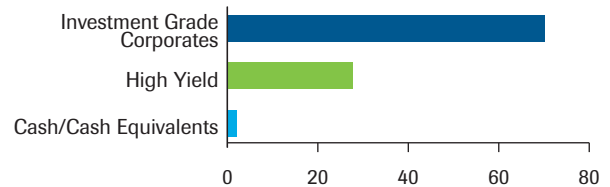
Weighted Average Effective Maturity	8.7 Yrs.
Weighted Average Effective Duration	6.0 Yrs.
Weighted Average Coupon	4.94%
Weighted Average Yield to Maturity	4.64%
Weighted Average Bond Price	\$102.53
30-Day Yield (R6)	4.02%
30-Day Yield (IS)	4.00%
30-Day Yield (A)	3.58%

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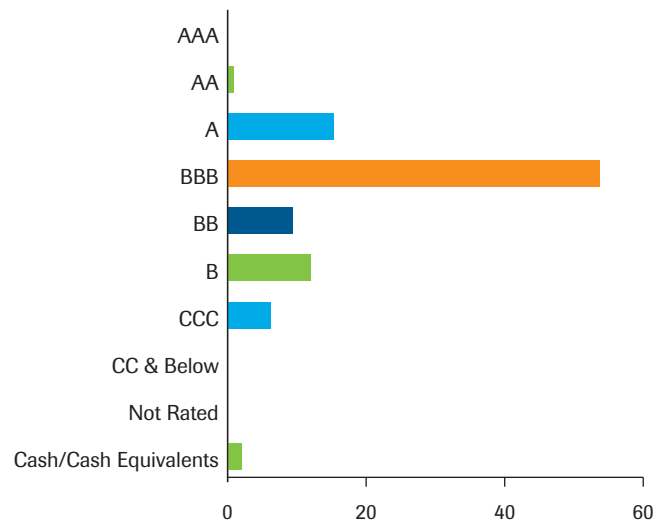
Top Holdings (%)

Wells Fargo & Co., 3.584% due 5/22/28	0.8
Bank of America Corp., 2.328% due 10/01/21	0.7
Canadian Natural Resources Ltd., 5.850% due 2/01/35	0.6
CCO Safari II LLC, 4.908% due 7/23/25	0.6
GE Capital International, 4.418% due 11/15/35	0.6
JPMorgan Chase & Co., 3.875% due 9/10/24	0.6
Kerry Group Financial Services, 3.200% due 4/09/23	0.6
Morgan Stanley, 3.772% due 1/24/29	0.6
Bank of America Corp., 2.816% due 7/21/23	0.5
Verizon Communications, Inc., 4.125% due 8/15/46	0.5
Total % of Portfolio	6.1

Sector Weightings (%)



Quality Breakdown¹ (%)



Portfolio composition is based on net assets at the close of business on 3/31/19 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.

Highlights

- Solid U.S. fundamental economic backdrop with continued geopolitical and trade concerns
- Less uncertainty regarding further rate normalization actions
- Overweight positions to high-yield asset class was a positive contributor

Looking Back

Turning over the calendar into 2019 refreshed the markets after a difficult end to 2018. Key to this change was the different messaging from the Federal Reserve (Fed). Despite signs of slowing U.S. and global growth, the Fed in October, and then again in December, made it clear that it wanted to continue to raise its federal funds rate to a more normal level, in order to give it room to fight future recessions by reducing rates. By contrast, in early January and then following its Jan. 30 meeting, the Fed said that it would be patient and not rush to raise rates. At its March meeting, the Fed indicated it may not raise rates at all in 2019, citing slower growth of household spending and business fixed investment. Against this backdrop, U.S. economic fundamentals rebounded somewhat, led by continued strength in labor markets. Unemployment has ranged between 3.7% and 4.0% for most of the last 12 months, ticking back down to 3.8% in February. Weekly jobless claims continue to plumb multi-decade lows and likely have contributed to a rebound in consumer confidence. The fall in mortgage rates has helped spur mortgage applications and sales of new and existing homes, just in time for the spring selling season. Industrial production rose in February after falling the two prior months, and manufacturing surveys rebounded in March. Reports that China has implemented additional stimulus measures, as perhaps confirmed by a higher manufacturing survey, helped to improve market tone as the quarter ended.

The dramatic shift in Fed thinking provided a strong environment for risk assets to outperform, even as Treasuries rallied and yields fell. After trading in a narrow range for most of the quarter, Treasury yields fell across the yield curve following the March Fed meeting, led by the belly of the curve. Depending on how it is measured, much of the yield curve inverted during March, as most of the front-end yielded less than the federal funds rate. All financial assets outperformed Treasuries, led by the S&P 500, high yield, emerging market and investment-grade debt fixed income.

Performance

Federated Bond Fund Institutional Shares returned 5.71% at net asset value (NAV) for the three months ended March 31, 2019. That compares with the Bloomberg Barclays U.S. Credit Index return of 4.87% and the Bloomberg Barclays U.S. High Yield 2% Issuer Capped Index return of 7.26%. The blended benchmark, consisting of 25% of the Bloomberg Barclays U.S. Credit Index and 75% of the Bloomberg Barclays U.S. High Yield 2% Issuer Capped Index, returned 5.47%. The fund's total return for the period also reflected actual cash flows, transaction costs and other expenses that were not reflected in the return of the blended benchmark.

Performance Contributors

- Overweight to the high-yield asset class
- Positive security selection, with significant contribution in the consumer non-cyclical, technology and utilities sectors
- Underweight allocation to the non-corporate sectors (sovereign, supranational, etc.)
- Specific issuers held by the portfolio that outperformed the blended benchmark included: Celgene Corporation, Prologis, General Electric and Bausch Health Companies

Performance Detractors

- Short duration relative to blended benchmark in period where rates declined
- Specific issuers held by the portfolio that underperformed the blended benchmark included: Citigroup Inc., Bank of America, PEMEX and Worthington Industries

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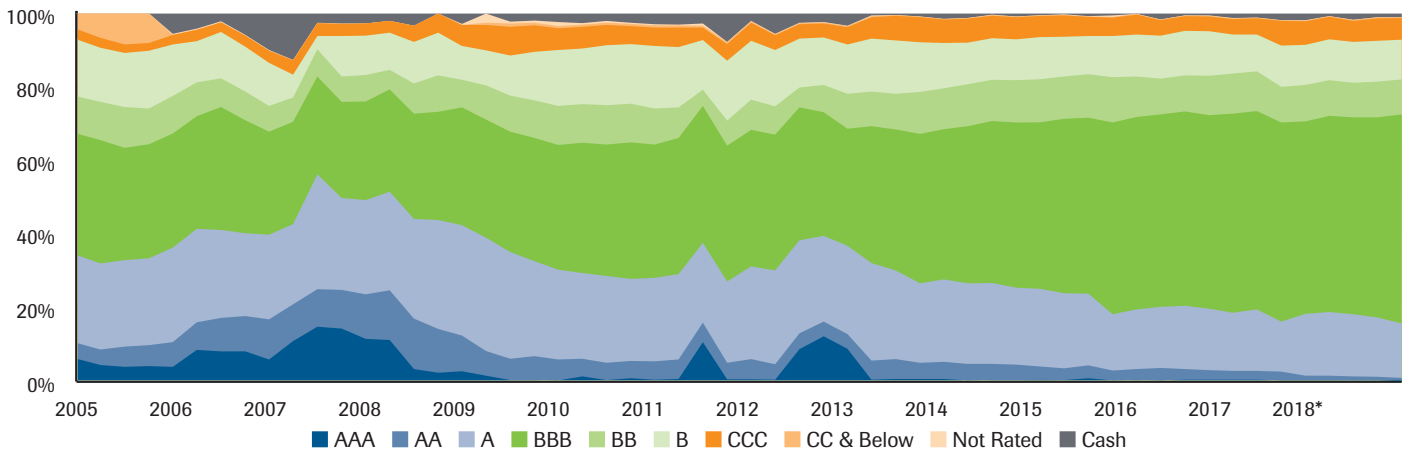
How We Are Positioned

Macroeconomic fundamentals continue to point to solid economic growth, with rising employment and strong consumer confidence supporting the U.S. economy. Potential uncertainty could arise from rising trade tensions, as well as other geopolitical events.

Our outlook is for economic fundamentals to provide the opportunity for spread tightening. In keeping with Federated's alpha pod recommendations, the fund is short its benchmark duration, with an overweight allocation to the high-yield asset class. The portfolio also continues with a down-in-quality positioning within the investment-grade asset class. The portfolio remains committed to adjust the overall sector positioning in response to changes in valuation and credit quality.

See disclosure section for important disclosures and definitions.

Historical Credit Quality¹



* As of 3/31/19

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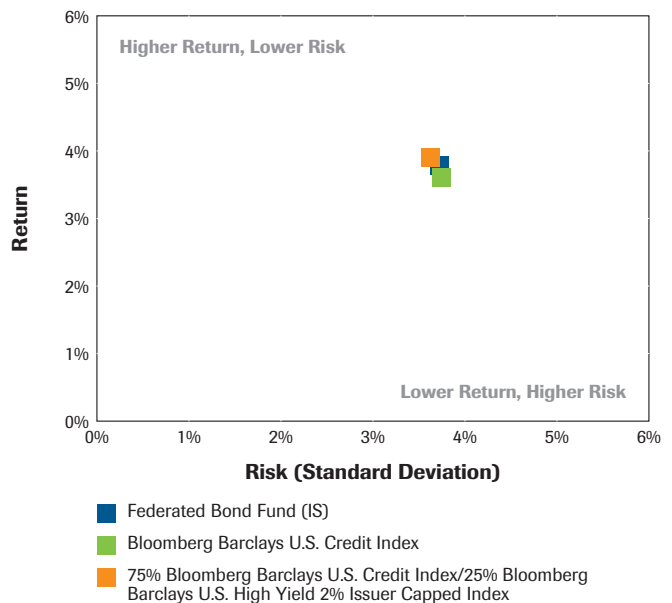
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	3.55	3.72	3.74	4.48
Alpha	1.55	0.43	0.87	1.33
Beta	0.90	0.91	0.89	0.98
Up Capture Ratio	106.23	95.31	98.29	106.18
Down Capture Ratio	72.89	85.62	81.27	80.55
Sharpe Ratio	0.99	0.79	0.98	1.56

Sources: Federated Investors, Morningstar, Inc.
Fund vs. Bloomberg Barclays U.S. Credit Index

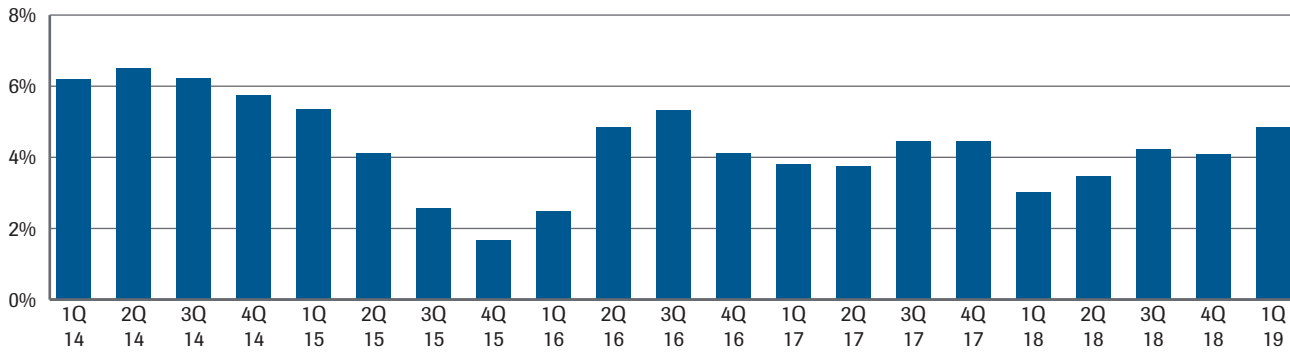
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5-Year Risk/Return



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3-Year Rolling Returns (IS)



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Category Rankings

Morningstar Corporate Bond Category

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	40	15	42	29
Morningstar Category Rank	70 of 250 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	40	14	32	20
Morningstar Category Rank	71 of 250 Funds	24 of 180 Funds	46 of 149 Funds	24 of 87 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	57	20	49	29
Morningstar Category Rank	113 of 250 Funds	37 of 180 Funds	65 of 149 Funds	34 of 87 Funds

Lipper Corporate Debt Funds BBB-Rated

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	26	-	-	-
Lipper Classification Rank	70 of 269 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	26	10	25	20
Lipper Classification Rank	70 of 269 Funds	21 of 214 Funds	46 of 185 Funds	23 of 118 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	41	15	34	28
Lipper Classification Rank	109 of 269 Funds	32 of 214 Funds	63 of 185 Funds	33 of 118 Funds

Past performance is no guarantee of future results. Rankings are based on total return and do not take sales charges into account.

¹The ratings agencies that provided the ratings are Standard & Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.

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 3.95% for R6 Shares, 3.86% for Institutional Shares, and 3.45% for A Shares.

The fund's Institutional Shares commenced operations on January 28, 2008. 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 applicable to the Institutional Shares since the Institutional Shares have 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 that may have occurred prior to commencement of operations of the Institutional Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

The fund's R6 Shares commenced operations on September 30, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for A Shares. The performance of the A 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 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 the fund's expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the R6 Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

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.

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

Diversification does not assure a profit nor protect against loss.

Definitions

Bloomberg Barclays U.S. Credit Index is composed of all publicly issued, fixed-rate, nonconvertible, investment-grade corporate debt. Issues are rated at least Baa by Moody's Investors Service or BBB by Standard & Poor's, if unrated by Moody's. Collateralized Mortgage Obligations (CMOs) are not included. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.

Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index is an issuer-constrained version of the flagship U.S. Corporate High Yield Index, which measures the USD-denominated, high yield, fixed-rate corporate bond market. The index follows the same rules as the uncapped version, but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index wide on a pro rata basis. The index was created in 2002, with history backfilled to January 1, 1993.

Indexes are unmanaged and cannot be invested in directly.

Alpha shows how much or how little return is generated, given the risk a portfolio takes. A portfolio with an Alpha greater than 0 has earned more than expected given its Beta—meaning the portfolio has generated excess return without increasing risk. A portfolio with a negative Alpha is producing a lower return than would be expected given its risk.

Beta measures a portfolio's volatility relative to the market. A Beta greater than 1.00 suggests the portfolio has historically been more volatile than the market as measured by the fund's benchmark. A Beta less than 1.00 suggests the portfolio has historically had less volatility relative to the market.

Sharpe Ratio is calculated by dividing a fund's annualized excess return by the fund's annualized standard deviation. The higher the Sharpe Ratio, the better the fund's historical risk adjusted performance.

Standard Deviation is a historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

Up Capture Ratio/Down Capture Ratio is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns, and how badly the manager was affected by periods of negative benchmark returns. The up-market capture ratio is a measure of a manager's performance in up markets relative to the index during the same period. For example, a ratio value of 115 indicates that the manager has outperformed the market index by 15% in periods when the index has risen. The down-market capture ratio is the direct opposite of the up-market capture ratio, gauging

performance of the manager relative to the index in down markets. A ratio value of 80 would indicate the manager had declined on 80% as much as the declining overall market, indicating relative outperformance.

Weighted Average Bond Price is the weighted average of all individual bond prices within a portfolio.

Weighted Average Coupon is the weighted average interest payment of all individual debt securities within a portfolio.

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 fund in the Federated family of funds may not be comparable to other 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 Effective Maturity is the average time to maturity of debt securities held in the fund.

Weighted Average Yield to Maturity is used to determine the rate of return an investor would receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. It takes into account purchase price, redemption value, time to maturity, coupon yield and the time between interest payments.

Ratings and Rating Agencies

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Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2019 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

This must be preceded or accompanied by a prospectus.