

# Annual Shareholder Report

November 30, 2018

Share Class | Ticker

A | IHIAX

C | IHICX

Institutional | EMDIX

## Federated Emerging Market Debt Fund

*Fund Established 1996*

A Portfolio of Federated World Investment Series, Inc.

### IMPORTANT NOTICE REGARDING REPORT DELIVERY

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by contacting your financial intermediary (such as a broker-dealer or bank); other shareholders may call the Fund at 1-800-341-7400, Option 4.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by contacting your financial intermediary (such as a broker-dealer or bank); other shareholders may call the Fund at 1-800-341-7400, Option 4. Your election to receive reports in paper will apply to all funds held with the Fund complex or your financial intermediary.

**Not FDIC Insured • May Lose Value • No Bank Guarantee**



**J. Christopher  
Donahue**

*President*

Federated Emerging  
Market Debt Fund

## Letter from the President

Dear Valued Shareholder,

I am pleased to present the Annual Shareholder Report for your fund covering the period from December 1, 2017 through November 30, 2018. This report includes Management's Discussion of Fund Performance, a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

In addition, our website, [FederatedInvestors.com](http://FederatedInvestors.com), offers easy access to Federated resources that include timely fund updates, economic and market insights from our investment strategists, and financial planning tools.

Thank you for investing with Federated. I hope you find this information useful and look forward to keeping you informed.

Sincerely,

A handwritten signature in cursive script that reads "J. Christopher Donahue". The signature is written in dark ink and is positioned above the printed name.

J. Christopher Donahue, President

**CONTENTS**

Management’s Discussion of Fund Performance ..... 1

Portfolio of Investments Summary Table ..... 8

Portfolio of Investments..... 10

Financial Highlights ..... 23

Statement of Assets and Liabilities..... 26

Statement of Operations..... 28

Statement of Changes in Net Assets..... 30

Notes to Financial Statements ..... 31

Report of Independent Registered Public Accounting Firm ..... 47

Shareholder Expense Example ..... 49

In Memoriam..... 51

Board of Directors and Corporation Officers..... 51

Evaluation and Approval of Advisory Contract..... 58

Voting Proxies on Fund Portfolio Securities ..... 65

Quarterly Portfolio Schedule ..... 65

# Management's Discussion of Fund Performance (unaudited)

The total return of Federated Emerging Market Debt Fund (the "Fund"), based on net asset value for the 12-month reporting period ended November 30, 2018, was -6.06% for the Class A Shares, -6.81% for Class C Shares and -5.92% for the Institutional Shares. The total return of the Fund's Blended Index<sup>1</sup> was -4.74% during the reporting period. The Blended Index is equally weighted among the following indexes: J.P. Morgan Emerging Markets Bond Index Global (JPM-EMBIG),<sup>2</sup> J.P. Morgan Corporate Emerging Markets Bond Index and J.P. Morgan Government Bond Index-Emerging Markets-Unhedged. The total return for the JPM-EMBIG, the Fund's broad-based securities market index, was -5.39% during the same period. The total return of the Morningstar Emerging Markets Bond Funds Average (MEMBFA),<sup>3</sup> a peer group average for the Fund, was -5.21% during the same period. The Fund's and the MEMBFA's total returns for the most recently completed fiscal year reflected actual cash flows, transaction costs and other expenses, which were not reflected in the total return of any index.

The most influential components affecting the Fund's performance relative to the Blended Index were: (1) asset allocation (i.e., USD Sovereigns, USD Corporates, Local Markets Debt); (2) duration management;<sup>4</sup> which is a measurement of the Fund's sensitivity to changing interest rates;<sup>5</sup> and (3) currency exposure (an allocation to non-dollar currencies).<sup>6</sup>

The following discussion will focus on the performance of the Fund's Institutional Shares.

## **MARKET OVERVIEW**

The reporting period was influenced by a variety of factors that impacted financial markets. The most prominent factors affecting the emerging debt market included: the elections of Andres Moreno Lopez Obrador ("AMLO") and Jair Bolsonaro to the presidencies of Mexico and Brazil, respectively; a friendlier than expected resolution to trade talks between the U.S. and Mexico; developing trade dialogue between the U.S. and China; the political tensions and associative sanctions between the U.S. and Turkey; the arrival of additional sanctions in relation to Russia; and the announcement of the International Monetary Fund (IMF) bailout in regards to the Argentine narrative. The emerging market narrative over the time period became a combination of both idiosyncratic developments and the increasingly hawkish posture of the U.S. Federal Reserve (the "Fed").

Over the reporting period, geopolitical and trade centric discussions have dominated the commentary. The global interconnection has resulted in asset prices across all regions being affected by the more aggressive U.S. trade policies. At the same time, the current wave of populism that has swept through developed nations demonstrated once again that emerging markets are not

immune to such sentiments. The strength of populism was most notably felt in Brazil and Mexico, which witnessed the election of political outsiders running on platforms encompassing ardent nationalism. In relation to Russia, the progression of the U.S. Special Counsel Investigation has resulted in tangible policies concerning specific industries and oligarchs within the country. Also during the reporting period, relations between the U.S. and Turkey hit a new low point, before witnessing some levels of improvement. Despite an abundance of negative headlines, many global economies still maintained the presence of optimism. The fact cannot be discounted that further growth in the U.S. generally drives that of global growth, albeit, it may also result in even higher rates at the hands of the Fed.

In Latin America, the outcome of the North American Free Trade Agreement renegotiation has been viewed favorably by the market. The initial panic and fears of a drastic change in trade terms yielded to a more reasonable update in the agreement between the U.S. and Mexico. Signs have alluded to a similar trade negotiation playbook being deployed in the future with other Latin American countries.

In Latin America, the impact of the local political environment cannot be disputed. Although both Brazil and Mexico witnessed contentious elections that resulted in nationalist leaders ascending to power, the ideological differences between the two leaders stand in stark contrast. The right-wing social conservative in Brazil has surrounded himself with an experienced pro-market economic team, which is supportive of free-market reforms. In contrast, the left-wing AMLO in Mexico has assembled an economic team that is relatively untested. AMLO's actions regarding the cancellation of the planned Mexico City Airport, coupled with the newly released federal budget proposal, has resulted in further jitters for an already apprehensive financial market.

The slow economic turnaround in Argentina, which includes the presence of fiscal adjustments, was faced with the loss of faith from investors. The dual combination of large twin deficits (budget deficit and current account deficit) and high levels of inflation led to a strong and merciless sell-off in the Argentine peso and Argentine bonds. To try and combat the hemorrhaging, the IMF intervened with a bailout plan totaling over \$50 billion. The terms of the plan stipulate that the Argentine government pledges further fiscal adjustments to be enacted at the federal government level. It should be noted, however, that Argentina will soon be entering into its presidential election season, resulting in limited available political capital for President Macri.

Over the reporting period, Turkey was not to be upstaged. The Turkish lira experienced a significant decline since the beginning of the reporting period, as markets lost all confidence in the government's ability to contain rampant inflation through an effective and unfettered monetary policy. As a result, fixed income assets in the sovereign, corporate and financial space sold off heavily, preempting the negative actions taken by the rating agencies.

In regards to South Africa, the country’s highly controversial land expropriation process, which could result in land seized without compensation, added to the pressures that contributed to “Ramaphoria” (the euphoria following Cyril Ramaphosa’s election as president of South Africa) fading as the reporting period progressed. The anxiety in the country has been further compounded by the overall performance of the economy, a weak rand and the lack of significant progress related to state owned enterprise (SOE) reforms.

Russia became synonymous with sanction risks, following the enactment of sweeping restrictions on Rusal. As a result, many investors have moved away from the asset class in its entirety, driving spreads wider for both private entities and quasi-sovereign securities. The mood was further exacerbated to the downside following the draft release of the *Defending American Security from Kremlin Aggression Act*, which would prevent an even larger number of Russian entities from issuing and servicing their debt obligations.

Finally turning to China, the country’s assets were hit with the dual headwind of a potential full-scale trade war with the U.S. at the same time that the Chinese economy cools. Despite policymakers’ best efforts in attempting to transition the high investment export-led economy towards a more balanced consumer based model, no fully tangible results have come to fruition. The arrival of the Trump Administration’s tariff-focused trade policies, in tandem with an already overleveraged economy, has so far been a greater task than what the Chinese government had anticipated.

## **ASSET ALLOCATION**

The Fund maintained an overweight allocation to U.S. dollar corporate, an underweight allocation to U.S. dollar sovereign bonds and an underweight allocation to non-dollar local Sovereign debt. These asset allocation decisions contributed positively to performance relative to the benchmark during the reporting period as Emerging Markets corporate bonds significantly outperformed Emerging Markets U.S. dollar debt and local currency debt.

## **DURATION**

During the reporting period, Fund management actively managed the overall duration exposure. The Fund’s interest rate exposure shifted between significantly underweight and neutral relative to the Blended Index. As global interest rates tended to rise during the reporting period, the strategy contributed positively to Fund performance.

## CURRENCY

The Fund's Blended Index has a 33% exposure to non-dollar currencies. During the reporting period, Fund management maintained an overall allocation that was similar to that of the index but with some over/under weight exposures in specific currencies. Allocations to Argentinian peso, Colombian peso, Brazil real and Turkish lira contributed negatively to Fund performance. Allocations to Mexican peso, Polish zloty and euro (short) had a positive contribution to Fund performance.

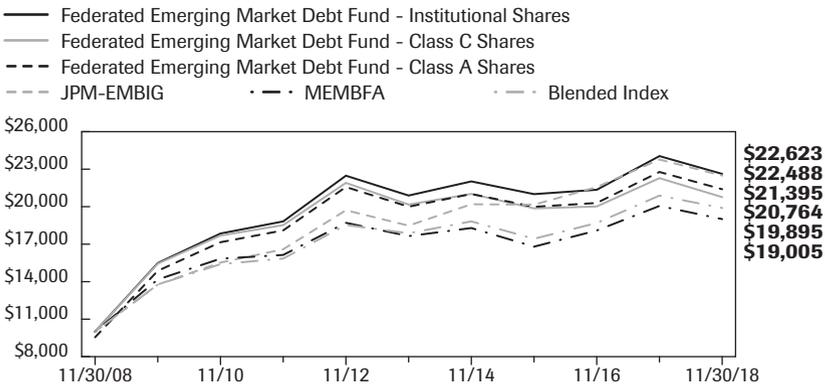
- 1 *Please see the footnotes to the line graphs under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the Blended Index.*
- 2 *Please see the footnotes to the line graphs under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the JPM-EMBIG.*
- 3 *Please see the footnotes to the line graphs under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the MEMBFA.*
- 4 *Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities with shorter durations.*
- 5 *Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.*
- 6 *International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards. Prices of emerging 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.*

## FUND PERFORMANCE AND GROWTH OF A \$10,000 INVESTMENT

The graph below illustrates the hypothetical investment of \$10,000<sup>1</sup> in the Federated Emerging Market Debt Fund from November 30, 2008 to November 30, 2018, compared to a blend of indexes comprised of an equal weighting of the J.P. Morgan Emerging Markets Bond Index Global (JPM-EMBIG), J.P. Morgan Corporate Emerging Market Bond Index and J.P. Morgan Government Bond Index-Emerging Markets-Unhedged (the “Blended Index”)<sup>2</sup> and the Morningstar Emerging Markets Bond Funds Average (MEMBFA).<sup>3</sup> The Average Annual Total Return table below shows returns for each class averaged over the stated periods.

### GROWTH OF A \$10,000 INVESTMENT

#### Growth of \$10,000 as of November 30, 2018



- Total returns shown for the Class C Shares include the maximum contingent deferred sales charge of 1.00% as applicable.
- Total returns shown for the Class A Shares include the maximum sales charge of 4.50% (\$10,000 investment minus \$450 sales charge = \$9,550).

The Fund offers multiple share classes whose performance may be greater than or less than its other share class(es) due to differences in sales charges and expenses.

## Average Annual Total Returns for the Period Ended 11/30/2018

(returns reflect all applicable sales charges and contingent deferred sales charge as specified below in footnote #1)

	1 Year	5 Years	10 Years
<b>Class A Shares</b>	-10.27%	0.43%	7.88%
<b>Class C Shares</b>	-7.72%	0.58%	7.56%
<b>Institutional Shares<sup>4</sup></b>	-5.92%	1.61%	8.51%
JPM-EMBIG	-5.39%	4.00%	8.44%
MEMBFA <sup>3</sup>	-5.21%	2.60%	8.47%
Blended Index	-4.74%	2.17%	7.12%

Performance data 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. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit [FederatedInvestors.com](http://FederatedInvestors.com) or call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured.

- <sup>1</sup> Represents a hypothetical investment of \$10,000 in the Fund after deducting applicable sales charges: For Class A Shares, the maximum sales charge of 4.50% (\$10,000 investment minus \$450 sales charge = \$9,550); For Class C Shares, the maximum contingent deferred sales charge is 1.00% on any redemption less than or equal to one year from the purchase date. The Fund's performance assumes the reinvestment of all dividends and distributions. The JPM-EMBIG has been adjusted to reflect reinvestment of dividends on securities in the index.
- <sup>2</sup> The JPM-EMBIG tracks total returns for traded external debt instruments in the emerging markets. The J.P. Morgan Corporate Emerging Market Bond Index is a global, corporate emerging markets benchmark that tracks U.S.-denominated corporate bonds issued by emerging markets entities. The J.P. Morgan Government Bond Index-Emerging Markets-Unhedged tracks local currency government bonds issued by emerging markets. The indexes are not adjusted to reflect sales charges, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund's performance. The indexes are unmanaged and, unlike the Fund, are not affected by cash flows. It is not possible to invest directly in an index.

- 3 *Morningstar figures represent the average of the total returns reported by all the mutual funds designated by Morningstar as falling into the respective category indicated. They do not reflect sales charges. The Morningstar figures in the Growth of \$10,000 line graph are based on historical return information published by Morningstar and reflect the return of the funds comprising the category in the year of publication. Because the funds designated by Morningstar as falling into the category can change over time, the Morningstar figures in the line graph may not match the Morningstar figures in the Average Annual Total Returns table, which reflect the return of the funds that currently comprise the category.*
- 4 *The Fund's Institutional Shares commenced operations on March 30, 2012. For the period prior to commencement of operations of the Institutional Shares, the performance information shown is for the Fund's Class A Shares. The performance for Class A Shares has not been adjusted to reflect the expenses of the Institutional Shares since the Institutional Shares are estimated to have a lower expense ratio than the expense ratio of the Class A Shares. The performance of the Class A Shares has been adjusted to remove any voluntary waiver of Fund expenses related to the Class A Shares that may have occurred during the period prior to commencement of operations of the Institutional Shares.*

## Portfolio of Investments Summary Table (unaudited)

At November 30, 2018, the Fund's issuer country exposure composition was as follows:

<b>Country</b>	<b>Exposure as a Percentage of Total Net Assets<sup>1</sup></b>
Brazil	20.4%
Mexico	11.7%
China	9.6%
Russia	6.4%
Turkey	5.6%
United States	4.5%
South Africa	3.3%
Argentina	2.8%
Saudi Arabia	2.2%
United Arab Emirates	2.0%
Oman	1.9%
Egypt	1.7%
Ukraine	1.6%
Indonesia	1.5%
Peru	1.3%
Colombia	1.1%
Kenya	1.1%
Nigeria	1.0%
Qatar	1.0%
Thailand	1.0%
Other <sup>2</sup>	15.3%
Cash Equivalents <sup>3</sup>	3.5%
Derivative Contracts <sup>4</sup>	(1.4)%
Other Assets and Liabilities—Net <sup>5</sup>	0.9%
<b>TOTAL</b>	<b>100.0%</b>

- 1 *This table depicts the Fund's exposure to various countries through its investment in foreign fixed-income securities, along with the Fund's holdings of cash equivalents and other assets and liabilities. With respect to foreign corporate fixed-income securities, country allocations are based primarily on the country in which the issuing company (the "Issuer") has registered the security. However, the Adviser may allocate the Issuer to a country based on other factors such as the location of the Issuer's head office, the jurisdiction of the Issuer's incorporation, the location of the principal trading market for the Issuer's securities or the country from which a majority of the Issuer's revenue is derived.*
- 2 *For purposes of this table, issuer country exposure which constitutes less than 1.00% of the Fund's total net assets have been aggregated under the designation of "Other."*
- 3 *Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements. This does not include cash held in the Fund that is denominated in foreign currencies. See the Statement of Assets and Liabilities for information regarding the Fund's foreign cash position.*
- 4 *Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the table at the end of the Portfolio of Investments included in this Report.*
- 5 *Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.*

# Portfolio of Investments

November 30, 2018

**Principal  
Amount,  
Foreign  
Currency  
Par Amount,  
or Shares**

**Value in  
U.S. Dollars**

	CORPORATE BONDS—51.0%	
	<b>Air Transportation—0.2%</b>	
\$100,000	Gol Finance, Sr. Unsecd. Note, 144A, 7.000%, 1/31/2025	\$ 88,251
	<b>Airport—0.1%</b>	
48,538	Aeropuerto Internacional de Tocumen SA, 5.750%, 10/9/2023	49,692
	<b>Automotive—0.3%</b>	
150,000	Jaguar Land Rover PLC, Sr. Unsecd. Note, REGS, 5.625%, 2/1/2023	134,813
	<b>Banking—11.5%</b>	
200,000	Alfa Bank (Alfa Bond), Jr. Sub. Note, 8.000%, 2/3/2167	180,444
100,000	Banco Do Brasil S.A., Jr. Sub. Note, 144A, 8.500%, 4/20/2167	105,350
230,000	Banco Do Brasil S.A., Sr. Unsecd. Note, REGS, 5.375%, 1/15/2021	234,027
ARS 1,800,000	<sup>1</sup> Banco Hipotecario SA, Unsecd. Note, 144A, 54.625% (30-35 Day Argentina Dep Rates BADLAR Priv Bks ARS +4.000%), 11/7/2022	45,082
\$15,000	Bank of China Ltd., Sub. Note, REGS, 5.000%, 11/13/2024	15,317
200,000	BBVA Bancomer SA Mexico, Jr. Sub. Note, 144A, 5.350%, 11/12/2029	183,300
200,000	China Construction Bank Corp., Sub., Series EMTN, 4.250%, 8/20/2024	200,184
200,000	DBS Group Holdings Ltd., Jr. Sub. Note, Series GMTN, 3.600%, 3/7/2067	191,500
200,000	Development Bank of Mongolia, Sr. Unsecd. Note, 144A, 7.250%, 10/23/2023	194,546
200,000	DIB Tier 1 Sukuk 2 Ltd., Jr. Sub. Note, 6.750%, 7/20/2167	204,200
200,000	Export-Import Bank of India, Sr. Unsecd. Note, Series EMTN, 2.750%, 4/1/2020	197,080
400,000	Industrial & Commercial Bank of China, Sr. Unsecd. Note, 3.538%, 11/8/2027	376,387
200,000	Industrial and Commercial Bank of China Ltd., REGS, 4.875%, 9/21/2025	202,805
200,000	Itau Unibanco Holding SA, Sub., REGS, 6.200%, 12/21/2021	207,540
200,000	MTN Mauritius Investment Ltd., Sr. Unsecd. Note, 144A, 5.373%, 2/13/2022	193,000
200,000	National Bank of Oman, Jr. Sub. Deb., 7.875%, 5/18/2067	204,540
200,000	NBK Tier 1 Financing Ltd., Jr. Sub. Note, 5.750%, 10/9/2167	201,750
200,000	Tengizchevroil Finance Co. International Ltd., Sec. Fac. Bond, REGS, 4.000%, 8/15/2026	182,879

Principal Amount, Foreign Currency Par Amount, or Shares		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	<b>Banking—continued</b>	
\$200,000	Turkiye Halk Bankasi AS, Sr. Unsecd. Note, REGS, 3.875%, 2/5/2020	\$ 179,777
200,000	Turkiye Is Bankasi (Isbank) A.S., REGS, 5.500%, 4/21/2019	199,212
200,000	Turkiye Is Bankasi (Isbank) A.S., Sr. Unsecd. Note, REGS, 6.125%, 4/25/2024	164,387
200,000	Turkiye Vakiflar Bankasi T.A.O., Sr. Unsecd. Note, REGS, 5.750%, 1/30/2023	170,946
200,000	United Bank for Africa PLC, Sr. Unsecd. Note, REGS, 7.750%, 6/8/2022	198,694
200,000	VTB Bank OJSC, Sub. Note, REGS, 9.500%, 12/6/2066	181,206
200,000	Wanda Properties International Co., Sr. Unsecd. Note, 7.250%, 1/29/2024	187,308
	TOTAL	4,601,461
	<b>Beverage &amp; Tobacco—0.2%</b>	
70,000	Central American Bottling Corp., Sr. Unsecd. Note, REGS, 5.750%, 1/31/2027	68,950
	<b>Building Materials—0.5%</b>	
200,000	Cemex, Sab De Cv, REGS, 6.125%, 5/5/2025	192,440
	<b>Cable &amp; Wireless Television—0.4%</b>	
180,000	Vtr Finance Bv, REGS, 6.875%, 1/15/2024	183,150
	<b>Chemicals &amp; Plastics—2.9%</b>	
200,000	Alfa S.A., Sr. Unsecd. Note, REGS, 6.875%, 3/25/2044	190,750
200,000	Alpek Sa De Cv, Sr. Unsecd. Note, REGS, 4.500%, 11/20/2022	194,040
200,000	CNAC HK Finbridge Co. Ltd., Sr. Unsecd. Note, 4.125%, 7/19/2027	185,890
200,000	CNAC HK Finbridge Co. Ltd., Sr. Unsecd. Note, 3.500%, 7/19/2022	193,217
200,000	CNAC HK Finbridge Co. Ltd., Sr. Unsecd. Note, 4.875%, 3/14/2025	199,043
200,000	Sasol Financing USA LLC, Sr. Unsecd. Note, 5.875%, 3/27/2024	200,061
	TOTAL	1,163,001
	<b>Conglomerates—0.5%</b>	
200,000	Voto-Votorantim O/S Trad, REGS, 6.625%, 9/25/2019	204,500
	<b>Consumer Products—0.5%</b>	
200,000	Controladora Mabe S.A. de C.V., Sr. Unsecd. Note, 144A, 5.600%, 10/23/2028	186,250
	<b>Finance—1.4%</b>	
200,000	Ooredoo Intl Finance, Sr. Unsecd. Note, REGS, 3.750%, 6/22/2026	188,275
200,000	MAF Global Securities, Jr. Sub. Note, 5.500%, 9/7/2167	190,232

Principal Amount, Foreign Currency Par Amount, or Shares		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	<b>Finance—continued</b>	
\$200,000	Gazprombk (GPB Finance), Sub. Note, 9.835%, 4/25/2067	\$ 194,058
	TOTAL	572,565
	<b>Financial Intermediaries—0.5%</b>	
200,000	ICD Funding Ltd., Sr. Unsecd. Note, 4.625%, 5/21/2024	198,000
	<b>Food Products—1.7%</b>	
100,000	BFF International Ltd., Sr. Unsecd. Note, REGS, 7.250%, 1/28/2020	101,751
200,000	Gruma Sab De Cv, Sr. Unsecd. Note, REGS, 4.875%, 12/1/2024	196,252
200,000	Grupo Bimbo SAB de CV, Sub., 144A, 5.950%, 7/17/2167	195,750
200,000	Marfrig Holding Europe BV, Sr. Unsecd. Note, 144A, 7.000%, 3/15/2024	189,500
	TOTAL	683,253
	<b>Forest Products—0.5%</b>	
200,000	Suzano Austria GmbH, Sr. Unsecd. Note, 144A, 7.000%, 3/16/2047	203,700
	<b>Industrial Products &amp; Equipment—0.5%</b>	
200,000	Cemex Finance LLC, REGS, 6.000%, 4/1/2024	197,000
	<b>Metals &amp; Mining—3.3%</b>	
100,000	CSN Islands XII Corp., Sr. Unsecd. Note, REGS, 7.000%, 12/23/2066	74,251
200,000	GTL Trade Finance, Inc., Sr. Unsecd. Note, REGS, 5.893%, 4/29/2024	207,320
200,000	Metinvest BV, Sr. Unsecd. Note, REGS, 7.750%, 4/23/2023	181,853
200,000	Minmetals Bounteous Finance BVI Ltd., Sr. Unsecd. Note, 4.200%, 7/27/2026	191,853
200,000	Rusal Capital DAC, Sr. Unsecd. Note, REGS, 4.850%, 2/1/2023	150,958
200,000	Southern Copper Corp., Sr. Unsecd. Note, 5.375%, 4/16/2020	203,622
275,000	Vale Overseas Ltd., Sr. Unsecd. Note, 6.250%, 8/10/2026	294,250
	TOTAL	1,304,107
	<b>Oil &amp; Gas—7.9%</b>	
200,000	Empresa Nacional del Petroleo, Sr. Unsecd. Note, 144A, 5.250%, 11/6/2029	198,900
200,000	KazMunayGas National Co JSC, Sr. Unsecd. Note, REGS, 4.750%, 4/19/2027	191,180
200,000	Pertamina Persero PT, Sr. Unsecd. Note, 144A, 6.500%, 11/7/2048	203,311
400,000	Petrobras Global Finance BV, Sr. Unsecd. Note, 6.125%, 1/17/2022	411,288
100,000	Petrobras Global Finance BV, Sr. Unsecd. Note, 6.250%, 3/17/2024	101,475
200,000	Petrobras Global Finance BV, Sr. Unsecd. Note, 8.375%, 5/23/2021	217,900

Principal Amount, Foreign Currency Par Amount, or Shares		Value in U.S. Dollars
	<b>CORPORATE BONDS—continued</b>	
	<b>Oil &amp; Gas—continued</b>	
\$200,000	Petroleos Mexicanos, Sr. Unsecd. Note, 4.875%, 1/24/2022	\$ 194,100
75,000	Petroleos Mexicanos, Sr. Unsecd. Note, 6.500%, 3/13/2027	70,350
430,000	Petroleos Mexicanos, Sr. Unsecd. Note, 144A, 5.350%, 2/12/2028	371,649
317,000	Petroleos Mexicanos, Sr. Unsecd. Note, 144A, 6.350%, 2/12/2048	254,519
120,000	Petroleos Mexicanos, Sr. Unsecd. Note, 144A, 6.500%, 1/23/2029	110,718
29,167	Petroleum Co. of Trinidad and Tobago Ltd., Sr. Unsecd. Note, REGS, 6.000%, 5/8/2022	27,223
200,000	PTTEP Treasury Center Co. Ltd., Jr. Sub. Deb., REGS, 4.600%, 1/17/2167	191,543
200,000	Rosneft Oil Co., 144A, 4.199%, 3/6/2022	194,011
200,000	Sinopec Group Overseas Development 2015 Ltd., Sr. Unsecd. Note, REGS, 3.250%, 4/28/2025	188,680
200,000	Thaioil Treasury Center Co. Ltd., Sr. Unsecd. Note, 144A, 5.375%, 11/20/2048	193,891
50,000	YPF Sociedad Anonima, Sr. Unsecd. Note, 144A, 6.950%, 7/21/2027	42,562
	TOTAL	3,163,300
	<b>Paper Products—0.5%</b>	
200,000	Fibria Overseas Finance, Sr. Unsecd. Note, 4.000%, 1/14/2025	188,970
	<b>Pharmaceuticals—0.7%</b>	
100,000	Inretail Pharma SA, Sr. Unsecd. Note, 144A, 5.375%, 5/2/2023	100,845
200,000	Teva Pharmaceutical Finance Netherlands III BV, Sr. Unsecd. Note, 2.800%, 7/21/2023	175,515
	TOTAL	276,360
	<b>Printing &amp; Publishing—0.5%</b>	
200,000	Myriad International Holdings BV, Sr. Unsecd. Note, 144A, 4.850%, 7/6/2027	189,701
	<b>Real Estate—4.2%</b>	
200,000	China Evergrande Group, Sec. Fac. Bond, 6.250%, 6/28/2021	186,368
300,000	China Overseas Finance Cayman V Ltd., Sr. Unsecd. Note, Series A, 3.950%, 11/15/2022	296,572
200,000	Country Garden Holdings Co., Sr. Unsecd. Note, 7.500%, 3/9/2020	202,501
200,000	Dar Al-Arkan Sukuk Co. Ltd., Sr. Unsecd. Note, 6.500%, 5/28/2019	201,155
140,000	Franshion Brilliant Ltd., 5.750%, 3/19/2019	140,781
300,000	Franshion Brilliant Ltd., Sub. Note, 5.750%, 7/17/2067	268,500
200,000	Longfor Properties, Sr. Unsecd. Note, 3.875%, 7/13/2022	189,535

Principal Amount, Foreign Currency Par Amount, or Shares		Value in U.S. Dollars
	<b>CORPORATE BONDS—continued</b>	
	<b>Real Estate—continued</b>	
\$200,000	Yanlord Land Group Ltd., Sr. Unsecd. Note, 5.875%, 1/23/2022	\$ 192,500
	TOTAL	1,677,912
	<b>Retailers—1.2%</b>	
200,000	Eurotorg (Bonitron DAC), Sr. Unsecd. Note, REGS, 8.750%, 10/30/2022	198,606
300,000	JD.com, Inc., Sr. Unsecd. Note, 3.875%, 4/29/2026	265,822
	TOTAL	464,428
	<b>Sovereign—0.7%</b>	
300,000	KSA Sukuk Ltd., Sr. Unsecd. Note, 144A, 4.303%, 1/19/2029	294,928
	<b>State/Provincial—0.2%</b>	
EUR 73,500	Provincia De Buenos Aires, Sr. Unsecd. Note, REGS, 4.000%, 5/1/2020	80,297
	<b>Telecommunications &amp; Cellular—5.8%</b>	
MXN 13,400,000	America Movil S.A.B. de C.V., Sr. Secd. Note, 6.000%, 6/9/2019	645,801
\$200,000	Colombia Telecomunicaciones SA ESP, Sr. Unsecd. Note, 144A, 5.375%, 9/27/2022	199,002
300,000	HTA Group Ltd., Sr. Unsecd. Note, 144A, 9.125%, 3/8/2022	302,250
200,000	IHS Netherlands Holdco BV, Sr. Unsecd. Note, REGS, 9.500%, 10/27/2021	201,792
200,000	Liquid Telecommunications Financing PLC, Sec. Fac. Bond, 144A, 8.500%, 7/13/2022	201,549
400,000	Oztel Holdings SPC Ltd., Sec. Fac. Bond, 144A, 6.625%, 4/24/2028	381,453
200,000	Turkcell Iletisim Hizmetleri A.S., Sr. Unsecd. Note, 144A, 5.800%, 4/11/2028	171,931
200,000	Veon Holdings BV, Sr. Unsecd. Note, REGS, 5.950%, 2/13/2023	204,500
	TOTAL	2,308,278
	<b>Transportation—0.5%</b>	
200,000	Rumo Luxembourg Sarl, Sr. Unsecd. Note, 144A, 5.875%, 1/18/2025	189,877
	<b>Utilities—3.8%</b>	
200,000	Abu Dhabi National Energy Co. PJSC, Sr. Unsecd. Note, 144A, 4.875%, 4/23/2030	197,920
200,000	ACWA Power Management and Investments One Ltd., Sec. Fac. Bond, REGS, 5.950%, 12/15/2039	186,550
200,000	China Oil & Gas Group Ltd., Sr. Unsecd. Note, 5.000%, 5/7/2020	200,000
200,000	Comision Federal de Electricidad, Sr. Unsecd. Note, 144A, 4.875%, 1/15/2024	190,502

Principal Amount, Foreign Currency Par Amount, or Shares		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	<b>Utilities—continued</b>	
\$200,000	Eskom Holdings Ltd., Sr. Unsecd. Note, REGS, 5.750%, 1/26/2021	\$ 189,013
200,000	Eskom Holdings Ltd., Unsecd. Note, REGS, 7.125%, 2/11/2025	184,014
200,000	Perusahaan Listrik Negara PT, Sr. Unsecd. Note, 144A, 5.450%, 5/21/2028	199,236
200,000	Yingde Gases Investment Ltd., 144A, 6.250%, 1/19/2023	185,099
	TOTAL	1,532,334
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$21,292,642)	20,397,518
	FOREIGN GOVERNMENTS/AGENCIES—42.2%	
	<b>Sovereign—42.2%</b>	
200,000	Angola, Government of, Sr. Unsecd. Note, 144A, 8.250%, 5/9/2028	192,894
50,000	Argentina, Government of, Sr. Unsecd. Note, 4.625%, 1/11/2023	41,725
550,000	Argentina, Government of, Sr. Unsecd. Note, 5.875%, 1/11/2028	411,680
75,000	Argentina, Government of, Sr. Unsecd. Note, 6.875%, 1/26/2027	60,413
230,000	Argentina, Government of, Sr. Unsecd. Note, 7.625%, 4/22/2046	175,147
200,000	Argentina, Government of, Sr. Unsecd. Note, 8.000%, 10/8/2020	198,539
100,000	Argentina, Government of, Sr. Unsecd. Note, Series NY, 2.500%, 12/31/2038	55,200
200,000	Bahrain, Government of, Sr. Unsecd. Note, REGS, 7.000%, 1/26/2026	201,728
BRL 8,750,000	Brazil, Government of, Series NTNf, 10.000%, 1/1/2021	2,441,182
9,900,000	Brazil, Government of, Series NTNf, 10.000%, 1/1/2025	2,723,826
\$200,000	Cameroon, Government of, Sr. Unsecd. Note, 144A, 9.500%, 11/19/2025	204,608
COP 850,000,000	Colombia, Government of, Sr. Unsecd. Note, Series B, 6.000%, 4/28/2028	245,228
\$200,000	Dominican Republic, Government of, Sr. Unsecd. Note, 144A, 5.950%, 1/25/2027	196,250
150,000	Dominican Republic, Government of, Sr. Unsecd. Note, 144A, 6.000%, 7/19/2028	146,813
200,000	Ecuador, Government of, 144A, 7.950%, 6/20/2024	179,500
EGP 5,000,000	<sup>2</sup> Egypt Treasury Bill, Unsecd. Note, Series 364D, 19.100%, 12/11/2018	278,387
3,800,000	<sup>2</sup> Egypt Treasury Bill, Unsecd. Note, Series 364D, 19.101%, 12/25/2018	210,147
\$200,000	Egypt, Government of, Sr. Unsecd. Note, REGS, 6.588%, 2/21/2028	179,634
200,000	El Salvador, Government of, Sr. Unsecd. Note, REGS, 7.650%, 6/15/2035	185,182

**Principal  
Amount,  
Foreign  
Currency  
Par Amount,  
or Shares**

**Value in  
U.S. Dollars**

FOREIGN GOVERNMENTS/AGENCIES—continued

**Sovereign—continued**

\$200,000	Ghana, Government of, Unsecd. Note, REGS, 10.750%, 10/14/2030	\$ 228,460
200,000	Honduras, Government of, REGS, 8.750%, 12/16/2020	212,608
200,000	Indonesia, Government of, Sr. Unsecd. Note, 4.100%, 4/24/2028	191,174
200,000	Iraq, Government of, Sr. Unsecd. Note, REGS, 6.752%, 3/9/2023	192,476
135,975	Ivory Coast, Government of, Sr. Unsecd. Note, REGS, 5.750%, 12/31/2032	120,134
200,000	Jordan, Government of, Sr. Unsecd. Note, 144A, 7.375%, 10/10/2047	176,556
280,000	Kenya, Government of, REGS, 6.875%, 6/24/2024	262,724
200,000	Kenya, Government of, Sr. Unsecd. Note, 144A, 7.250%, 2/28/2028	178,724
400,000	Lebanon, Government of, Sr. Unsecd. Note, Series GMTN, 5.450%, 11/28/2019	380,096
600,000	Mexico, Government of, 3.750%, 1/11/2028	555,000
200,000	Mexico, Government of, 4.000%, 10/2/2023	197,070
MXN 12,930,000	Mexico, Government of, Series M, 6.500%, 6/10/2021	604,136
\$200,000	Oman, Government of, Sr. Unsecd. Note, 144A, 5.625%, 1/17/2028	184,992
400,000	Pakistan, Government of, Sr. Secd. Note, REGS, 6.875%, 12/5/2027	355,624
200,000	Paraguay, Government of, 144A, 6.100%, 8/11/2044	199,500
PEN 700,000	Peru, Government of, Sr. Unsecd. Note, 6.150%, 8/12/2032	209,312
\$200,000	Qatar, Government of, Sr. Unsecd. Note, 144A, 5.103%, 4/23/2048	202,714
200,000	Russia, Government of, Sr. Unsecd. Note, 144A, 5.250%, 6/23/2047	182,492
200,000	Russia, Government of, Sr. Unsecd. Note, REGS, 4.750%, 5/27/2026	194,686
RUB 45,000,000	Russia, Government of, Unsecd. Note, Series 6215, 7.000%, 8/16/2023	640,760
32,800,000	Russia, Government of, Unsecd. Note, Series 6222, 7.100%, 10/16/2024	461,403
\$200,000	Saudi Arabia, Government of, Sr. Unsecd. Note, REGS, 5.000%, 4/17/2049	192,374
200,000	Senegal, Government of, Sr. Unsecd. Note, 144A, 6.750%, 3/13/2048	164,750
200,000	South Africa, Government of, Sr. Unsecd. Note, 5.650%, 9/27/2047	171,068
200,000	Turkey, Government of, Sr. Unsecd. Note, 4.875%, 4/16/2043	140,156
400,000	Turkey, Government of, Sr. Unsecd. Note, 6.125%, 10/24/2028	354,392
TRY 5,000,000	Turkey, Government of, Unsecd. Note, 8.500%, 7/10/2019	897,775
\$200,000	Ukraine, Government of, Sr. Unsecd. Note, 144A, 8.994%, 2/1/2024	188,536
100,000	Ukraine, Government of, Sr. Unsecd. Note, REGS, 7.750%, 9/1/2020	96,736

Principal Amount, Foreign Currency Par Amount, or Shares		Value in U.S. Dollars
	FOREIGN GOVERNMENTS/AGENCIES—continued	
	<b>Sovereign—continued</b>	
\$325,000	<sup>3</sup> Ukraine, Government of, Unsecd. Note, Series GDP, 144A, 0.000%, 5/31/2040	\$ 181,133
UYU 3,400,000	Uruguay, Government of, 144A, 9.875%, 6/20/2022	104,255
\$200,000	Zambia, Government of, REGS, 5.375%, 9/20/2022	143,208
	TOTAL FOREIGN GOVERNMENTS/AGENCIES (IDENTIFIED COST \$21,377,970)	16,893,107
	U.S. TREASURY—0.4%	
150,000	<sup>4</sup> United States Treasury Note, 1.000%, 11/15/2019 (IDENTIFIED COST \$147,387)	147,564
	EXCHANGE-TRADED FUND—4.2%	
16,244	iShares JP Morgan USD Emerging Markets Bond Fund (IDENTIFIED COST \$1,764,981)	1,684,340
	INVESTMENT COMPANY—3.4%	
1,381,201	Federated Institutional Prime Value Obligations Fund, Institutional Shares, 2.36% <sup>5</sup> (IDENTIFIED COST \$1,381,240)	1,381,201
	TOTAL INVESTMENT IN SECURITIES—101.2% (IDENTIFIED COST \$45,964,220) <sup>6</sup>	40,503,730
	OTHER ASSETS AND LIABILITIES - NET—(1.2)% <sup>7</sup>	(489,562)
	TOTAL NET ASSETS—100%	\$40,014,168

At November 30, 2018, the Fund had the following open swap contracts:

## CREDIT DEFAULT SWAPS

Counterparty	Reference Entity	Buy/Sell	Pay/Receive Fixed Rate	Expiration Date	Implied Credit Spread at 11/30/2018 <sup>B</sup>	Notional Amount	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
<b>OTC Swaps:</b>									
Barclays Bank	CDX Index EM Series 30	Sell	1.000%	12/20/2023	2.078%	\$3,500,000	\$(166,626)	\$(147,779)	\$(18,847)
Goldman Sachs	Government of Mexico	Buy	1.000%	12/20/2023	1.510%	\$300,000	\$6,631	\$4,968	\$1,663
Goldman Sachs	Government of Russia	Buy	1.000%	12/20/2023	1.677%	\$200,000	\$5,941	\$5,529	\$412
Goldman Sachs	Republic of Argentina	Buy	5.000%	12/20/2023	6.663%	\$100,000	\$6,100	\$6,268	\$(168)
Goldman Sachs	Republic of Brazil	Sell	1.000%	12/20/2023	2.120%	\$200,000	\$(9,773)	\$(9,522)	\$(251)
Goldman Sachs	Republic of Indonesia	Sell	1.000%	12/20/2023	1.425%	\$200,000	\$(3,847)	\$(3,042)	\$(805)
Goldman Sachs	Republic of Peru	Sell	1.000%	12/20/2023	0.932%	\$200,000	\$820	\$2,078	\$(1,258)
TOTAL CREDIT DEFAULT SWAPS							\$(160,754)	\$(141,500)	\$(19,254)

## INTEREST RATE SWAPS

Counterparty	Floating Rate Index	Pay/Receive Floating Rate	Fixed Rate	Expiration Date	Notional Amount	Market Value	Unrealized Appreciation (Depreciation)
<b>OTC Swaps:</b>							
HSBC	MXIBTIIE	Pay	6.190%	7/20/2026	MXN 23,000,000	\$(183,868)	\$(183,868)
<b>Centrally Cleared Swaps:</b>							
LCH	3M JIBAR	Pay	8.255%	4/3/2027	ZAR 10,000,000	\$ 3,547	\$ 3,547
CME	Brazil Cetip Interbank	Receive	9.610%	1/2/2025	BRL 10,500,000	\$(24,253)	\$(24,253)
LCH	6M WIBOR	Pay	2.470%	1/25/2023	PLN 3,800,000	\$ 12,439	\$ 12,439
						\$(8,267)	\$(8,267)
TOTAL INTEREST RATE SWAPS						\$(192,135)	\$(192,135)

At November 30, 2018, the Fund had the following outstanding foreign exchange contracts:

Settlement Date	Counterparty	Currency Units to Receive/Deliver	In Exchange For	Unrealized Appreciation (Depreciation)
<b>Contracts Purchased:</b>				
12/4/2018	Credit Agricole	6,400,000 BRL	\$1,724,649	\$ (69,961)
12/4/2018	State Street	4,100,000 BRL	\$1,108,318	\$ (48,284)
12/6/2018	Credit Agricole	234,591,000 KRW	\$210,301	\$ (976)
12/19/2018	Citibank	12,800,000 CZK	\$558,983	\$ 85
12/19/2018	JPMorgan	181,500,000 HUF	\$642,668	\$ (6,486)
12/20/2018	Bank of America	300,000,000 CLP	\$440,335	\$ 6,378
12/26/2018	BNP Paribas	558,000,000 COP	\$185,382	\$ (13,118)
12/27/2018	Bank of America	83,462 AUD	\$60,695	\$ 337
1/9/2019	Bank of America	4,280,000 MXN	\$212,824	\$ (3,869)
1/9/2019	Bank of America	8,300,000 MXN	\$428,460	\$ (23,244)
1/9/2019	Citibank	13,600,000 MXN	\$698,877	\$ (34,908)
1/9/2019	JPMorgan	5,997,649 PLN	\$1,615,000	\$ (31,215)
1/23/2019	Bank of America	3,270,460 MXN	\$157,852	\$ 1,441
2/6/2019	Barclays	3,169,341,000 IDR	\$210,587	\$ 8,829
2/6/2019	Morgan Stanley	15,426,600 INR	\$209,743	\$ 9,918
2/11/2019	Morgan Stanley	1,451,835 CNY	\$210,335	\$ (1,239)
2/28/2019	Bank of America	7,300,000 THB	\$222,391	\$ 407
<b>Contracts Sold:</b>				
12/4/2018	Morgan Stanley	10,500,000 BRL	\$2,701,451	\$ (13,271)
12/6/2018	Credit Agricole	234,591,000 KRW	\$208,082	\$ (1,244)
12/20/2018	Bank of America	300,000,000 CLP	\$454,098	\$ 7,386
2/6/2019	Barclays	3,169,341,000 IDR	\$215,235	\$ (4,181)
2/6/2019	Morgan Stanley	15,426,600 INR	\$214,333	\$ (5,328)
2/11/2019	Morgan Stanley	1,451,835 CNY	\$208,561	\$ (535)
NET UNREALIZED DEPRECIATION ON FOREIGN EXCHANGE CONTRACTS				\$ (223,078)

Net Unrealized Depreciation on Foreign Exchange Contracts and value for Swap Contracts is included in "Other Assets and Liabilities—Net."

Affiliated fund holdings are investment companies which are managed by the Adviser or an affiliate of the Adviser. Transactions with affiliated fund holdings during the period ended November 30, 2018, were as follows:

	<b>Federated Institutional Prime Value Obligations Fund, Institutional Shares</b>
Balance of Shares Held 11/30/2017	1,588,079
Purchases/Additions	36,483,705
Sales/Reductions	(36,690,583)
Balance of Shares Held 11/30/2018	1,381,201
Value	\$ 1,381,201
Change in Unrealized Appreciation/Depreciation	\$ (39)
Net Realized Gain/(Loss)	\$ 21
Dividend Income	\$ 17,193

- 1 *Floating/variable note with current rate and current maturity or next reset date shown.*
- 2 *Discount rate at time of purchase.*
- 3 *Non-income-producing security.*
- 4 *All or a portion of this security is pledged as collateral to ensure the Fund is able to satisfy the obligations of its outstanding swap contracts.*
- 5 *7-day net yield.*
- 6 *The cost of investments for federal tax purposes amounts to \$46,243,689.*
- 7 *Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*
- 8 *Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced entity or obligation.*

Note: The categories of investments are shown as a percentage of total net assets at November 30, 2018.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of November 30, 2018, in valuing the Fund's assets carried at fair value:

**Valuation Inputs**

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
<b>Debt Securities:</b>				
Corporate Bonds	\$ —	\$20,397,518	\$—	\$20,397,518
Foreign Governments/Agencies	—	16,893,107	—	16,893,107
U.S. Treasury	—	147,564	—	147,564
<b>Exchange-Traded Fund</b>	1,684,340	—	—	1,684,340
<b>Investment Company</b>	1,381,201	—	—	1,381,201
TOTAL SECURITIES	\$3,065,541	\$37,438,189	\$—	\$40,503,730
<b>Other Financial Instruments:</b>				
<b>Assets</b>				
Foreign Exchange Contracts	\$ —	\$ 34,781	\$—	\$ 34,781
Swap Contracts	—	35,478	—	35,478
<b>Liabilities</b>				
Foreign Exchange Contracts	—	(257,859)	—	(257,859)
Swap Contracts	—	(388,367)	—	(388,367)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ —	\$ (575,967)	\$—	\$ (575,967)

The following acronyms are used throughout this portfolio:

ARS	—Argentina Peso
AUD	—Australian Dollar
BADLAR	—Bueno Aires Deposits Large Amount Rates
BRL	—Brazilian Real
CLP	—Chilean Peso
CNY	—China Yuan Renminbi
COP	—Colombian Peso
CZK	—Czech Koruna
EGP	—Egyptian Pound
EMTN	—Euro Medium Term Note
EUR	—Euro
GDP	—Gross Domestic Product
GMTN	—Global Medium Term Note
HUF	—Hungarian Forint
IDR	—Indonesian Rupiah
INR	—Indian Rupee
JIBAR	—Johannesburg Interbank Agreed Rate
JSC	—Joint Stock Company
KRW	—South Korean Won
MTN	—Medium Term Note
MXIBTIIE	—Mexico Interbank Equilibrium Interest 28 Day Rate
MXN	—Mexican Peso
OJSC	—Open Joint Stock Company
OTC	—Over-the-Counter
PEN	—Peruvian Neuvo Sol
PJSC	—Public Joint Stock Company
PLN	—Polish Zloty
RUB	—Russian Ruble
THB	—Thai Baht
TRY	—Turkish Lira
UYU	—Uruguayan Peso
WIBOR	—Warsaw Interbank Offered Rate
ZAR	—South African Rand

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

<b>Year Ended November 30</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Net Asset Value, Beginning of Period</b>	<b>\$8.72</b>	<b>\$8.00</b>	<b>\$8.21</b>	<b>\$9.28</b>	<b>\$9.31</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.48 <sup>1</sup>	0.60 <sup>1</sup>	0.63 <sup>1</sup>	0.50 <sup>1</sup>	0.51
Net realized and unrealized gain (loss)	(1.00)	0.37	(0.51)	(0.95)	(0.04)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.52)</b>	<b>0.97</b>	<b>0.12</b>	<b>(0.45)</b>	<b>0.47</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.29)	(0.25)	(0.29)	(0.27)	(0.45)
Distributions from net realized gain	—	—	—	(0.35)	(0.05)
Return of capital <sup>2</sup>	—	—	(0.04)	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.29)</b>	<b>(0.25)</b>	<b>(0.33)</b>	<b>(0.62)</b>	<b>(0.50)</b>
<b>Net Asset Value, End of Period</b>	<b>\$7.91</b>	<b>\$8.72</b>	<b>\$8.00</b>	<b>\$8.21</b>	<b>\$9.28</b>
<b>Total Return<sup>3</sup></b>	<b>(6.06)%</b>	<b>12.22%</b>	<b>1.53%</b>	<b>(4.88)%</b>	<b>5.09%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses	1.20% <sup>4</sup>	1.20% <sup>4</sup>	1.19%	1.18%	1.18%
Net investment income	5.72%	6.98%	7.76%	5.93%	5.32%
Expense waiver/reimbursement <sup>5</sup>	0.83%	0.92%	0.96%	0.62%	0.48%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$27,267	\$34,085	\$38,212	\$49,812	\$68,343
Portfolio turnover	140%	123%	134%	200%	235%

1 *Per share numbers have been calculated using the average shares method.*

2 *Represents a return of capital for federal income tax purposes.*

3 *Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable.*

4 *The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios are 1.20% and 1.20% for the years ended November 30, 2018, and 2017, respectively, after taking into account this expense reduction.*

5 *This expense decrease is reflected in both the net expense and net investment income ratios shown above.*

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class C Shares

(For a Share Outstanding Throughout Each Period)

<b>Year Ended November 30</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Net Asset Value, Beginning of Period</b>	<b>\$8.67</b>	<b>\$7.96</b>	<b>\$8.17</b>	<b>\$9.23</b>	<b>\$9.28</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.42 <sup>1</sup>	0.54 <sup>1</sup>	0.57 <sup>1</sup>	0.44 <sup>1</sup>	0.44
Net realized and unrealized gain (loss)	(1.00)	0.36	(0.51)	(0.95)	(0.05)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.58)</b>	<b>0.90</b>	<b>0.06</b>	<b>(0.51)</b>	<b>0.39</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.23)	(0.19)	(0.24)	(0.20)	(0.39)
Distributions from net realized gain	—	—	—	(0.35)	(0.05)
Return of capital <sup>2</sup>	—	—	(0.03)	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.23)</b>	<b>(0.19)</b>	<b>(0.27)</b>	<b>(0.55)</b>	<b>(0.44)</b>
<b>Net Asset Value, End of Period</b>	<b>\$7.86</b>	<b>\$8.67</b>	<b>\$7.96</b>	<b>\$8.17</b>	<b>\$9.23</b>
<b>Total Return<sup>3</sup></b>	<b>(6.81)%</b>	<b>11.32%</b>	<b>0.77%</b>	<b>(5.51)%</b>	<b>4.23%</b>
<b>Ratios to Average Net Assets:</b>					
Net Expenses	1.95% <sup>4</sup>	1.95% <sup>4</sup>	1.94%	1.93%	1.93%
Net investment income	5.08%	6.42%	7.04%	5.16%	4.56%
Expense waiver/reimbursement <sup>5</sup>	0.81%	0.94%	0.96%	0.61%	0.48%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$3,331	\$6,669	\$9,871	\$14,765	\$25,062
Portfolio turnover	140%	123%	134%	200%	235%

1 *Per share numbers have been calculated using the average shares method.*

2 *Represents a return of capital for federal income tax purposes.*

3 *Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable.*

4 *The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios are 1.95% and 1.95% for the years ended November 30, 2018, and 2017, respectively, after taking into account this expense reduction.*

5 *This expense decrease is reflected in both the net expense and net investment income ratios shown above.*

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

<b>Year Ended November 30</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Net Asset Value, Beginning of Period</b>	<b>\$8.74</b>	<b>\$8.01</b>	<b>\$8.23</b>	<b>\$9.30</b>	<b>\$9.32</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.50 <sup>1</sup>	0.61 <sup>1</sup>	0.67 <sup>1</sup>	0.53 <sup>1</sup>	0.52
Net realized and unrealized gain (loss)	(1.01)	0.39	(0.54)	(0.96)	(0.02)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.51)</b>	<b>1.00</b>	<b>0.13</b>	<b>(0.43)</b>	<b>0.50</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.31)	(0.27)	(0.30)	(0.29)	(0.47)
Distributions from net realized gain	—	—	—	(0.35)	(0.05)
Return of capital <sup>2</sup>	—	—	(0.05)	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.31)</b>	<b>(0.27)</b>	<b>(0.35)</b>	<b>(0.64)</b>	<b>(0.52)</b>
<b>Net Asset Value, End of Period</b>	<b>\$7.92</b>	<b>\$8.74</b>	<b>\$8.01</b>	<b>\$8.23</b>	<b>\$9.30</b>
<b>Total Return<sup>3</sup></b>	<b>(5.92)%</b>	<b>12.62%</b>	<b>1.66%</b>	<b>(4.62)%</b>	<b>5.41%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses	0.95% <sup>4</sup>	0.96% <sup>4</sup>	0.94%	0.93%	0.93%
Net investment income	5.99%	7.05%	8.21%	6.20%	5.58%
Expense waiver/reimbursement <sup>5</sup>	0.82%	0.89%	0.94%	0.62%	0.48%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$9,417	\$15,457	\$11,731	\$25,748	\$37,734
Portfolio turnover	140%	123%	134%	200%	235%

1 *Per share numbers have been calculated using the average shares method.*

2 *Represents a return of capital for federal income tax purposes.*

3 *Based on net asset value.*

4 *The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios are 0.95% and 0.96% for the years ended November 30, 2018, and 2017, respectively, after taking into account this expense reduction.*

5 *This expense decrease is reflected in both the net expense and net investment income ratios shown above.*

See Notes which are an integral part of the Financial Statements

# Statement of Assets and Liabilities

November 30, 2018

## Assets:

Investment in securities, at value including \$1,381,201 of investment in an affiliated holding (identified cost \$45,964,220)	\$ 40,503,730
Cash denominated in foreign currencies (identified cost \$35,226)	35,651
Receivable for investments sold	393,923
Income receivable	519,831
Unrealized appreciation on foreign exchange contracts	34,781
Receivable for periodic payments from swap contracts	21,565
Swaps, at value (net premium paid of \$18,843)	19,492
Receivable for shares sold	6,376
<b>TOTAL ASSETS</b>	<b>41,535,349</b>

## Liabilities:

Bank overdraft	\$458,440
Swaps, at value (net premium received of \$160,343)	364,114
Unrealized depreciation on foreign exchange contracts	257,859
Payable for investments purchased	199,734
Income distribution payable	26,869
Payable for daily variation margin on centrally cleared swaps	18,875
Payable for shares redeemed	15,249
Payable for capital gains taxes withheld	6,204
Payable for portfolio accounting fees	69,507
Payable for auditing fees	36,740
Payable for other service fees (Notes 2 and 5)	5,929
Payable for distribution services fee (Note 5)	2,083
Payable for administrative fee (Note 5)	1,029
Payable for investment adviser fee (Note 5)	222
Accrued expenses (Note 5)	58,327
<b>TOTAL LIABILITIES</b>	<b>1,521,181</b>
Net assets for 5,061,832 shares outstanding	\$ 40,014,168

## Net Assets Consists of:

Paid-in capital	\$ 56,879,595
Total distributable earnings (loss)	(16,865,427)
<b>TOTAL NET ASSETS</b>	<b>\$ 40,014,168</b>

# Statement of Assets and Liabilities – continued

**Net Asset Value, Offering Price and Redemption Proceeds Per Share:****Class A Shares:**

Net asset value per share (\$27,266,623 ÷ 3,448,731 shares outstanding) \$0.001 par value, 500,000,000 shares authorized	\$7.91
Offering price per share (100/95.50 of \$7.91)	\$8.28
Redemption proceeds per share	\$7.91

**Class C Shares:**

Net asset value per share (\$3,330,836 ÷ 423,769 shares outstanding) \$0.001 par value, 200,000,000 shares authorized	\$7.86
Offering price per share	\$7.86
Redemption proceeds per share (99.00/100 of \$7.86)	\$7.78

**Institutional Shares:**

Net asset value per share (\$9,416,709 ÷ 1,189,332 shares outstanding) \$0.001 par value, 100,000,000 shares authorized	\$7.92
Offering price per share	\$7.92
Redemption proceeds per share	\$7.92

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Year Ended November 30, 2018

**Investment Income:**

Interest (net of foreign tax withheld of \$42,395)	\$3,418,354
Dividends (including \$17,193 received from an affiliated holding*)	52,436
<b>TOTAL INCOME</b>	<b>3,470,790</b>

**Expenses:**

Investment adviser fee (Note 5)	\$ 424,531
Administrative fee (Note 5)	50,237
Custodian fees	41,874
Transfer agent fees	63,181
Directors'/Trustees' fees (Note 5)	2,762
Auditing fees	38,680
Legal fees	10,722
Distribution services fee (Note 5)	42,044
Other service fees (Notes 2 and 5)	94,150
Portfolio accounting fees	159,055
Share registration costs	48,814
Printing and postage	27,764
Miscellaneous (Note 5)	19,949
<b>TOTAL EXPENSES</b>	<b>1,023,763</b>

**Waiver, Reimbursements and Reduction:**

Waiver/reimbursement of investment adviser fee (Note 5)	\$(393,294)
Reimbursement of other operating expenses (Note 5)	(17,372)
Reduction of custodian fees (Note 6)	(1,041)
<b>TOTAL WAIVER, REIMBURSEMENTS AND REDUCTION</b>	<b>(411,707)</b>
Net expenses	612,056
Net investment income	\$2,858,734

## Statement of Operations – continued

### **Realized and Unrealized Gain (Loss) on Investments, Foreign Exchange Contracts, Futures Contracts, Swap Contracts and Foreign Currency Transactions:**

Net realized gain (loss) on investments (including realized gain of \$21 on sales of investments in an affiliated holding*) and foreign currency translations	\$(2,838,144)
Net realized gain (loss) on foreign exchange contracts	(185,146)
Net realized gain on futures contracts	76,735
Net realized gain (loss) on swap contracts	(101,831)
Net change in unrealized depreciation of investments and translation of assets and liabilities in foreign currency (including net change in unrealized appreciation of \$(39) of investments in an affiliated holding*)	(2,577,121)
Net change in unrealized appreciation of foreign exchange contracts	(328,582)
Net change in unrealized depreciation of swaps contracts	(31,632)
Net realized and unrealized gain (loss) on investments, foreign exchange contracts, futures contracts, swap contracts and foreign currency transactions	(5,985,721)
Change in net assets resulting from operations	\$(3,126,987)

\* See information listed after the Fund's Portfolio of Investments

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

Year Ended November 30	2018	2017
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 2,858,734	\$ 4,292,165
Net realized loss	(3,048,386)	(598,799)
Net change in unrealized appreciation/depreciation	(2,937,335)	3,453,879
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(3,126,987)	7,147,245
<b>Distributions to Shareholders (Note 2):</b>		
Class A Shares	(1,135,908)	(1,107,935)
Class B Shares <sup>1</sup>	(25,599)	(59,161)
Class C Shares	(150,270)	(174,969)
Institutional Shares	(474,277)	(411,186)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(1,786,054)	(1,753,251)
<b>Share Transactions:</b>		
Proceeds from sale of shares	11,437,975	18,237,933
Net asset value of shares issued to shareholders in payment of distributions declared	1,548,990	1,474,613
Cost of shares redeemed	(26,544,645)	(29,628,920)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(13,557,680)	(9,916,374)
Change in net assets	(18,470,721)	(4,522,380)
<b>Net Assets:</b>		
Beginning of period	58,484,889	63,007,269
End of period	\$ 40,014,168	\$ 58,484,889

1 On February 2, 2018, Class B Shares were converted into Class A Shares.

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

November 30, 2018

## 1. ORGANIZATION

Federated World Investment Series, Inc. (the “Corporation”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Corporation consists of three portfolios. The financial statements included herein are only those of Federated Emerging Market Debt Fund (the “Fund”), a non-diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers three classes of shares: Class A Shares, Class C Shares and Institutional Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is to seek a high level of current income. The Fund has a secondary objective of capital appreciation.

At the close of business, on February 2, 2018, Class B Shares were converted into the Fund’s existing Class A Shares pursuant to a Plan of Conversion approved by the Fund’s Board of Directors (the “Directors”). The conversion occurred on a tax-free basis. The cash value of a shareholder’s investment was not changed as a result of the share class conversion. No action was required by shareholders to effect the conversion.

Effective August 1, 2018, an automatic conversion feature for Class C Shares was implemented. Pursuant to this automatic conversion feature, after Class C Shares have been held for ten years from the date of purchase, they will automatically convert to Class A Shares on the next monthly conversion processing date.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

### Investment Valuation

In calculating its net asset value (NAV), the Fund generally values investments as follows:

- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Directors.
- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and asked quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Directors.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.

- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Directors, certain factors may be considered, such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer's financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Fund's valuation policies and procedures, or if information furnished by a pricing service, in the opinion of the valuation committee ("Valuation Committee"), is deemed not representative of the fair value of such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share.

### **Fair Valuation and Significant Events Procedures**

The Directors have ultimate responsibility for determining the fair value of investments for which market quotations are not readily available. The Directors have appointed a Valuation Committee comprised of officers of the Fund, Federated Investment Management Company (the "Adviser") and certain of the Adviser's affiliated companies to assist in determining fair value and in overseeing the calculation of the NAV. The Directors have also authorized the use of pricing services recommended by the Valuation Committee to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services' policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services and review of price challenges by the Adviser based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Directors. The Directors periodically review and approve the fair valuations made by the Valuation Committee and any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Directors.

The Directors also have adopted procedures requiring an investment to be priced at its fair value whenever the Adviser determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities principally traded in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures contracts;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded;
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, or a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Directors have adopted procedures whereby the Valuation Committee uses a pricing service to determine the fair value of equity securities traded principally in foreign markets when the Adviser determines that there has been a significant trend in the U.S. equity markets or in index futures trading. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Fund will determine the fair value of the investment in accordance with the fair valuation procedures approved by the Directors. The Directors have ultimate responsibility for any fair valuations made in response to a significant event.

### **Repurchase Agreements**

The Fund may invest in repurchase agreements for short-term liquidity purposes. It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund's custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a "securities entitlement" and exercises "control" as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

The insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

## Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid monthly. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Investment income, realized and unrealized gains and losses and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waiver, reimbursements and reduction of \$411,707 is disclosed in various locations in Note 5 and Note 6.

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. All distributions as indicated on the Statement of Changes in Net Assets for the year ended November 30, 2017, were from net investment income. Distributions in excess of net investment income at November 30, 2017, was \$32,590.

## Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund's Class A Shares and Class C Shares to unaffiliated financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees. For the year ended November 30, 2018, other service fees for the Fund were as follows:

	<b>Other Service Fees Incurred</b>
Class A Shares	\$80,207
Class B Shares	996
Class C Shares	12,947
TOTAL	\$94,150

Prior to their conversion to Class A Shares at the close of business on February 2, 2018, the Class B Shares were also subject to these fees.

## Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended November 30, 2018, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of November 30, 2018, tax years 2015 through 2018 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America, the state of Maryland and the Commonwealth of Pennsylvania.

The Fund may be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The Fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or gains are earned.

### **When-Issued and Delayed-Delivery Transactions**

The Fund may engage in when-issued or delayed-delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

### **Swap Contracts**

Swap contracts involve two parties that agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, indices or other measures. The gross returns to be exchanged or “swapped” between parties are generally calculated with respect to a “notional amount” for a determined period of time. The Fund may enter into interest rate, total return, credit default, currency and other swap agreements to seek to increase yield, income and return, and to manage currency risk, duration risk, market risk and yield curve risk. Risks may arise upon entering into swap agreements from the potential inability of the counterparties to meet the terms of their contract from unanticipated changes in the value of the swap agreement. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default.

The Fund is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Because the Fund holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. Interest rate swap agreements generally involve the agreement by the Fund to pay the counterparty a fixed or floating interest rate on a fixed notional amount and to receive a fixed or floating rate on a fixed notional amount, but may also involve the agreement to pay or receive payments derived from changes in interest rates. Periodic payments are generally made during the life of the swap agreement according to the terms and conditions of the agreement and at termination or maturity. The Fund’s maximum risk of loss from counterparty credit risk is the discounted value of the net cash flows to be received from/paid to the counterparty over the contract’s remaining life, to the extent the amount is positive. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund’s exposure to the counterparty.

The “buyer” in a credit default swap is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or the “par value,” of the reference obligation in exchange for the reference obligation. In connection with these agreements, securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of the value and recourse in the event of default or bankruptcy/solvency. Recovery values are assumed by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is typically determined by a facilitated auction whereby a minimum number

of allowable broker bids, together with a specific valuation method, are used to calculate the settlement value. The maximum amount of the payment that may occur, as a result of a credit event payable by the protection seller, is equal to the notional amount of the underlying index or security. The Fund's maximum exposure to loss of the notional value of credit default swaps outstanding at November 30, 2018, is \$4,100,000. The Fund's maximum risk of loss from counterparty credit risk, either as the protection buyer or as the protection seller, is the fair value of the contract. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

Upfront payments received or paid by the Fund will be reflected as an asset or liability on the Statement of Assets and Liabilities. Changes in the value of swap contracts are included in "Swaps, at value" on the Statement of Assets and Liabilities, and periodic payments are reported as "Net realized gain (loss) on swap contracts" in the Statement of Operations.

Certain swap contracts are subject to Master Netting Agreements (MNA) which are agreements between the Fund and its counterparties that provides for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. The cash or securities deposited in a segregated account offsets the amount due to the broker reducing the net settlement amount to zero.

Certain swap contracts may be centrally cleared ("centrally cleared swaps"), whereby all payments made or received by the Fund pursuant to the contract are with a central clearing party (CCP) rather than the counterparty. The CCP guarantees the performance of the parties to the contract. Upon entering into centrally cleared swaps, the Fund is required to deposit with the CCP, either in cash or securities, an amount of initial margin determined by the CCP, which is subject to adjustment. For centrally cleared swaps, the daily change in valuation is recorded as a receivable or payable for variation margin and settled in cash with the CCP daily. In the case of centrally cleared swaps, counterparty risk is minimal due to protections provided by the CCP.

Swaps, at value at period end, including net unrealized appreciation/depreciation, are listed after the Fund's Portfolio of Investments.

The average notional amount of credit default swap contracts and average value of interest rate swap contracts held by the Fund throughout the period was \$3,301,923 and \$184,679, respectively. This is based on amounts held as of each month end throughout the fiscal period.

## **Foreign Exchange Contracts**

The Fund may enter into foreign exchange contracts to seek to increase yield, income and return and to manage country and currency risks. Purchased contracts are used to acquire exposure to foreign currencies, whereas, contracts to sell are used to hedge the Fund's securities against currency fluctuations. Risks may arise upon entering into these transactions from the potential inability of counterparties to meet the terms of their commitments and from unanticipated movements in security prices or foreign exchange rates. The foreign exchange contracts are adjusted by the daily exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the settlement date.

Foreign exchange contracts are subject to MNA which are agreements between the Fund and its counterparties that provides for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross.

Foreign exchange contracts outstanding at period end, including net unrealized appreciation/depreciation or net settlement amount, are listed after the Fund's Portfolio of Investments.

The average value at settlement date payable and receivable of foreign exchange contracts purchased and sold by the Fund throughout the period was \$164,645 and \$103,642, respectively. This is based on the amounts held as of each month end throughout the fiscal period.

## **Foreign Currency Translation**

The accounting records of the Fund are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the rates of exchange of such currencies against U.S. dollars on the date of valuation. Purchases and sales of securities, income and expenses are translated at the rate of exchange quoted on the respective date that such transactions are recorded. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at period end, resulting from changes in the exchange rate.

## **Futures Contracts**

The Fund purchases and sells financial futures contracts to seek to increase return and to manage duration risk, market risk and yield curve risk. Upon entering into a financial futures contract with a broker, the Fund is required to deposit in a segregated account, either U.S. government securities or a specified amount of Restricted cash, which is shown in the Statement of Assets and Liabilities. Futures contracts are valued daily and unrealized gains or losses are recorded in a "variation margin" account. Daily, the Fund receives from or pays to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with the changes in the value of the underlying securities. There is minimal counterparty risk to the Fund since futures contracts are exchange traded and the exchange's clearing house, as counterparty to all exchange traded futures contracts, guarantees the futures contracts against default.

At November 30, 2018, the Fund had no outstanding futures contracts.

The average notional values of long and short futures contracts held by the Fund throughout the period was \$198,666 and 1,247,043, respectively. This is based on amounts held as of each month end throughout the fiscal year.

## **Option Contracts**

The Fund buys or sells put and call options to seek to increase return, and to manage currency risk, duration risk, market risk and sector/asset class risk. The seller (writer) of an option receives a payment or premium, from the buyer, which the writer keeps regardless of whether the buyer exercises the option. When the Fund writes a put or call option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. Premiums received from writing options which expire are treated as realized gains. The Fund, as a writer of an option, bears the market risk of an unfavorable change in the price of the underlying reference instrument. When the Fund purchases a put or call option, an amount equal to the premium paid is recorded as an increase to the cost of the investment and subsequently marked to market to reflect the current value of the option purchased. Premiums paid for purchasing options which expire are treated as realized losses. Premiums received/paid for writing/purchasing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying reference instrument to determine the realized gain or loss. The risk associated with purchasing put and call options is limited to the premium paid. Options can trade on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. This protects investors against potential defaults by the counterparty.

At November 30, 2018, the Fund had no outstanding purchased and written option contracts.

The average market values of purchased options held by the Fund throughout the period was \$5,692. This is based on amounts held as of each month end throughout the fiscal period.

## **Restricted Securities**

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Directors. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities, like other securities, are priced in accordance with procedures established by and under the general supervision of the Directors.

## Additional Disclosure Related to Derivative Instruments

### Fair Value of Derivative Instruments

	Asset		Liability	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815				
Foreign exchange contracts	Unrealized appreciation on foreign exchange contracts	\$34,781	Unrealized depreciation on foreign exchange contracts	\$257,859
Credit contracts	Swaps, at value	19,492	Swaps, at value	180,246
Interest rate contracts		—	Swaps, at value	183,868
Interest rate contracts			Payable for daily variation margin on centrally cleared swaps	8,267*
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$54,273		\$630,240

\* Includes cumulative depreciation on centrally cleared swaps as reported in the footnotes to the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

### The Effect of Derivative Instruments on the Statement of Operations for the Year Ended November 30, 2018

#### Amount of Realized Gain or (Loss) on Derivatives Recognized in Income

	Foreign Exchange Contracts	Interest Rate Contracts	Credit Contracts	Total
Credit Default Swap Contracts	\$ —	\$ —	\$(26,987)	\$ (26,987)
Interest Rate Swap Contracts	—	(74,844)	—	(74,844)
Purchased Options <sup>1</sup>	(103,451)	—	—	(103,451)
Foreign Exchange Contracts	(185,146)	—	—	(185,146)
Futures Contracts	—	76,735	—	76,735
TOTAL	\$(288,597)	\$ 1,891	\$(26,987)	\$(313,693)

## Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income

	Foreign Exchange Contracts	Interest Rate Contracts	Credit Contracts	Total
Credit Default Swap Contracts	\$ —	\$ —	\$(10,177)	\$ (10,177)
Interest Rate Swap Contracts	—	(21,455)	—	(21,455)
Purchased Options <sup>2</sup>	3,846	—	—	3,846
Foreign Exchange Contracts	(328,582)	—	—	(328,582)
TOTAL	\$(324,736)	\$(21,455)	\$(10,177)	\$(356,368)

- 1 The net realized gain (loss) on Purchased Options is found within the Net realized gain (loss) on investments and foreign currency transactions on the Statement of Operations.
- 2 The net change in unrealized depreciation of Purchased Options is found within the Net change in unrealized depreciation of investments and translation of assets and liabilities in foreign currency on the Statement of Operations.

As indicated above, certain derivative investments are transacted subject to MNA. These agreements permit the Fund to offset with a counterparty certain derivative payables and/or receivables with collateral held and create one single net payment in the event of default or termination of the agreement by either the Fund or the counterparty. As of November 30, 2018, the impact of netting assets and liabilities and the collateral pledged or received based on MNA are detailed below:

### Gross Amounts Not Offset in the Statement of Assets and Liabilities

Transaction	Gross Asset Derivatives Presented in Statement of			
	Assets and Liabilities	Financial Instrument	Collateral Received	Net Amount
Swap Contracts	\$19,492	\$(13,620)	\$—	\$ 5,872
Foreign Exchange Contracts	34,781	(30,133)	—	4,648
TOTAL	\$54,273	\$(43,753)	\$—	\$10,520

Transaction	Gross Liability Derivatives Presented in Statement of			
	Assets and Liabilities	Financial Instrument	Collateral Pledged	Net Amount
Swap Contracts	\$364,114	\$(13,620)	\$—	\$350,494
Foreign Exchange Contracts	257,859	(30,133)	—	227,726
TOTAL	\$621,973	\$(43,753)	\$—	\$578,220

## Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimated. The Fund applies investment company accounting and reporting guidance.

### 3. CAPITAL STOCK

The following tables summarize capital stock activity:

<b>Year Ended November 30</b>	<b>2018</b>		<b>2017</b>	
<b>Class A Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	633,387	\$ 5,281,147	1,137,616	\$ 9,784,473
Shares issued to shareholders in payment of distributions declared	114,707	958,585	106,426	913,003
Conversion of Class B Shares to Class A Shares <sup>1</sup>	244,337	2,123,291	—	—
Shares redeemed	(1,451,630)	(11,957,592)	(2,112,432)	(18,185,586)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	(459,199)	\$ (3,594,569)	(868,390)	\$ (7,488,110)

<b>Year Ended November 30</b>	<b>2018</b>		<b>2017</b>	
<b>Class B Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	—	\$ —	—	\$ —
Shares issued to shareholders in payment of distributions declared	2,642	22,766	6,101	52,039
Conversion of Class B Shares to Class A Shares <sup>1</sup>	(245,138)	(2,123,291)	—	—
Shares redeemed	(19,267)	(167,747)	(144,834)	(1,236,862)
NET CHANGE RESULTING FROM CLASS B SHARE TRANSACTIONS	(261,763)	\$ (2,268,272)	(138,733)	\$ (1,184,823)

<b>Year Ended November 30</b>	<b>2018</b>		<b>2017</b>	
<b>Class C Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	13,927	\$ 117,765	17,164	\$ 146,924
Shares issued to shareholders in payment of distributions declared	14,621	122,584	14,986	127,824
Shares redeemed	(373,717)	(3,054,790)	(504,006)	(4,275,177)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	(345,169)	\$ (2,814,441)	(471,856)	\$ (4,000,429)

Year Ended November 30	2018		2017	
Institutional Shares:	Shares	Amount	Shares	Amount
Shares sold	468,552	\$ 3,915,772	957,180	\$ 8,306,536
Shares issued to shareholders in payment of distributions declared	52,995	445,055	44,333	381,747
Shares redeemed	(1,101,575)	(9,241,225)	(696,109)	(5,931,295)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(580,028)	\$ (4,880,398)	305,404	\$ 2,756,988
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(1,646,159)	\$(13,557,680)	(1,173,575)	\$(9,916,374)

1 On February 2, 2018, Class B Shares were converted to Class A Shares.

#### 4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended November 30, 2018 and 2017, was as follows:

	2018	2017
Ordinary income	\$1,786,054	\$1,753,251

As of November 30, 2018, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 308,534
Net unrealized depreciation	\$ (5,905,254)
Capital loss carryforwards	\$(11,268,707)

The difference between book-basis and tax-basis net unrealized appreciation/depreciation is attributable in part to differing treatments for the deferral of losses on wash sales, discount accretion/ premium amortization on debt securities, interest accruals and mark to market on foreign exchange contracts, futures contracts and credit default swap contracts.

At November 30, 2018, the cost of investments for federal tax purposes was \$46,243,689. The net unrealized depreciation of investments for federal tax purposes was \$5,902,786. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$104,585 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$6,007,371. The amounts presented are inclusive of derivative contracts.

At November 30, 2018, the Fund had a capital loss carryforward of \$11,268,707 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, a net capital loss incurred in taxable years beginning after December 22, 2010, retains its character as either short-term or long-term and does not expire. All of the Fund's capital loss carryforwards were incurred in taxable years beginning after December 22, 2010.

The following schedule summarizes the Fund's capital loss carryforwards:

<b>Short-Term</b>	<b>Long-Term</b>	<b>Total</b>
\$6,997,953	\$4,270,754	\$11,268,707

## **5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

### **Investment Adviser Fee**

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.85% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses. For the year ended November 30, 2018, the Adviser waived \$392,602 of its fee and voluntarily reimbursed \$17,372 of other operating expenses.

The Adviser has agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the year ended November 30, 2018, the Adviser reimbursed \$692.

### **Administrative Fee**

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below:

<b>Administrative Fee</b>	<b>Average Daily Net Assets of the Investment Complex</b>
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund. For the year ended November 30, 2018, the annualized fee paid to FAS was 0.101% of average daily net assets of the Fund.

Prior to September 1, 2017, the breakpoints of the Administrative Fee paid to FAS, described above, were:

<b>Administrative Fee</b>	<b>Average Daily Net Assets of the Investment Complex</b>
0.150%	on the first \$5 billion
0.125%	on the next \$5 billion
0.100%	on the next \$10 billion
0.075%	on assets in excess of \$20 billion

In addition, FAS may charge certain out-of-pocket expenses to the Fund.

## Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Class C Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at 0.75% of average daily net assets annually, to compensate FSC. Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee.

Prior to their conversion to Class A Shares at the close of business on February 2, 2018, the Class B Shares were also subject to the Plan at 0.75% of average daily net assets of the Class B Shares. For the year ended November 30, 2018, distribution services fees for the Fund were as follows:

	<b>Distribution Services Fees Incurred</b>
Class B Shares	\$ 2,989
Class C Shares	39,055
TOTAL	\$42,044

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the year ended November 30, 2018, FSC retained \$3,618 of fees paid by the Fund.

## Other Service Fees

For the year ended November 30, 2018, FSSC received \$7,413 of the other service fees disclosed in Note 2.

## Sales Charges

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. They are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. For the year ended November 30, 2018, FSC retained \$606 in sales charges from the sale of Class A Shares. FSC also retained \$961 and \$233 of CDSC relating to redemptions of Class B Shares and Class C Shares, respectively.

## Interfund Transactions

During the year ended November 30, 2018, the Fund engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These purchase and sale transactions complied with Rule 17a-7 under the Act and amounted to \$868,566 and \$1,057,202, respectively.

## Expense Limitation

The Adviser and certain of its affiliates (which may include FSC, FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding dividends and other expenses related to short sales, interest expense, extraordinary expenses, and proxy-related expenses paid by the Fund, if any) paid by the Fund's Class A Shares, Class C Shares and Institutional Shares (after the voluntary waivers and

reimbursements) will not exceed 1.18%, 1.93% and 0.93% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) February 1, 2020; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Directors.

### **Directors'/Trustees' and Miscellaneous Fees**

Certain Officers and Directors of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Directors'/Trustees' fees and certain expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses are paid by an affiliate of the Adviser which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses may be included in the Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and the Statement of Operations, respectively.

### **6. EXPENSE REDUCTION**

Through arrangements with the Fund's custodian, net credits realized as a result of uninvested cash balances were used to reduce custody expenses. For the year ended November 30, 2018, the Fund's expenses were reduced by \$1,041 under these arrangements.

### **7. INVESTMENT TRANSACTIONS**

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended November 30, 2018, were as follows:

Purchases	\$66,180,620
Sales	\$78,078,304

### **8. CONCENTRATION OF RISK**

Compared to diversified mutual funds, the Fund may invest a higher percentage of its assets among fewer issuers of portfolio securities. This increases the Fund's risk by magnifying the impact (positively or negatively) that any one issuer has on the Fund's share price and performance.

The Fund invests in securities of non-U.S. issuers. Political or economic developments may have an effect on the liquidity and volatility of portfolio securities and currency holdings.

### **9. LINE OF CREDIT**

The Fund participates with certain other Federated Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement. The LOC was made available to finance temporarily the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to the highest, on any day, of (a) (i) the federal funds effective rate, (ii) the one month London Interbank Offered Rate (LIBOR), and (iii) 0.0%, plus (b) a margin. The LOC also

requires the Fund to pay, quarterly in arrears and at maturity, its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized. As of November 30, 2018, the Fund had no outstanding loans. During the year ended November 30, 2018, the Fund did not utilize the LOC.

#### **10. INTERFUND LENDING**

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Investors, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of November 30, 2018, there were no outstanding loans. During the year ended November 30, 2018, the program was not utilized.

# Report of Independent Registered Public Accounting Firm

## **TO THE BOARD OF DIRECTORS OF FEDERATED WORLD INVESTMENT SERIES, INC. AND SHAREHOLDERS OF FEDERATED EMERGING MARKET DEBT FUND:**

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities of Federated Emerging Market Debt Fund (the “Fund”) (one of the portfolios constituting Federated World Investment Series, Inc.), including the portfolio of investments, as of November 30, 2018, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at November 30, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 2018, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst + Young LLP*

We have served as the auditor of one or more Federated investment companies since 1979.

Boston, Massachusetts

January 25, 2019

## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase or redemption payments; and (2) ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from June 1, 2018 to November 30, 2018.

### **ACTUAL EXPENSES**

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

### **HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES**

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads) on purchase or redemption payments. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Beginning Account Value 6/1/2018	Ending Account Value 11/30/2018	Expenses Paid During Period <sup>1</sup>
<b>Actual:</b>			
Class A Shares	\$1,000	\$ 986.60	\$5.93
Class C Shares	\$1,000	\$ 982.70	\$9.64
Institutional Shares	\$1,000	\$ 987.80	\$4.68
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Class A Shares	\$1,000	\$1,019.10	\$6.02
Class C Shares	\$1,000	\$1,015.34	\$9.80
Institutional Shares	\$1,000	\$1,020.36	\$4.76

<sup>1</sup> Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	1.19%
Class C Shares	1.94%
Institutional Shares	0.94%

## In Memoriam

With profound sadness, Federated announces the passing of Richard B. (“Dick”) Fisher. He will be greatly missed.

### **RICHARD B. FISHER**

(Former Officer of the Federated Funds, Chairman of Federated Securities Corp., and Vice Chairman of Federated Investors, Inc.)

Dick Fisher, along with John F. (“Jack”) Donahue and Thomas J. Donnelly, Esq., co-founded Federated in 1955 and served as a leader, particularly for Federated’s sales division, and an officer of the Federated Funds. Mr. Fisher was a family man of deep faith, with exemplary character, prodigious generosity, immeasurable devotion, undeniable charm and a good sense of humor. He served his religion, family, community, and the Federated Funds and Federated, as well as their shareholders, officers and employees, with distinction. His integrity, intelligence, and keen sense of duty to shareholders, coupled with his faith and devotion to family, allowed him to become the consummate gentleman and salesman par excellence who will be greatly missed. Among his many achievements, Mr. Fisher led the sales strategy and execution for Federated’s Fund for U.S. Government Securities, the first fund to invest exclusively in government bonds, and spearheaded the campaign for sales of Federated’s Government Income Securities Fund, the first of what would become Federated’s Fortress family of funds. Federated expresses deep gratitude to Mr. Fisher for his inspiring leadership, distinguished service and contributions as a husband, father, co-founder, officer, colleague and friend.

## Board of Directors and Corporation Officers

The Board of Directors is responsible for managing the Corporation’s business affairs and for exercising all the Corporation’s powers except those reserved for the shareholders. The following tables give information about each Director and the senior officers of the Fund. Where required, the tables separately list Directors who are “interested persons” of the Fund (i.e., “Interested” Directors) and those who are not (i.e., “Independent” Directors). Unless otherwise noted, the address of each person listed is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222. The address of all Independent Directors listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2018, the Corporation comprised three portfolio(s), and the Federated Fund Family consisted of 40 investment companies (comprising 102 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Director oversees all portfolios in the Federated Fund Family and serves for an indefinite term. The Fund’s Statement of Additional Information includes additional information about Corporation Directors and is available, without charge and upon request, by calling 1-800-341-7400.

## INTERESTED DIRECTORS BACKGROUND

<b>Name</b> <b>Birth Date</b> <b>Positions Held with Corporation</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)</b>
<b>J. Christopher Donahue*</b> Birth Date: April 11, 1949 PRESIDENT AND DIRECTOR Indefinite Term Began serving: January 2000	<p><b>Principal Occupations:</b> Principal Executive Officer and President of certain of the Funds in the Federated Fund Family; Director or Trustee of the Funds in the Federated Fund Family; President, Chief Executive Officer and Director, Federated Investors, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company.</p> <p><b>Previous Positions:</b> President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.</p>
<b>Thomas R. Donahue*</b> Birth Date: October 20, 1958 DIRECTOR Indefinite Term Began serving: May 2016	<p><b>Principal Occupations:</b> Director or Trustee of certain of the funds in the Federated Fund Family; Chief Financial Officer, Treasurer, Vice President and Assistant Secretary, Federated Investors, Inc.; Chairman and Trustee, Federated Administrative Services; Chairman and Director, Federated Administrative Services, Inc.; Trustee and Treasurer, Federated Advisory Services Company; Director or Trustee and Treasurer, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, and Federated Investment Management Company; Director, MDTA LLC; Director, Executive Vice President and Assistant Secretary, Federated Securities Corp.; Director or Trustee and Chairman, Federated Services Company and Federated Shareholder Services Company; and Director and President, FII Holdings, Inc.</p> <p><b>Previous Positions:</b> Director, Federated Investors, Inc.; Assistant Secretary, Federated Investment Management Company, Federated Global Investment Management Company and Passport Research, LTD; Treasurer, Passport Research, LTD; Executive Vice President, Federated Securities Corp.; and Treasurer, FII Holdings, Inc.</p>

\* Family relationships and reasons for "interested" status: J. Christopher Donahue and Thomas R. Donahue are brothers. Both are "interested" due to their beneficial ownership of shares of Federated Investors, Inc. and the positions they hold with Federated and its subsidiaries.

## INDEPENDENT DIRECTORS BACKGROUND

---

**Name**

**Birth Date**

**Positions Held**

**with Corporation**

**Date Service Began**

**Principal Occupation(s) for Past Five Years,**

**Other Directorships Held, Previous Position(s) and Qualifications**

---

**John T. Collins**

Birth Date: January 24, 1947

DIRECTOR

Indefinite Term

Began serving: October 2013

**Principal Occupations:** Director or Trustee of the Federated Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired).

**Other Directorships Held:** Director, Chairman of the Compensation Committee, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace).

**Qualifications:** Mr. Collins has served in several business and financial management roles and directorship positions throughout his career. Mr. Collins previously served as Chairman and CEO of The Collins Group, Inc. (a private equity firm) and as a Director of KLX Corp. Mr. Collins serves as Chairman Emeriti, Bentley University. Mr. Collins previously served as Director and Audit Committee Member, Bank of America Corp.; Director, FleetBoston Financial Corp.; and Director, Beth Israel Deaconess Medical Center (Harvard University Affiliate Hospital).

---

**G. Thomas Hough**

Birth Date: February 28, 1955

DIRECTOR

Indefinite Term

Began serving: August 2015

**Principal Occupations:** Director or Trustee of the Federated Fund Family; formerly, Vice Chair, Ernst & Young LLP (public accounting firm) (Retired).

**Other Directorships Held:** Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.; Director, Chair of the Audit Committee, Equifax, Inc.; Director, Member of the Audit Committee, Haverty Furniture Companies, Inc.

**Qualifications:** Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst & Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama and is on the Business School Board of Visitors for Wake Forest University. Mr. Hough previously served as an Executive Committee member of the United States Golf Association.

---

<b>Name</b> <b>Birth Date</b> <b>Positions Held with Corporation</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications</b>
<b>Maureen Lally-Green</b> Birth Date: July 5, 1949 DIRECTOR Indefinite Term Began serving: August 2009	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; Dean of the Duquesne University School of Law; Professor and Adjunct Professor of Law, Duquesne University School of Law; formerly, Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p><b>Other Directorships Held:</b> Director, CNX Resources Corporation (formerly known as CONSOL Energy Inc.).</p> <p><b>Qualifications:</b> Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career and currently serves as the Dean of the School of Law of Duquesne University. Judge Lally-Green previously served as a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Director and Vice Chair, Our Campaign for the Church Alive!, Inc.; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); and Director CNX Resources Corporation (formerly known as CONSOL Energy Inc.). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; and Director and Chair, North Catholic High School, Inc.</p>
<b>Charles F. Mansfield, Jr.</b> Birth Date: April 10, 1945 DIRECTOR Indefinite Term Began serving: January 1999	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; Management Consultant and Author.</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Mansfield has served as a Marine Corps officer and in several banking, business management, educational roles and directorship positions throughout his long career. He remains active as a Management Consultant and Author.</p>

<b>Name</b> <b>Birth Date</b> <b>Positions Held with Corporation</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications</b>
<b>Thomas M. O'Neill</b> Birth Date: June 14, 1951 DIRECTOR Indefinite Term Began serving: August 2006	<p><b>Principal Occupations:</b> Director or Trustee, Chair of the Audit Committee of the Federated Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity and Director, The Golisano Children's Museum of Naples, Florida. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); and Director, Midway Pacific (lumber).</p>
<b>P. Jerome Richey</b> Birth Date: February 23, 1949 DIRECTOR Indefinite Term Began serving: October 2013	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; Management Consultant; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CNX Resources Corporation (formerly known as CONSOL Energy Inc.).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CNX Resources Corporation (formerly known as CONSOL Energy Inc.); and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll &amp; Rooney PC (a law firm).</p>
<b>John S. Walsh</b> Birth Date: November 28, 1957 DIRECTOR Indefinite Term Began serving: November 1999	<p><b>Principal Occupations:</b> Director or Trustee, and Chair of the Board of Directors or Trustees, of the Federated Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh &amp; Kelly, Inc. (paving contractors).</p>

## OFFICERS

---

**Name**

**Birth Date**

**Address**

**Positions Held**

**with Corporation**

**Date Service Began**

**Principal Occupation(s) for Past Five Years  
and Previous Position(s)**

---

**Lori A. Hensler**

Birth Date: January 6, 1967

TREASURER

Officer since: April 2013

**Principal Occupations:** Principal Financial Officer and Treasurer of the Federated Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp. and Edgewood Services, Inc.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation.

**Previous Positions:** Controller of Federated Investors, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.

---

**Peter J. Germain**

Birth Date: September 3, 1959

CHIEF LEGAL OFFICER,

SECRETARY AND EXECUTIVE

VICE PRESIDENT

Officer since: January 2005

**Principal Occupations:** Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Investors, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated in 1984 and is a member of the Pennsylvania Bar Association.

**Previous Positions:** Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Investors, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Investors, Inc.

---

**Stephen Van Meter**

Birth Date: June 5, 1975

CHIEF COMPLIANCE OFFICER

AND SENIOR VICE PRESIDENT

Officer since: July 2015

**Principal Occupations:** Senior Vice President and Chief Compliance Officer of the Federated Fund Family; Vice President and Chief Compliance Officer of Federated Investors, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66.

**Previous Positions:** Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Investors, Inc. Prior to joining Federated, Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.

---

---

<b>Name</b> <b>Birth Date</b> <b>Address</b> <b>Positions Held with Corporation</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years and Previous Position(s)</b>
<b>Robert J. Ostrowski</b> Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: May 2004	<b>Principal Occupations:</b> Robert J. Ostrowski joined Federated in 1987 as an Investment Analyst and became a Portfolio Manager in 1990. He was named Chief Investment Officer of Federated's taxable fixed-income products in 2004 and also serves as a Senior Portfolio Manager. Mr. Ostrowski became an Executive Vice President of the Fund's Adviser in 2009 and served as a Senior Vice President of the Fund's Adviser from 1997 to 2009. Mr. Ostrowski has received the Chartered Financial Analyst designation. He received his M.S. in Industrial Administration from Carnegie Mellon University.

---

# Evaluation and Approval of Advisory Contract – May 2018

## **FEDERATED EMERGING MARKET DEBT FUND (THE “FUND”)**

At its meetings in May 2018, the Fund’s Board of Directors (the “Board”), including a majority of those Directors who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Directors”), reviewed and unanimously approved the continuation of the Fund’s investment advisory contract for an additional one-year term. The Board’s decision regarding the contract reflects the exercise of its business judgment after considering all of the information received on whether to continue the existing arrangements.

The Board had previously appointed a Senior Officer, whose duties included specified responsibilities relating to the process by which advisory fees are to be charged to a fund advised by Federated Investment Management Company (the “Adviser”) or its affiliates (collectively, “Federated”) (each, a “Federated fund”). The Senior Officer’s responsibilities included preparing and furnishing to the Board an annual independent written evaluation that covered topics discussed below. In December 2017, the Senior Officer position was eliminated. Notwithstanding the elimination of the Senior Officer position, at the request of the Independent Directors, the Fund’s Chief Compliance Officer (the CCO) furnished to the Board in advance of its May 2018 meetings an independent written evaluation covering substantially the same topics that had been covered in the Senior Officer’s written evaluation in prior years. The Board considered the CCO’s independent written evaluation (the “CCO Fee Evaluation Report”), along with other information, in evaluating the reasonableness of the Fund’s management fee and in deciding to approve the continuation of the investment advisory contract. Consistent with the former Senior Officer position, the CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Directors.

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees in making its decision. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser’s fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by an adviser to a fund and its shareholders (including the performance of the fund, its benchmark, and comparable funds); (2) an adviser’s cost of providing the services (including the profitability to an adviser of providing advisory services to a fund); (3) the extent to which an adviser may realize “economies of scale” as a fund grows larger and, if such economies of scale exist, whether they have been shared with a fund and its shareholders or the family of funds; (4) any “fall-out” financial benefits that accrue to an adviser because of its relationship with a fund (including

research services received from brokers that execute fund trades and any fees paid to affiliates of an adviser for services rendered to a fund); (5) comparative fee and expense structures (including a comparison of fees paid to an adviser with those paid by similar funds both internally and externally as well as management fees charged to institutional and other advisory clients of the Adviser or its affiliates for what might be viewed as like services); and (6) the extent of care, conscientiousness and independence with which the fund's board members perform their duties and their expertise (including whether they are fully informed about all facts the board deems relevant to its consideration of an adviser's services and fees). The Board noted that the Securities and Exchange Commission (SEC) disclosure requirements regarding the basis for the Board's approval of the Fund's investment advisory contract generally align with the factors listed above. The Board was aware of these factors and was guided by them in its review of the Fund's investment advisory contract to the extent it considered them to be appropriate and relevant, as discussed further below.

The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated on matters relating to the Federated funds. The Independent Directors were assisted in their deliberations by independent legal counsel.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, the Board received detailed information about the Fund and the Federated organization throughout the year, and in connection with its May meetings at which the Board's formal approval of the advisory and subadvisory contracts occurred. In this regard, Federated provided much of this information at each regular meeting of the Board, and furnished additional information specifically in connection with the May meetings. In the months preceding the May meetings, the Board requested and reviewed written materials prepared by Federated in response to requests on behalf of the Independent Directors encompassing a wide variety of topics. At the May meetings, in addition to meeting in separate sessions of the Independent Directors without management present, senior management of the Adviser also met with the Independent Directors and their counsel to discuss the materials presented and such additional matters as the Independent Directors deemed reasonably necessary to evaluate the advisory and subadvisory contracts. Between regularly scheduled meetings, the Board also received information on particular matters as the need arose.

The Board's consideration of the investment advisory contract included review of the CCO Fee Evaluation Report, accompanying data and additional information covering the following matters, among others: the Adviser's investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund's short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, as well as in terms relative to its particular investment program and certain competitor or "peer group" funds and/or other benchmarks, as appropriate) and comments on the

reasons for performance; the Fund's investment objectives; the Fund's expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to similar and/or competing funds), with due regard for contractual or voluntary expense limitations; the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates. The Board also considered the preferences and expectations of Fund shareholders; the entrepreneurial and other risks assumed by the Adviser in sponsoring the Fund; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund's relationship to the Federated funds which include a comprehensive array of funds with different investment objectives, policies and strategies which are generally available for exchange without the incurrence of additional sales charges; compliance and audit reports concerning the Federated funds and the Federated companies that service them (including communications from regulatory agencies), as well as Federated's responses to any issues raised therein; and relevant developments in the mutual fund industry and how the Federated funds and/or Federated are responding to them. The Board's evaluation process is evolutionary. The criteria considered and the emphasis placed on relevant criteria change in recognition of changing circumstances in the mutual fund marketplace.

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged by other advisers for managing funds with comparable investment programs, the Board has found the use of such comparisons to be relevant to its deliberations. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, net advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated using data supplied by independent fund ranking organizations (the "Peer Group"). The Board received a description of the composition and methodology used to select the Peer Group. The Board focused on comparisons with other similar mutual funds more heavily than non-mutual fund products or services because it is believed that they are more relevant. For example, other mutual funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles. Also, they are the type of investment vehicle, in fact, chosen and maintained by the Fund's investors. The range of their fees and expenses, therefore, appears to be a relevant indicator of what consumers have found to be reasonable in the marketplace in which the Fund competes.

It was noted in the materials for the Board meeting that for the period covered by the CCO Fee Evaluation Report, the Fund's investment advisory fee was waived in its entirety. The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund with the Adviser and noted the position of the Fund's fee rates relative to its Peer Group. In this regard, the Board noted that the contractual advisory fee rate was above the median of the relevant Peer Group, but the Board noted that the investment advisory fee was waived in its entirety, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

For comparison, the CCO reviewed the fees charged by Federated for providing advisory services to products other than the Federated funds (e.g., institutional and separate accounts and third-party unaffiliated mutual funds for which Federated serves as sub-adviser) (referenced to as "Comparable Funds/Accounts"). With respect to Comparable Funds/Accounts other than third-party mutual funds, the CCO concluded that they are inherently different products. Those differences include, but are not limited to, different types of targeted investors; different applicable laws and regulations; different legal structures; different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; and the time spent by portfolio managers and their teams, as well as personnel in the Funds Financial Services, Legal, Compliance and Risk Management departments, in reviewing securities pricing, addressing different administrative responsibilities, addressing different degrees of risk associated with management and a variety of different costs. The CCO also reviewed the differences in the nature of the services required for Federated to manage its proprietary mutual fund business versus managing a discrete pool of assets as a sub-adviser to another institution's mutual fund, and that Federated generally performs significant additional services and assumes substantially greater risk in managing the Fund and other Federated funds than in its role as sub-adviser to an unaffiliated third-party mutual fund. The CCO did not consider the fees for providing advisory services to Comparable Funds/Accounts to be determinative in judging the appropriateness of the Federated funds' advisory fees.

The CCO noted that the services, administrative responsibilities and risks associated with such relationships are quite different than serving as a primary adviser to a fund.

Following such evaluation, and full deliberations, the Board concluded that the fees and expenses of the Fund are reasonable and supported renewal of the Fund's investment advisory contract.

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of the Adviser and its affiliates dedicated to the Fund. In this regard, the Board evaluated, among other things, the Adviser's personnel, experience, track record, overall reputation and willingness to invest in personnel and infrastructure that benefit the Fund. In

addition, the Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and the Adviser's ability and experience in attracting and retaining qualified personnel to service the Fund. The Board noted the compliance program of the Adviser and the compliance-related resources provided to the Fund by the Adviser, including the Adviser's commitment to respond to rulemaking initiatives of the SEC. The Fund's ability to deliver competitive performance when compared to its Peer Group was also deemed to be relevant by the Board as a useful indicator of how the Adviser is executing the Fund's investment program. The Adviser's ability to execute this program was one of the Board's considerations in reaching a conclusion that the nature, extent and quality of the Adviser's investment management services warrant the continuation of the investment advisory contract.

In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks, as disclosed in the Fund's prospectus. The Board considered detailed investment reports on the Fund's performance that were provided to the Board throughout the year and in connection with the May meetings. The CCO also reviewed information regarding the performance of other mutual funds in the Peer Group, noting the CCO's view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Adviser in managing the Fund. The Board considered, in evaluating such comparisons, that in some cases individual funds may exhibit significant and unique differences in their objectives and management techniques when compared to other funds within a Peer Group.

The Fund's performance fell below the median of the relevant Peer Group for the one-year, three-year and five-year periods covered by the CCO Fee Evaluation Report. The Board discussed the Fund's performance with the Adviser and recognized the efforts being taken by the Adviser in the context of other factors considered relevant by the Board.

Following such evaluation, and full deliberations, the Board concluded that the performance of the Fund supported renewal of the Fund's investment advisory contract.

The Board also received financial information about Federated, including information regarding the compensation and ancillary (or "fall-out") benefits Federated derived from its relationships with the Federated funds. This information covered not only the fees under the investment advisory contracts, but also fees received by Federated's subsidiaries for providing other services to the Federated funds under separate contracts (e.g., for serving as the Federated funds' administrator and distributor). In this regard, the Board considered that certain Federated subsidiaries provide distribution and shareholder services to the Federated funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The information also detailed any indirect benefit Federated may derive from its

receipt of research services from brokers who execute Federated fund trades. In addition, the Board considered the fact that, in order for a Federated fund to be competitive in the marketplace, the Adviser and its affiliates frequently waived fees and/or reimbursed expenses and have disclosed to Federated fund investors and/or indicated to the Board their intention to do so in the future. Moreover, the Board receives regular reporting as to the institution, adjustment or elimination of these voluntary waivers. The Board considered Federated's previous reductions in contractual management fees to certain Federated funds in response to the CCO's recommendations.

Federated furnished information, requested by the CCO, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the CCO. The CCO noted that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable, since a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated fund and may produce unintended consequences. The allocation information, including the CCO's view that fund-by-fund estimations may be unreliable, was considered in the evaluation by the Board.

The Board and the CCO also reviewed information compiled by Federated comparing its profitability information to other publicly held fund management companies, including information regarding profitability trends over time. In this regard, the CCO concluded that Federated's profit margins did not appear to be excessive. The CCO also noted that Federated appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Fund.

The CCO Fee Evaluation Report also discussed the notion of possible realization of "economies of scale" as a fund grows larger. In this regard, the Board considered that the Adviser has made significant and long-term investments in areas that support all of the Federated funds, such as personnel and processes for the portfolio management, shareholder services, compliance, internal audit and risk management functions, as well as systems technology (including technology relating to cybersecurity) and that the benefits of these efforts (as well as any economies of scale, should they exist) were likely to be shared with the Federated fund family as a whole. The Board noted that the Adviser's investments in these areas are extensive. In addition, the Board considered that the Adviser and its affiliates have frequently waived fees and/or reimbursed expenses and that this has allowed fund shareholders to share potential economies of scale with shareholders. The Board also considered that such waivers and reimbursements can provide protection from an increase in expenses if a Federated fund's assets decline. Federated, as it does throughout the year, and specifically in connection with the Board's review of the advisory and subadvisory contracts, furnished information relative to revenue sharing or

adviser-paid fees. Federated and the CCO noted that this information should be viewed to determine if there was an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, and should not be viewed to determine the appropriateness of advisory fees because it would represent marketing and distribution expenses. The Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which (as discussed in the CCO Fee Evaluation Report) is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with “breakpoints” that serve to reduce the fee as a fund attains a certain size.

The CCO stated that his observations and the information accompanying the CCO Fee Evaluation Report supported a finding by the Board that the management fee for the Fund was reasonable. Under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Fund’s investment advisory contract. The CCO also recognized that the Board’s evaluation of the Federated funds’ advisory and subadvisory arrangements is a continuing and on-going process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its on-going oversight of the Federated funds.

In its decision to continue an existing investment advisory contract, the Board was mindful of the potential disruptions of the Fund’s operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew an investment advisory contract. In particular, the Board recognized that many shareholders have invested in the Fund on the strength of the Adviser’s industry standing and reputation and with the expectation that the Adviser will have a continuing role in providing advisory services to the Fund. Thus, the Board’s approval of the investment advisory contract reflected the fact that it is the shareholders who have effectively selected the Adviser by virtue of having invested in the Fund. The Board concluded that, in light of the factors summarized above, including the nature, quality and scope of the services provided to the Fund by the Adviser and its affiliates, continuation of the investment advisory contract was appropriate.

The Board based its decision to approve the investment advisory contract on the totality of the circumstances and relevant factors and with a view to past and future long-term considerations. Not all of the factors and considerations identified above were necessarily relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were relevant, the Board’s decision to approve the continuation of the contract reflects its view that Federated’s performance and actions provided a satisfactory basis to support the decision to continue the existing arrangement.

## Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at [www.FederatedInvestors.com/FundInformation](http://www.FederatedInvestors.com/FundInformation). Form N-PX filings are also available at the SEC's website at [www.sec.gov](http://www.sec.gov).

## Quarterly Portfolio Schedule

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q." These filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov). You may also access this information via the link to the Fund and share class name at [www.FederatedInvestors.com/FundInformation](http://www.FederatedInvestors.com/FundInformation).

# Notes

# Notes

# Notes

*Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal.*

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

# **Federated**<sup>®</sup>

Federated Emerging Market Debt Fund  
Federated Investors Funds  
4000 Ericsson Drive  
Warrendale, PA 15086-7561

Contact us at **FederatedInvestors.com**  
or call 1-800-341-7400.

Federated Securities Corp., Distributor

*CUSIP 31428U771*

*CUSIP 31428U755*

*CUSIP 31428U615*

*G01949-01 (1/19)*

Federated is a registered trademark of Federated Investors, Inc.  
2019 ©Federated Investors, Inc.