

12/31/18

Fund Facts

Performance Inception Date

3/30/05

Benchmark

Dow Jones U.S. Select Dividend Index

Morningstar Category

Large Value

Lipper Category

Equity Income Funds

Fund Assets

\$9.4 billion

Ticker Symbols

R6 Shares - SVALX
Institutional Shares - SVAIX
A Shares - SVAAX
C Shares - SVACX

Key Investment Team

Daniel Peris, Ph.D., CFA
Deborah Bickerstaff

Fund Description

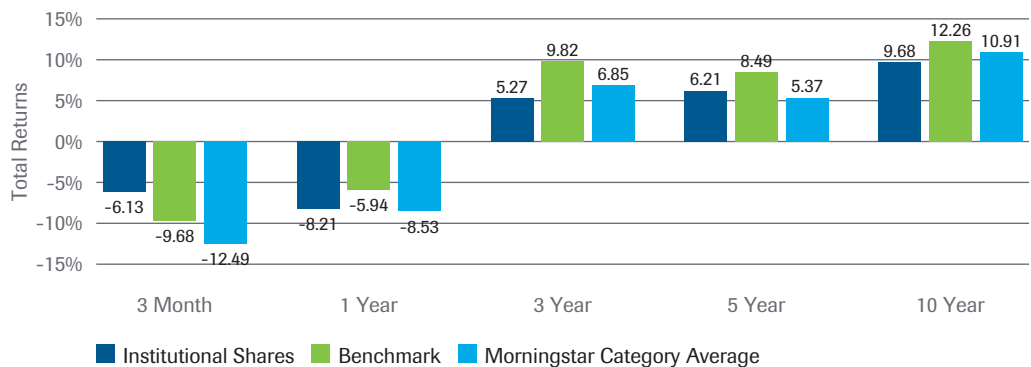
The fund pursues income and long-term capital appreciation by investing primarily in high dividend-paying stocks with dividend growth potential. It seeks to provide a substantially higher yield than the broad market.

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	-6.12	-8.19	-8.19	5.27	6.16	9.58	6.50	0.85	0.79
Institutional Shares	-6.13	-8.21	-8.21	5.27	6.21	9.68	6.75	0.92	0.81
A Shares (NAV)	-6.22	-8.49	-8.49	5.03	5.93	9.40	6.47	1.18	1.06
A Shares (MOP)	-11.40	-13.57	-13.57	3.05	4.74	8.79	6.03	1.18	1.06
Benchmark	-9.68	-5.94	-5.94	9.82	8.49	12.26	-	-	-



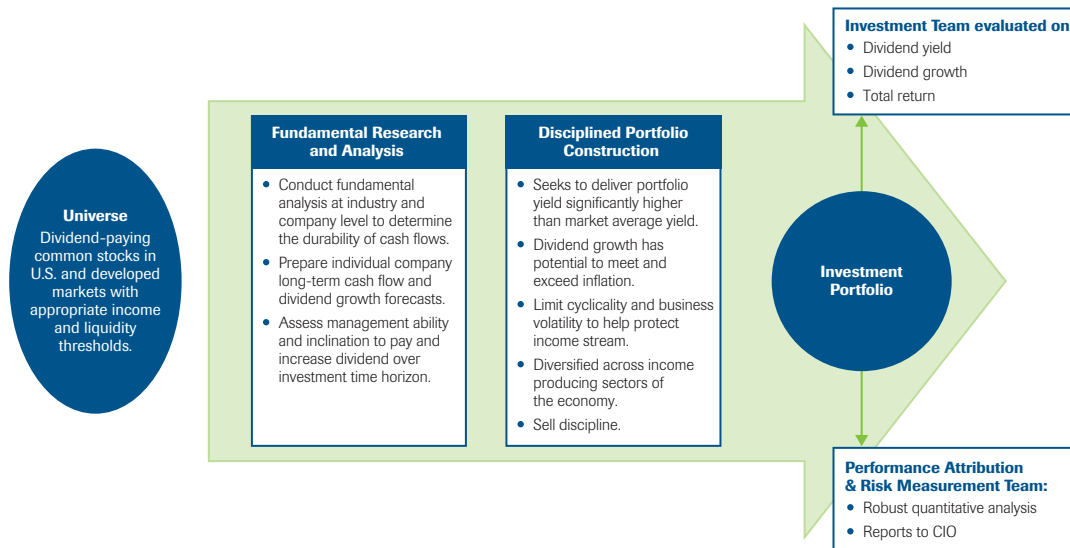
Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Institutional Shares	-8.21	15.14	10.39	3.87	11.54	21.93	6.92	14.96	11.18	11.88
Benchmark	-5.94	15.44	21.98	-1.64	15.36	29.06	10.84	12.42	18.32	11.13
S&P 500 Index	-4.39	21.82	11.95	1.37	13.68	32.38	16.00	2.11	15.06	26.47
Morningstar Category Average	-8.53	15.94	14.81	-4.05	10.21	31.21	14.57	-0.75	13.66	24.13

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

Investment Process



Portfolio Statistics

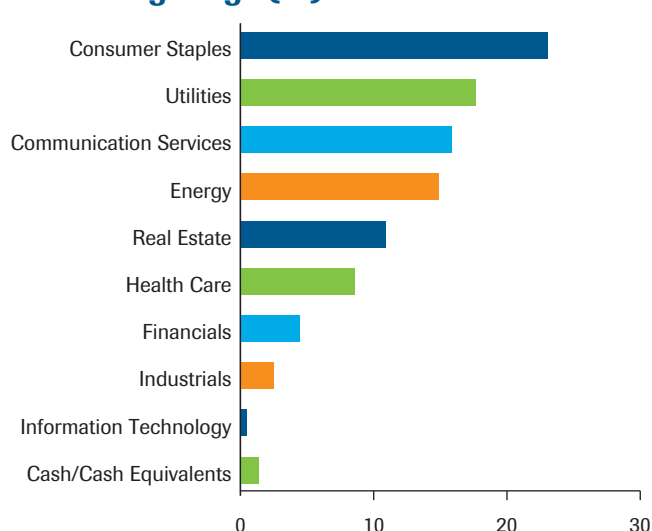
Weighted Median P/E (NTM)	13.1x
Median 3 Year Average Payout Ratio	76.92
Weighted Average EPS Growth Next 5 Years	9.22
Weighted Median Market Cap	\$83.8 b
Weighted Median Price/Book	2.0x
Number of Securities	40
Foreign Securities	24.32%
Annual Portfolio Turnover	12.7%
30-Day Yield (R6)	4.24%
30-Day Yield (IS)	4.21%
30-Day Yield (A)	3.73%
12-Month Yield (R6)	4.20%
12-Month Yield (IS)	4.18%
12-Month Yield (A)	3.93%

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Top Holdings (%)

AT&T, Inc.	5.6
Crown Castle International Corp.	4.6
Altria Group, Inc.	4.5
Philip Morris International, Inc.	4.5
Dominion Energy, Inc.	4.4
Total % of Portfolio	23.6

Sector Weightings (%)



Portfolio composition is based on net assets at the close of business on 12/31/18 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 Strategic Value Dividend Fund provided a 30-day SEC yield for A shares at MOP of 3.73% and a gross weighted average dividend yield of 5.20% at quarter end
- This surpassed not only the broad market represented by the S&P 500 Index with its 2.22% yield, and the 10-year U.S. Treasury Note (2.69%), but also the 4.30% yield of the Dow Jones Select Dividend Index
- Seven companies increased their dividends during the quarter. The most notable increases courtesy of Abbvie (11.5%), Dominion Energy (9.9%), American Electric Power (8.1%) and Crown Castle International (7.1%)
- For the rolling one-year period, 33 of the fund's holdings raised their dividends, accounting for 36 increases overall

Looking Back

After reaching record highs in late summer, all three bellwether indexes closed 2018 well into the red, led by the S&P (-6.2%), followed by the Dow (-5.6%) and then the Nasdaq (-3.9%). Neither were global markets immune from the rout as the MSCI World fell 7.74% on the month and ended the year down 10.4%.

A "risk-off" trade was the prevailing theme for the quarter, driven by increased uncertainty surrounding monetary policy, trade wars and global economic volatility. Of note, when quintiling the S&P 500, low beta outperformed high beta by 21.21% and high yield outperformed low yield by 6.91% for the quarter. Additionally, when noting the S&P quality ratings, the highest quality stocks (A+) outperformed the lowest quality stocks (C&D) by 17.84%. These investor preferences are very conducive to a high-quality dividend strategy as evidenced by the performance in the quarter where the fund's natural downside protection was highlighted.

Performance

Federated Strategic Value Dividend Fund ended the quarter with a return of -6.22% (A Shares at NAV), while the Dow Jones Select Dividend Index and the S&P 500 posted returns of -9.68% and -13.52%, respectively.

Performance Contributors

- High-quality, high-dividend-yield and low-beta stocks outperformed during the quarter, representing a tailwind for our high-quality dividend strategy
- REITS and Utilities achieved positive performance of 2.15% and 1.75% (versus -3.83% and 1.36% in the S&P 500), notably benefitting from the strong performance in defensive investments driven by the prominent "risk-off" trade
- Additional notable contributors were Procter & Gamble, +11.43%, and Verizon, +6.45%

Performance Detractors

- Weakness was noted in Energy, -17.30%, as oil prices declined in the quarter
- Another negative contributor to performance was Consumer Staples, -8.02%, attributable to tobacco stocks. British American declined 29.55% driven by an FDA announcement of a potential menthol cigarette ban in the U.S. Additionally, Altria and Phillip Morris faced price pressure, declining -16.73% and -16.83%, respectively
- Communication Services also detracted from performance posting a -4.80% return led by AT&T -13.74%. AT&T trended downward as investor sentiment fell after Q3 earnings

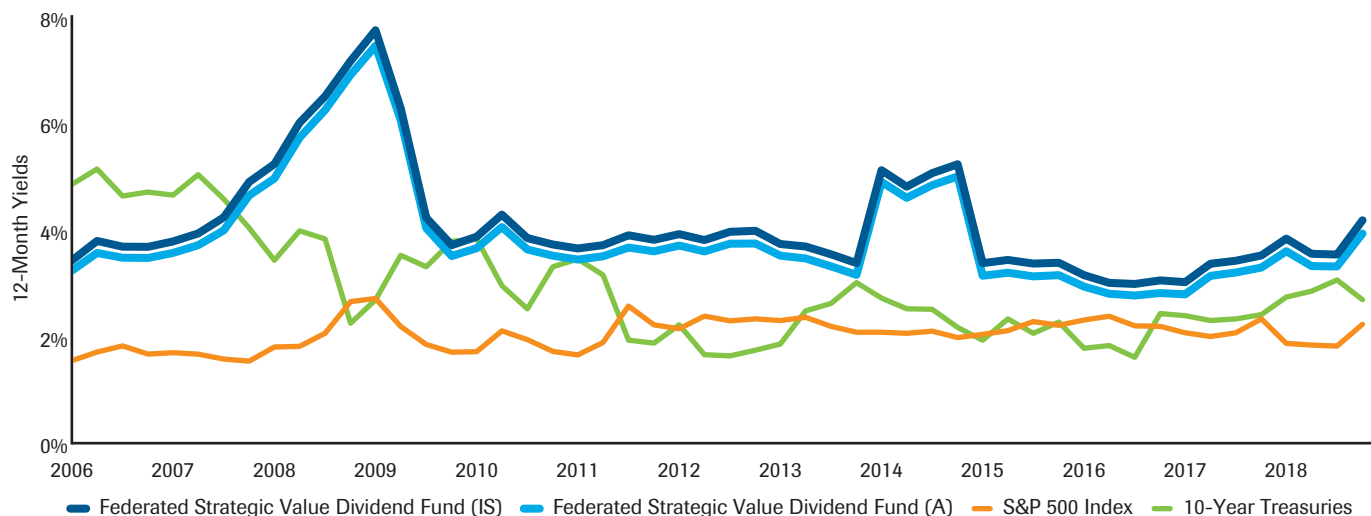
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How We Are Positioned

The fund remains concentrated in Consumer Staples, Integrated Energy, Pharmaceuticals, Communication Services and Utilities. These segments contain the dividend-friendly stocks that the fund seeks, enabling the strategy to provide investors with the opportunity for a high dividend yield complemented with dividend growth. That dividend growth can help the fund both sustain its high yield and outpace inflation. Furthermore, stocks that consistently pay and increase their dividends tend to have lower volatility, as reflected in the fund's beta of 0.50 (Factset 3-year beta versus the S&P calculated using the monthly return). Notwithstanding current market conditions, Federated Strategic Value Dividend Fund will remain committed to its goals of providing a high and rising income stream from high-quality business assets and will not alter its investment style based on near-term market preferences.

See disclosure section for important disclosures and definitions.

The Fund Delivered Higher Yield



Source: Federated Investors
 Yields for other classes will vary.
 * As of 12/31/18

Risk Statistics

	3 Year	5 Year	7 Year	10 Year
Standard Deviation	9.87	10.01	9.72	11.20
Beta	0.51	0.61	0.60	0.62
Correlation	0.56	0.66	0.66	0.75
Up Capture Ratio	58.14	70.78	65.63	66.34
Down Capture Ratio	59.21	69.13	63.99	59.15
Sharpe Ratio	0.42	0.55	0.81	0.83

Sources: Federated Investors, Morningstar, Inc.
 Fund vs. S&P 500 Index

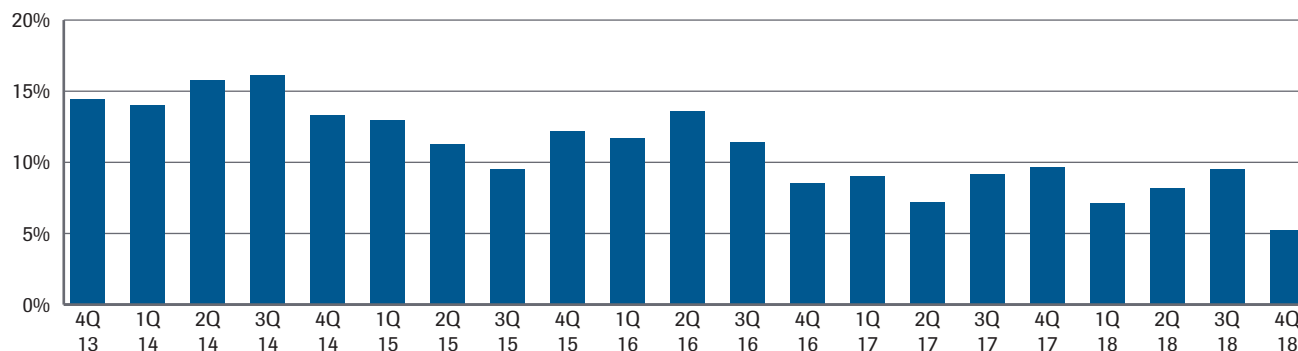
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5-Year Risk/Return



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3-Year Rolling Returns (IS)



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Category Rankings

Morningstar Large Value Category

R6 Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	42	82	29	81
Morningstar Category Rank	482 of 1,244 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	42	83	30	82
Morningstar Category Rank	488 of 1,244 Funds	883 of 1,100 Funds	243 of 937 Funds	536 of 686 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Morningstar Category % Rank	47	85	36	88
Morningstar Category Rank	546 of 1,244 Funds	914 of 1,100 Funds	301 of 937 Funds	579 of 686 Funds

Lipper Equity Income Funds

R6 Shares	1 Year	3 Year	5 Year	10 Year
Lipper Category % Rank	64	-	-	-
Lipper Category Rank	341 of 540 Funds	-	-	-
IS Shares	1 Year	3 Year	5 Year	10 Year
Lipper Category % Rank	64	79	39	80
Lipper Category Rank	344 of 540 Funds	369 of 467 Funds	155 of 403 Funds	198 of 247 Funds
A Shares	1 Year	3 Year	5 Year	10 Year
Lipper Category % Rank	69	82	45	85
Lipper Category Rank	369 of 540 Funds	380 of 467 Funds	179 of 403 Funds	209 of 247 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 4.16% for R6 Shares, 4.07% for Institutional Shares, and 3.81% 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 June 30, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for the fund’s Institutional Shares adjusted to remove any voluntary waiver of fund expenses related to the fund’s Institutional Shares that may have occurred during the periods 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

Dow Jones U.S. Select Dividend Index universe is defined as all dividend-paying companies in the Dow Jones U.S. Total Market Index that have a non-negative historical five-year dividend-per-share growth rate, a five-year average dividend earnings-per-share ratio of less than or equal to 60%, and a three-month average daily trading volume of 200,000 shares. Current index components are included in the universe regardless of their dividend payout ratio. The Dow Jones U.S. Total Market Index is a rule-governed, broad-market benchmark that represents approximately 95% of the U.S. market capitalization.

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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.

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

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.

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.

Ratings and Rating Agencies

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This must be preceded or accompanied by a prospectus.