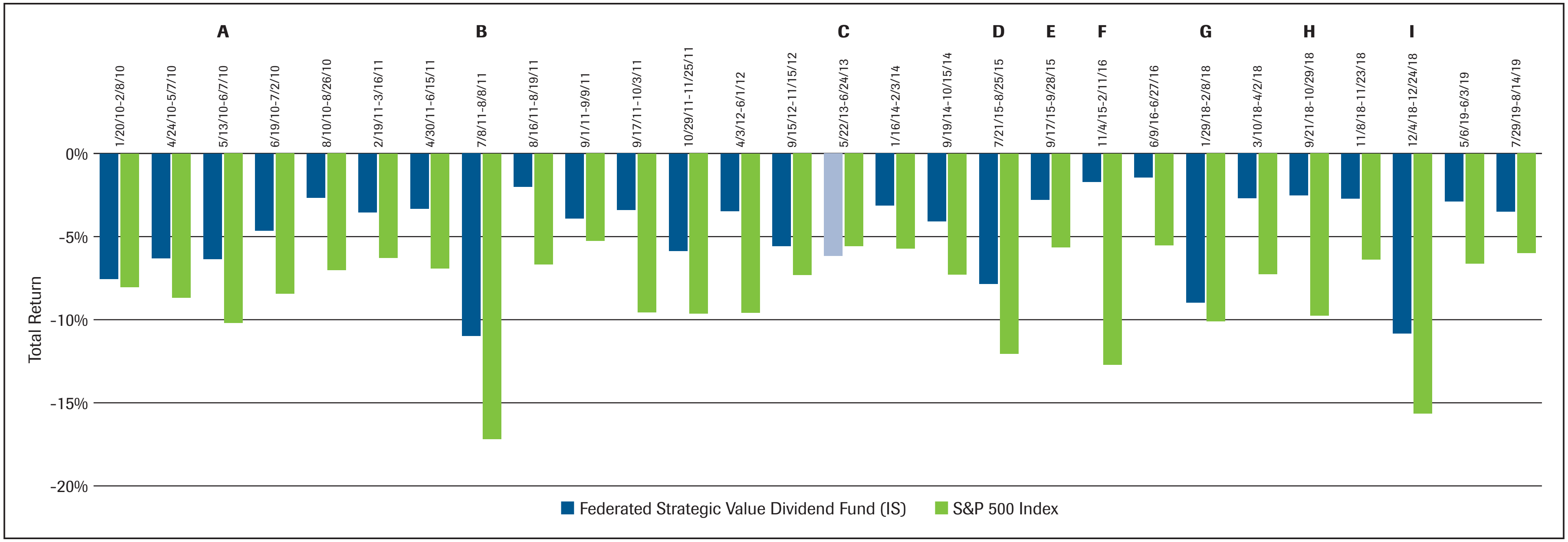
Federated

# Federated Strategic Value Dividend Fund

## *History of Lower Downside Risk*

In addition to seeking a substantially higher dividend yield than the broad market, Federated Strategic Value Dividend Fund has historically offered lower downside risk. Consider the following time periods when the S&P 500 Index declined by 5% or more over the past 10 years — Federated Strategic Value Dividend Fund (SVAIX) outperformed in 27 of the 28 time periods.




The fund has provided attractive monthly income with a 12-month distribution yield of 3.77%, which is higher than the S&P 500 Index yield of 1.85% and the 10-year treasury yield of 1.92% as of 12/31/19.

*Source: Morningstar, Inc.*

***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 explanations for time periods designated on page one:

**A.** Risk-off market with all sectors in the red (Communication Services and Consumer Staples showed the greatest resilience); low beta/high yield in favor.

**B.** Risk-off market with all sectors in the red; the defensive, dividend-friendly sectors (Consumer Staples and Utilities) gave up less ground; investor sentiment was negative due to mixed indicators on the direction of the economy; low beta/high yield in favor.

**C.** All sectors in the red with Utilities and Energy lagging the most; factor performance was mixed - high yield underperformed low yield, but low beta outperformed high beta; market volatility due to generally improving economic data that was somewhat offset by the Federal Reserve sending mixed signals on the start of tapering.

**D.** Risk-off market as Energy, Information Technology and Materials sectors suffered the most; Utilities, Consumer Staples and Communication Services were in the red, yet still outperformed the market; low beta/high yield in favor.

**E.** Defensive sectors outperformed with Utilities being the only sector in positive territory; Communication Services and Consumer Staples ranked next, but had negative returns; investor fears over China, lower oil and a potential global slowdown triggered a decline in investor sentiment; low beta/high yield in favor.

**F.** Risk-off market as defensive sectors were the only positive returning sectors (led by Communication Services, REITS and Utilities); ongoing concerns regarding oil prices, weakness in China and tensions in the Middle East weakened investors' appetite for risk; low beta/high yield in favor.

**G.** Risk-off market with all sectors in the red (Communication Services, Utilities and REITS showed the greatest resilience); inherent market volatility as the combination of inflation-rate worries and the unwinding of volatility-linked trades sent the major U.S. indexes downward in early February (the S&P 500 and Dow reached 10% correction and the Dow had its biggest-ever intraday point swing); low beta/high yield in favor.

**H.** Investor concerns surrounding trade wars, higher interest rates, midterm elections and slowing growth weighed on the economy, triggering the investor shift to defensive, haven investments; low beta/high yield in favor.

**I.** Risk-off trade driven by increased uncertainty surrounding monetary policy, trade wars and global economic volatility; all sectors were in the red but the defensive dividend-friendly sectors (Utilities, REITS, Consumer Staples and Communication Services) were penalized less than the cyclical sectors; low beta/high yield in favor.

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

| | Performance Inception | Cumulative 3 Month | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception | 30-Day Yield | Expense Ratio* Before Waivers | Expense Ratio* After Waivers |
|---|---|---|---|---|---|---|---|---|---|---|
| Institutional Shares (SVAIX) | 3/30/05 | 4.89 | 19.60 | 8.12 | 7.70 | 10.42 | 7.57 | 4.02 | 0.93 | 0.81 |
| A Shares at NAV (SVAAX) | 3/30/05 | 4.85 | 19.42 | 7.83 | 7.44 | 10.14 | 7.30 | 3.76 | 1.18 | 1.06 |
| A Shares at MOP (SVAAX) | 3/30/05 | -0.99 | 12.89 | 5.83 | 6.24 | 9.52 | 6.89 | 3.56 | 1.18 | 1.06 |
| S&P 500 Index | - | 9.07 | 31.49 | 15.26 | 11.69 | 13.55 | - | - | - | - |
| Dow Jones U.S. Select Dividend Index | - | 4.59 | 23.11 | 10.15 | 9.91 | 13.41 | - | - | - | - |

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****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.***

*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 5-year dividend-per-share growth rate, a 5-year dividend earnings-per-share ratio of less than or equal to 60%, and 3-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 rules governed, broad-market benchmark that represents approximately 95% of the U.S. market capitalization.*

*The 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.*

*Total return would have been lower in the absence of certain fund expense waivers or reimbursements.*

*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 for A Shares would have been 3.64% at NAV, 3.44% at maximum offering price and 3.90% for Institutional Shares.*

*Beta analyzes the market risk of an investment by showing how responsive it is to the market. Usually the higher betas represent riskier investments.*

*Investments in real estate investment trusts ("REITs") involve special risks associated with an investment in real estate, such as limited liquidity and interest rate risks. In addition, property values can fall due to environmental, economic or other reasons. Changes in interest rates can negatively impact the performance of real estate companies.*

*Risk-off refers to changes in investment activity in response to global economic patterns. It is an investment setting in which price behavior responds to and is driven by declines in investor risk tolerance.*

**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.*

*This fund offers other classes of shares whose performance will differ due to different charges and expenses.*

*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.*

**This must be preceded or accompanied by a prospectus.**

*G46540-04 (2/20)*
Federated Securities Corp., Distributor