

Federated Short-Intermediate Total Return Bond Fund

2Q
2019

6/30/19

Fund Facts

Performance Inception Date

R6 Shares: 1/31/14
Institutional Shares: 9/2/05
A Shares: 1/31/14

Benchmark

Bloomberg Barclays 1-5 Year Government/Credit Index

Morningstar Category

Short-Term Bond

Lipper Classification

Core Bond Funds

Fund Assets

\$369.9 million

Ticker Symbols

R6 Shares - SRBRX
Institutional Shares - FGCIX
Service Shares - FGCSX
A Shares - FGCAX

Key Investment Team

John Gentry, CFA
Chengjun (Chris) Wu, CFA
Todd Abraham, CFA
Mark Durbiano, CFA
Ihab Salib
Christopher McGinley
Steven Wagner

Yields (%)

30-Day Yield (R6) 2.49
30-Day Yield (IS) 2.47
30-Day Yield (A) 2.21

Fund Description

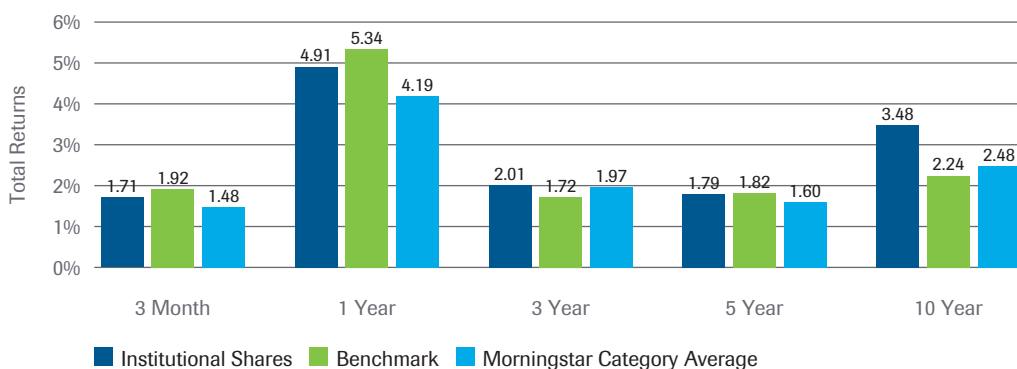
The fund seeks to maintain a dollar-weighted average effective portfolio duration of 1.5 to 3.5 years and pursues total return by investing in a broad mix of bond sectors that management believes will benefit from changes in economic and market conditions. U.S. government and investment-grade corporate bonds predominate, with limits on exposure to domestic high-yield and international emerging-market sectors.

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	1.72	3.69	4.92	1.98	1.47	-	1.75	0.50	0.38
Institutional Shares	1.71	3.68	4.91	2.01	1.79	3.48	3.79	0.55	0.39
A Shares (NAV)	1.65	3.66	4.75	1.76	1.56	-	1.88	0.80	0.64
A Shares (MOP)	0.67	2.64	3.73	1.40	1.35	-	1.68	0.80	0.64
Benchmark	1.92	3.56	5.34	1.72	1.82	2.24	-	-	-



Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	0.81	1.70	3.31	0.34	2.47	-0.17	4.12	5.03	7.25	8.03
Benchmark	1.38	1.27	1.56	0.97	1.42	0.28	2.24	3.14	4.08	4.62
Morningstar Category Average	0.92	1.73	2.08	0.19	1.07	0.45	3.67	1.66	4.11	9.30

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 1% 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 11/1/19 or the date of the fund's next effective prospectus.

Investment Approach

Core, Intermediate-Term Bond Fund

- A disciplined approach to short-term fixed income with a conservative, investment-grade risk profile
- Invests primarily in U.S. government, mortgage-backed and investment-grade corporate fixed income with modest exposure to sectors such as high yield and emerging markets debt
- May invest in below investment grade securities up to 35%. Typically up to 15%

Consistent, Repeatable Investment Process

- Combines top-down decision making with bottom-up security selection to build diversified, risk-managed portfolios
- Key decision teams known as "Alpha Pods" seek diversified, uncorrelated alpha sources across various market environments
- Positioning set across five factors: Sector Allocation, Security Selection, Duration Management, Yield Curve Strategy and Currency Management

Tenured Team with Long-Term Results

- Team based approach focused by sector to extract value from each step of the process
- Federated's fixed income philosophy and process has a 45-year heritage
- Senior fixed-income management team averages 27 years of experience, and team members have worked together at Federated for 22 years

As of 6/30/19

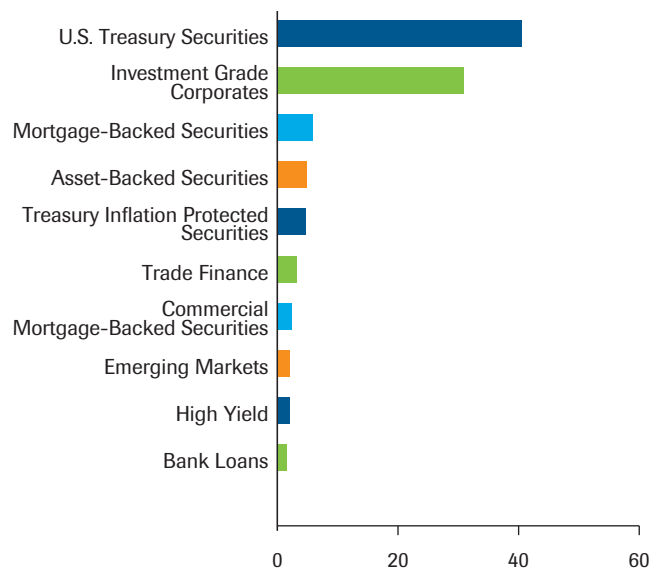
Portfolio Statistics

Weighted Average Effective Maturity	3.1 Yrs.
Weighted Average Effective Duration	2.5 Yrs.
Weighted Average Coupon	3.42%
Weighted Average Yield to Maturity	2.86%
Weighted Average Bond Price	\$101.33

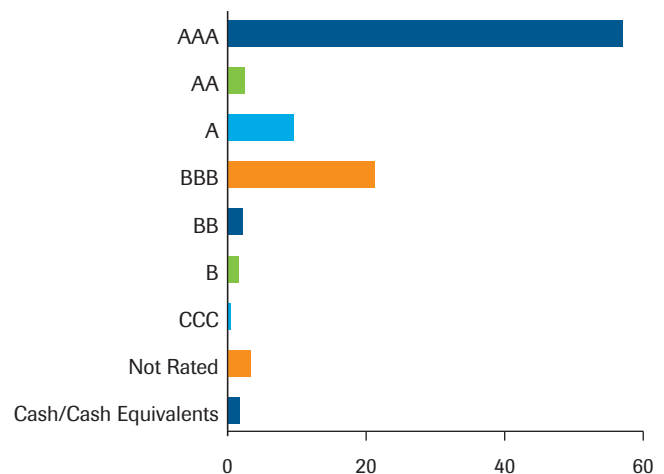
Top Holdings (%)

Federated Mortgage Core Portfolio	5.3
Federated Project and Trade Finance Core Fund	4.3
U.S. Treasury Note, 1.125% due 2/28/21	4.0
U.S. Treasury Note, 0.625% due 4/15/23	3.3
U.S. Treasury Note, 1.750% due 11/15/20	2.7
U.S. Treasury Note, 2.125% due 3/31/24	2.7
U.S. Treasury Note, 2.000% due 5/31/24	2.6
U.S. Treasury Note, 2.875% due 11/30/23	2.3
U.S. Treasury Note, 2.500% due 1/31/24	2.1
U.S. Treasury Note, 2.750% due 8/31/23	2.0
Total % of Portfolio	31.3

Sector Weightings (%)



Quality Breakdown¹ (%)



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

- Outperformance of risk assets, atop strong Treasury total returns
- The fund maintained overweights to spread sectors and modestly short duration
- The Federal Reserve (Fed) relaxed its policy of patience, becoming more accommodative in the face of global growth challenges

Looking Back

Confrontation led to uncertainty, which surprisingly yielded strong financial market returns in the second quarter. Solid growth had enabled the U.S. economy to sidestep much of the weakness from slowing international economies. A multi-decade low in the U.S. unemployment rate, at 3.6% the lowest since late 1969, contributed to high consumer confidence and activity. But the unexpected news that President Trump wanted to impose tariffs on China, and then on Mexico, shook markets and raised questions about the sustainability of global growth. The litany of other global challenges—ongoing U.K. leadership and Brexit uncertainty, EU-Italy negotiations, Iran sanctions and potential bombing strikes, to name a few—continued to give a strong bid to U.S. Treasuries, driving yields lower. The Fed shifted from its patient, no rate change framework to try to accommodate potential fallout from the tariff impact. Outgoing European Central Bank President Mario Draghi soothed markets when he said late in the quarter that another round of stimulus will be required if the economic situation in the eurozone does not improve. Combined with the more dovish Fed comments following its June meeting, this central bank backstop has so far helped markets weather the geopolitical squalls. The prospect of reaching some level of accord at the quarter-end G20 summit had markets more optimistic as the quarter drew to a close.

In spite of the uncertainty, financial markets posted strong returns. The S&P 500 Index rose over 4%, while fixed income had solid performance, led by long duration, lower quality and emerging-market debt. The 10-year Treasury note yield traded in a narrow 2.4% to 2.6% range for the first half of the quarter, before rallying sharply lower, finishing at 2%. All major bond sectors except mortgage-backed securities outperformed comparable-duration Treasuries, as risk premiums compressed. Trade and growth fears crimped commodity performance, as crude oil fell nearly 3%, and aluminum, copper and nickel all traded lower in the quarter. Agricultural commodities were mixed, but gold gained over 9%. The U.S. dollar eased lower against a basket of currencies, but still averaged 5% higher than in the second quarter of 2018.

Performance

Federated Short Intermediate Total Return Bond Fund Institutional Shares returned 1.71% at net asset value (NAV) for the second quarter of 2019, while the fund's benchmark, the Bloomberg Barclays 1-5 year Government Credit Index, had a total return of 1.92%. For the first half of 2019, the fund's institutional shares have returned 3.68%, compared to the benchmark's 3.56%. The fund's total return for the period also reflected actual cash flows, transaction costs and other expenses that were not reflected in the total return of the benchmark index.

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.

Performance Contributors

- Contribution from allocations to high yield, trade finance and bank loans
- Contribution from an investment-grade overweight and allocations to ABS and CMBS

Performance Detractors

- Duration short of benchmark as interest rates fell
- Allocations to MBS and TIPS

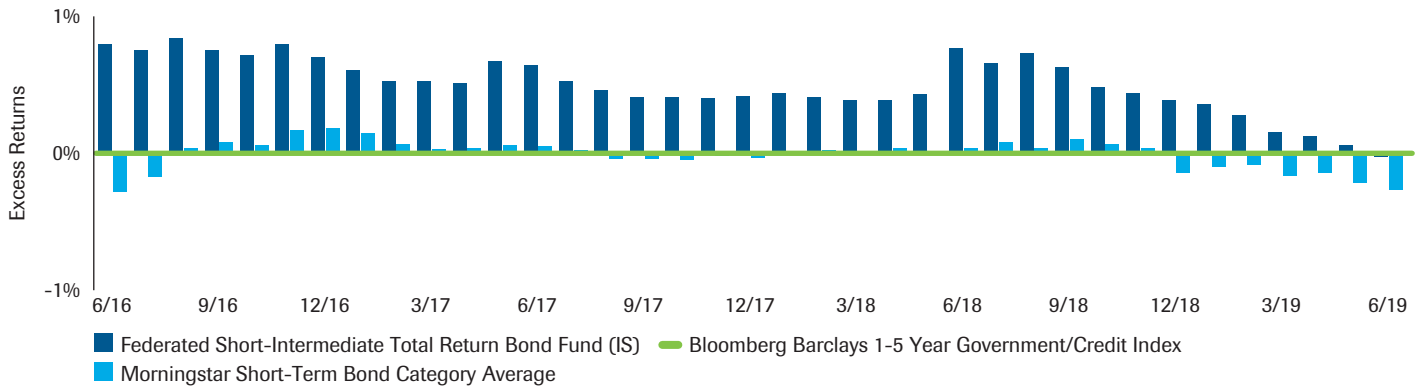
How We Are Positioned

Entering the third quarter, the U.S. economy appears to be slowing modestly while still posting impressive labor market strength. Concerns over global growth, exacerbated by trade tensions, may ease as a result of central bank actions in the U.S. and Europe. Risk assets have performed well in the first half of 2019 and seem to be waiting for direction from the outcome of ongoing trade talks.

In keeping with Federated's alpha pod recommendations, the fund reduced its allocations to high yield and emerging-markets debt, maintained its overweight to investment-grade corporate bonds and kept its duration close to benchmark.

See disclosure section for important disclosures and definitions.

5-Year Rolling Excess Performance vs. Bloomberg Barclays 1-5 Year Government/Credit Index



Source: Morningstar, Inc. Performance for 5-year periods (1-month step) from 6/30/11 - 6/30/19. Returns are for IS Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

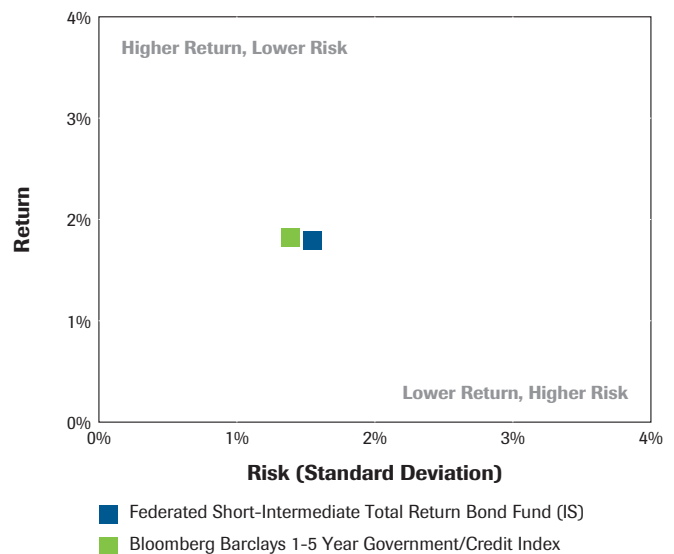
Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	1.25	1.55	1.91	2.16
Alpha	0.33	0.14	0.35	0.90
Beta	0.81	0.82	1.09	1.18
Up Capture Ratio	98.54	96.67	123.91	136.63
Down Capture Ratio	70.07	93.45	120.14	98.54
Sharpe Ratio	0.43	0.56	0.73	1.37

Sources: Federated Investors, Morningstar, Inc. Fund vs. Bloomberg Barclays 1-5 Year Government/Credit Index

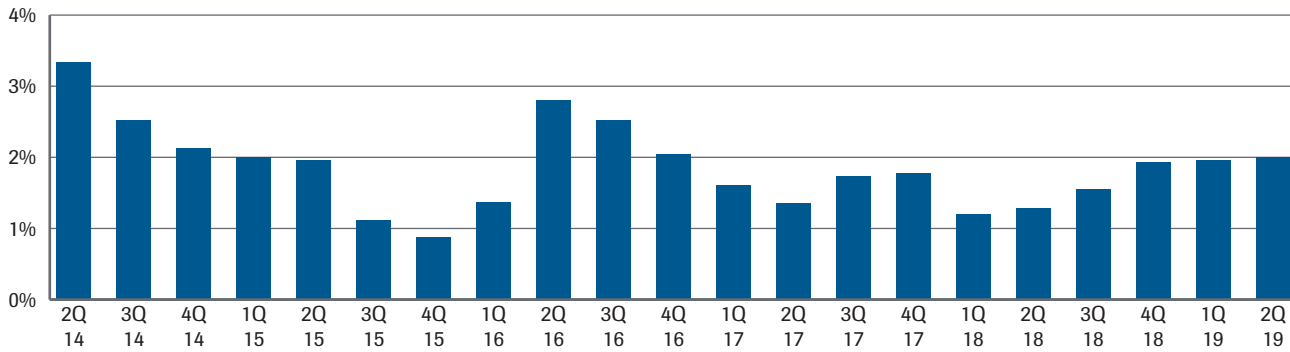
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5-Year Risk/Return



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3-Year Rolling Returns (IS)



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Category Rankings

Morningstar Short-Term Bond Category

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	22	44	63	17
Morningstar Category Rank	109 of 542 Funds	203 of 478 Funds	245 of 421 Funds	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	23	43	38	13
Morningstar Category Rank	114 of 542 Funds	196 of 478 Funds	135 of 421 Funds	35 of 269 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	29	64	55	15
Morningstar Category Rank	145 of 542 Funds	275 of 478 Funds	212 of 421 Funds	-

Lipper Core Bond Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	94	75	97	-
Lipper Classification Rank	480 of 510 Funds	333 of 446 Funds	368 of 379 Funds	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	95	74	94	83
Lipper Classification Rank	481 of 510 Funds	328 of 446 Funds	355 of 379 Funds	242 of 291 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Classification % Rank	95	86	97	-
Lipper Classification Rank	485 of 510 Funds	382 of 446 Funds	365 of 379 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") for A Shares 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 2.36% for R6, 2.33% for IS and 2.04% for A 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.

International investing involves special risks, including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging market and frontier market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

The fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

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

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

Bloomberg Barclays 1-5 Year U.S. Government/Credit Bond Index is a broad-based benchmark that measures the non-securitized component of the Barclays U.S. Aggregate Index. It includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities that have a remaining maturity of greater than or equal to one year and less than five years.

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.