

Federated International Strategic Value Dividend Fund

2Q
2019

6/30/19

Fund Facts

Performance Inception Date

6/4/08

Benchmark

MSCI World ex U.S. High Dividend Yield Index

Morningstar Category

Foreign Large Value

Lipper Classification

International Equity Income Funds

Fund Assets

\$444.0 million

Ticker Symbols

R6 Shares - IVFLX
Institutional Shares - IVFIX
A Shares - IVFAX
C Shares - IVFCX

Key Investment Team

Daniel Peris, Ph.D., CFA
Deborah Bickerstaff
Jared Hoff
Michael Tucker

Yields (%)

30-Day Yield (R6)	4.26
30-Day Yield (IS)	4.24
30-Day Yield (A)	3.78
12-Month Yield (R6)	4.40
12-Month Yield (IS)	4.37
12-Month Yield (A)	4.13

Fund Description

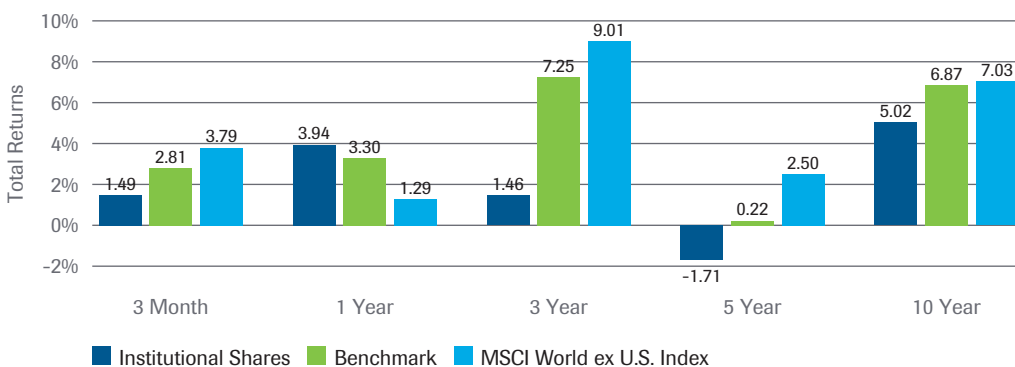
The fund pursues income and long-term capital appreciation by investing primarily in companies based outside the U.S., with a focus on high-dividend-paying stocks with dividend growth potential. It seeks to provide a substantially higher yield than the broad international market.

Performance

Average Annual Total Returns (%)

Performance shown is before tax.

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Expense Ratio*	
								Before Waivers	After Waivers
R6 Shares	1.20	10.51	3.65	1.35	-1.82	3.95	-3.22	0.93	0.85
Institutional Shares	1.49	10.47	3.94	1.46	-1.71	5.02	0.69	1.00	0.86
A Shares (NAV)	1.13	10.37	3.38	1.12	-1.95	4.75	0.45	1.29	1.11
A Shares (MOP)	-4.46	4.42	-2.32	-0.81	-3.04	4.17	-0.06	1.29	1.11
Benchmark	2.81	13.62	3.30	7.25	0.22	6.87	-	-	-



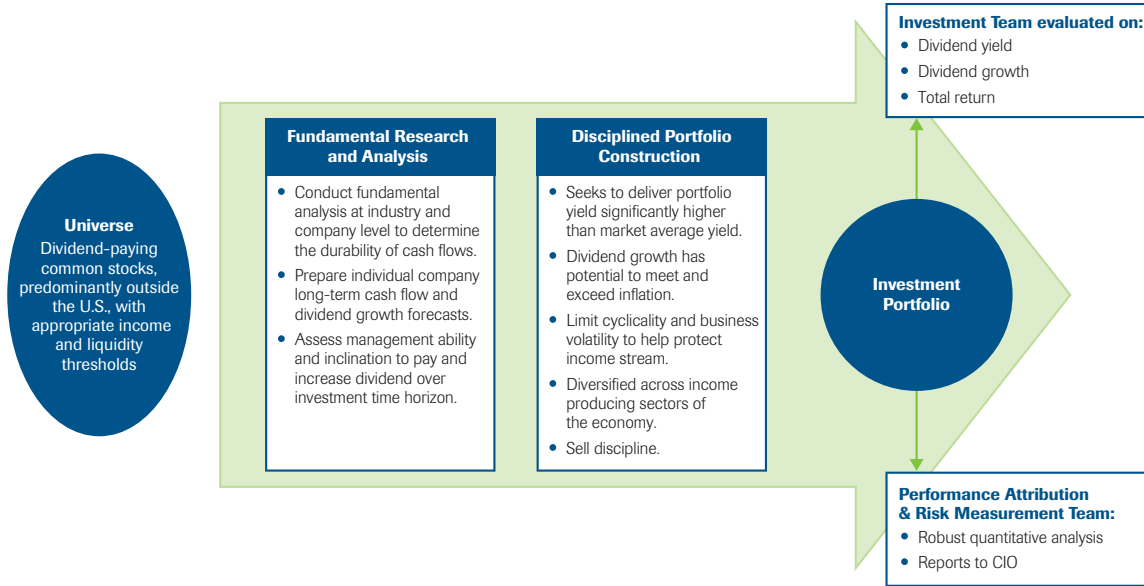
Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	-11.99	14.63	0.94	-7.60	-2.84	12.80	13.05	2.98	3.06	24.21
Benchmark	-13.04	19.90	5.70	-9.80	-2.85	22.43	12.47	-1.50	0.99	45.56
MSCI World ex U.S. Index	-14.09	24.21	2.75	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78
Morningstar Category Average	-15.44	22.08	3.34	-3.10	-6.32	21.00	16.21	-12.93	7.48	30.33

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

Investment Process



Portfolio Statistics

Weighted Median P/E (NTM)	14.2x
Median 3 Year Average Payout Ratio	69.74
Weighted Average EPS Growth Next 5 Years	7.25
Weighted Median Market Cap	\$41.0 b
Weighted Median Price/Book	1.7x
Number of Securities	42
% of Emerging Market	1.11%

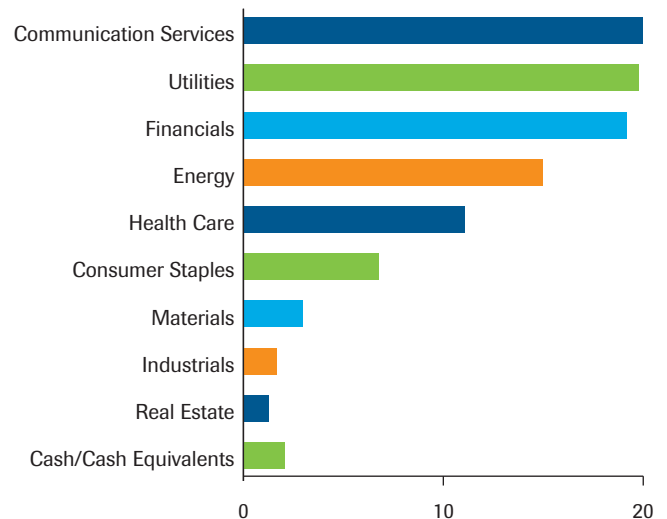
Top Holdings (%)

BCE, Inc.	4.9
National Grid PLC	4.8
Enbridge Inc.	4.3
Sanofi	4.0
BP PLC	3.8
Emera, Inc.	3.7
TC Energy Corp.	3.5
Total SA	3.4
Singapore Telecommunications Ltd.	3.3
Zurich Insurance Group AG	3.3

Country Weightings (%)

United Kingdom	24.9	Singapore	3.3
Canada	24.4	United States	1.8
France	12.9	Hong Kong	1.5
Italy	6.6	Australia	1.3
Germany	5.6	Norway	1.2
Switzerland	4.3	Brazil	1.1
Japan	4.1	Spain	1.0
Finland	3.9	Cash/Cash Equivalents	2.1

Sector Weightings (%)



Portfolio composition is 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. Because this is a managed portfolio, the investment mix will change.

Highlights

- Federated International Strategic Value Dividend Fund provided a 30-day SEC yield of 3.78% (A Shares at MOP) and a gross weighted average dividend yield of 5.06% at quarter end
- This was well ahead of the 3.36% weighted average yield provided by the MSCI World ex-U.S. Index and was roughly in line with the 5.04% yield provided by its benchmark, the MSCI World ex-U.S. High Dividend Yield Index
- Seven portfolio holdings raised their dividends in the quarter. Notable increases included Imperial Brands (10.0%), NTT DOCOMO (9.1%), Link REIT (8.6%) and Unilever (6.0%)
- Canadian communications holding TELUS provided its second dividend increase in the trailing 12-month period for a total dividend growth rate of 7.1%
- In the trailing 12-month period, 37 companies within the portfolio raised their dividends, accounting for 39 separate increases, one dividend reduction and one special dividend (SEB)

Looking Back

While the major global equity indices rallied in the quarter, foreign equities modestly underperformed their U.S. counterparts in the period. For the second quarter of 2019, the MSCI World ex-U.S. Index generated a return of 3.79% while in the U.S. the S&P 500 returned 4.31%. The international equity market delivered positive returns across nearly all GICS sectors in the quarter with the period's strongest performance coming from cyclicals such as Information Technology, Consumer Discretionary and Industrials. And while there was fleeting interest in lower-beta equities during the period (with the lowest-beta quintile of the broad market outperforming the highest-beta quintile by 250 basis points), equity performance was more clearly delineated by investors' preference for growth over value, and low yield over high yield.

During the quarter, Vodafone announced a dividend reduction, cutting its distribution by 40.3%. Vodafone announced the reduction as the company's board of directors elected to retain more cash in order to improve the company's balance sheet following an increase in debt related to the Liberty Global acquisition, numerous 5G spectrum auctions and weaker growth in Europe.

Performance

Federated International Strategic Value Dividend Fund generated a total return of 1.13% (A Shares at NAV) for the second quarter of 2019. This compares to a return of 2.81% for the fund's benchmark, the MSCI World ex-U.S. High Dividend Yield Index, and a 3.79% return for the broad-based MSCI World ex-U.S. Index. With the fund's investments in the dividend income-producing segment of the international market, and its 3-year beta versus the MSCI World ex-U.S. Index of 0.76, the strategy's short-term returns are not expected to move in line with the broad market.

Performance Contributors

- The Communications Services sector (20.22% ending weight) delivered the portfolio's strongest contribution to performance in the quarter with a weighted average return of 5.49%
- The fund's investments in Financials (19.27% ending weight) also produced attractive performance in the quarter, with a weighted average return of 5.77%
- The fund's investments in Industrials (2.10% ending weight) also delivered a high aggregate return in the period, finishing the quarter 8.39% higher

Performance Detractors

- The Consumer Staples sector (7.74% ending weight) delivered the portfolio's weakest contribution to performance in the quarter with a weighted average return of -13.85
- The fund's only Information Technology holding, Cielo, (0.29% ending weight) fell sharply as the Brazilian payments processor struggled to navigate rising competition and pricing pressure in its core market
- The fund's Real Estate investments (1.49% ending weight) also caused a minor drag on performance, with a weighted average return of -0.21%

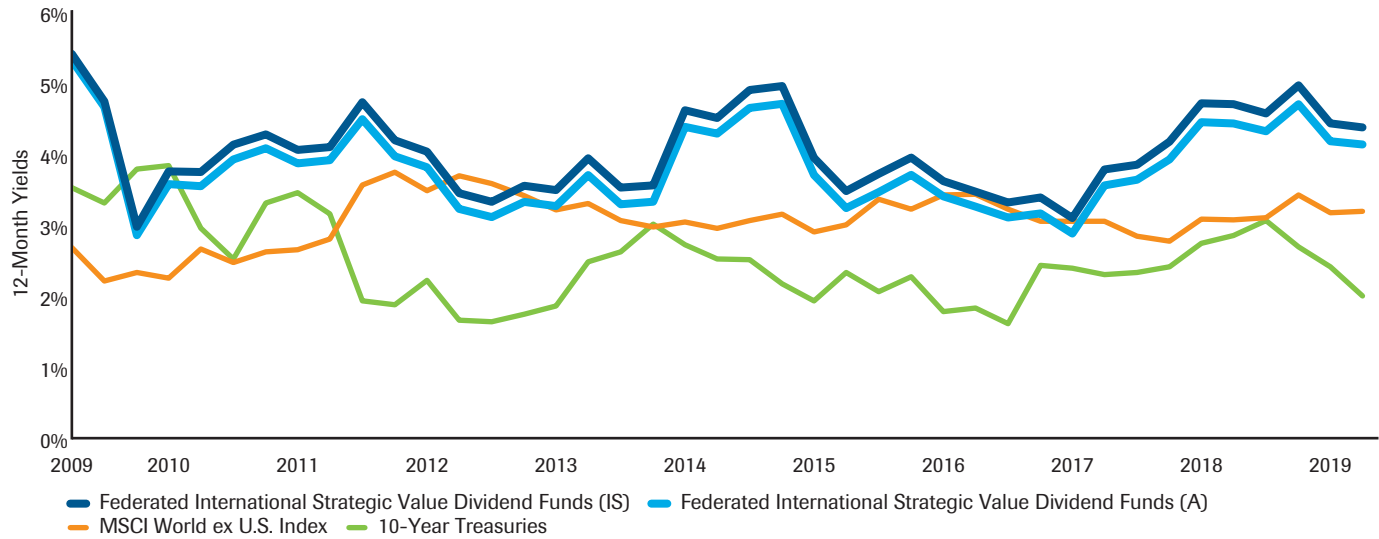
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How We Are Positioned

While macroeconomic data points can impact share price movements in the near term, Federated International Strategic Value Dividend Fund remains committed to its focus on long-term drivers of total return: dividend yield and dividend growth. To achieve those goals, the fund remains concentrated in Consumer Staples, Integrated Energy, Health Care Pharmaceuticals, Telecom Services, Utilities and high-quality Banks and Insurers. These segments of the economy contain the type of high-quality dividend-friendly stocks that the portfolio seeks out, enabling the fund to provide investors with a high dividend yield complemented with dividend growth. That dividend growth can help the portfolio both sustain its high yield and outpace inflation. Such investments also tend to be less volatile than the broad market, offering lower downside risk characteristics for the portfolio.

See disclosure section for important disclosures and definitions.

The Fund Delivered Higher Yield



Source: Federated Investors
 Yields for other classes will vary.
 * As of 6/30/19

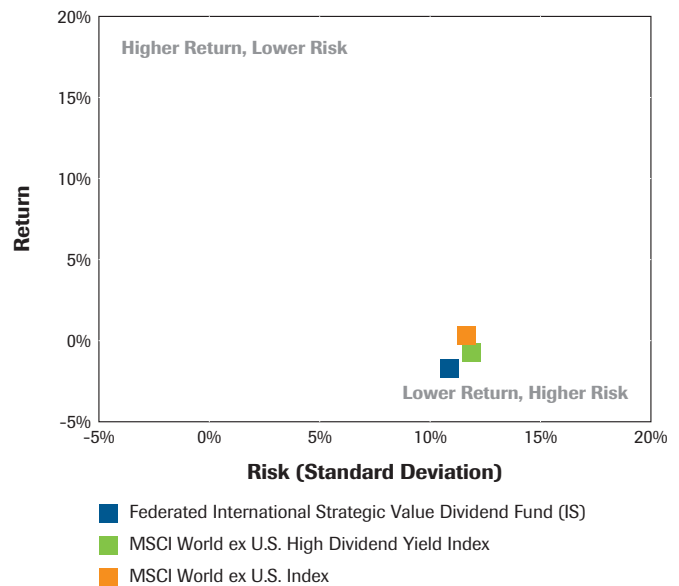
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	10.46	10.89	11.05	13.10
Beta	0.85	0.80	0.83	0.82
Correlation	0.90	0.89	0.92	0.95
Up Capture Ratio	73.20	74.19	79.24	80.15
Down Capture Ratio	104.33	85.55	90.06	83.26

Sources: Federated Investors, Morningstar, Inc.
 Fund vs. MSCI World ex U.S. Index

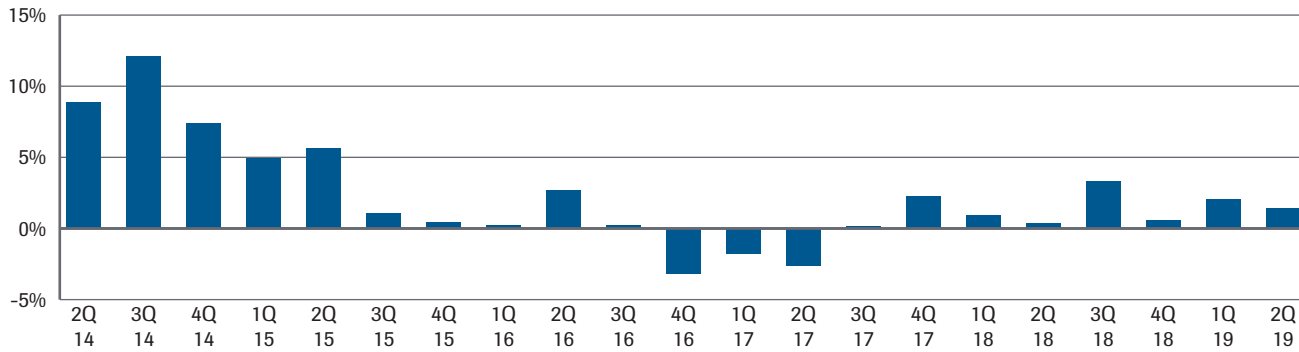
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5-Year Risk/Return



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3-Year Rolling Returns (IS)



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Category Rankings

Morningstar Foreign Large Value Category

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	8	98	91	76
Morningstar Category Rank	13 of 339 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	7	98	91	76
Morningstar Category Rank	11 of 339 Funds	291 of 297 Funds	202 of 238 Funds	101 of 161 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	9	98	93	82
Morningstar Category Rank	16 of 339 Funds	293 of 297 Funds	212 of 238 Funds	115 of 161 Funds

Lipper International Equity Income Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	36	-	-	-
Lipper Classification Rank	37 of 102 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	32	96	91	73
Lipper Classification Rank	32 of 102 Funds	90 of 93 Funds	65 of 71 Funds	27 of 36 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	39	98	92	76
Lipper Classification Rank	40 of 102 Funds	92 of 93 Funds	66 of 71 Funds	28 of 36 Funds

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

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 4.11% for R6 Shares, 4.10% for Institutional Shares, and 3.61% for A Shares.

The 12-month yield is the sum of a fund’s total trailing 12-month interest and dividend payments divided by the last month’s ending share price (NAV) plus any capital gains distributed over the same period.

The fund’s R6 Shares commenced operations on January 27, 2017. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for Institutional Shares, adjusted to remove any voluntary waiver of fund expenses related to the fund’s Institutional Shares that occurred during the period prior to the commencement of operations of the fund’s R6 Shares.

A Word About Risk

Mutual funds are subject to risks and fluctuate in value.

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.

Because the fund may allocate relatively more assets to certain industry sectors than others, the fund’s performance may be more susceptible to any developments which affect those sectors emphasized by the fund. International investing involves special risks, including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

Definitions

MSCI World ex U.S. High Dividend Yield Index is based on the MSCI World ex U.S. Index, its parent index, and includes large- and mid-cap stocks across 22 of 23 Developed Markets countries. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.

MSCI World ex U.S. Index captures large- and mid-cap representation across 22 of 23 Developed Markets countries—excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Indexes are unmanaged and cannot be invested in directly.

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.

Correlation is the degree to which one variable (here, the fund’s returns) fluctuates relative to another (the returns of the fund’s benchmark). 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.

Median 3 Year Average Payout Ratio is the proportion of earnings paid out as dividends to shareholders, typically expressed as a percentage.

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 Dividend Yield is a weighted average of the dividends of all the stocks in a portfolio.

Weighted Median Market Cap is the calculation representing the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

Weighted Median P/E (NTM—Next 12 Months) is a ratio comparing share price to earnings per share using estimated data for the next 12 months.

Weighted Median Price/Book is a ratio comparing share price to book value or assets minus liabilities.

Weighted Average EPS Growth Next 5 Years is the weighted average annual growth rate of fiscal year earnings per share for the next five years for a given corporation.

Ratings and Rating Agencies

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This must be preceded or accompanied by a prospectus.