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Annual Shareholder Report

September 30, 2019

Share Class | Ticker

A | FEKAX

Institutional | FEKIX

Federated Equity Advantage Fund

Fund Established 2016

A Portfolio of Federated High Yield Trust

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.

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**J. Christopher
Donahue**

President

Federated Equity
Advantage Fund

Letter from the President

Dear Valued Shareholder,

I am pleased to present the Annual Shareholder Report for your fund covering the period from October 1, 2018 through September 30, 2019. 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, 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 dark ink, appearing to read "J. Christopher Donahue". The signature is fluid and cursive.

J. Christopher Donahue, President

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Management's Discussion of Fund Performance (unaudited)

The total return of Federated Equity Advantage Fund (the "Fund"), based on net asset value for the 12-month reporting period ended September 30, 2019, was -9.95% for the Class A Shares and -9.69% for the Institutional Shares. The Russell 2000[®] Index (R2000),¹ a widely-used measure of small-cap U.S. equities, returned -8.89% during the same period. The total return of the Credit Suisse Leveraged Equity Index (CSLEI),² a measure of leveraged company stocks, was -10.53% during the same period. The total return for the Morningstar Small Value Funds Average (MSVFA),³ a peer group average for the Fund, was -9.38% during the same period. The Fund's and the MSVFA's total returns for the most recent fiscal period reflected actual cash flows, transaction costs and other expenses, which were not reflected in the total return of the R2000 and CSLEI.

For the reporting period, the most significant factor affecting the Fund's performance relative to the R2000 was its style, as the Fund targets leveraged company stocks. For example, the CSLEI's return of -10.53% underperformed the Russell 2500[®] Index (R2500),⁴ a widely-used measure of small to mid-cap U.S. equities and an index of similarly weighted market capitalizations as the CSLEI, which returned -4.07%.

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

MARKET OVERVIEW

During the reporting period, stock market returns were mixed depending on size, as larger-cap indices generated positive returns and smaller-cap indices generated negative returns. For example, the S&P 500 Index (S&P 500),⁵ a widely-used measure of large-cap U.S. equities, returned 4.25%, and the Russell Midcap[®] Index (RMID),⁶ a widely-used measure of mid-cap U.S. equities, returned 3.17%. However, the R2000 returned -8.89%, and the Russell Microcap[®] Index (RMICRO),⁷ a widely-used measure of micro-cap U.S. equities, returned -15.99%.

The trade war between the U.S. and China caused a slowdown in the U.S. and global economies. The reduction in economic growth and the fear of a global recession created a "risk-off" dynamic in U.S. equity markets that negatively impacted the equity prices of higher risk companies. For example, the CSLEI return of -10.53% underperformed the -4.07% return of the R2500, while the R2000 return of -8.89% and the RMICRO return of -15.99% underperformed the positive returns of the S&P 500 and RMID. Also, the Tax Cuts and Jobs Act, which was signed by President Trump in December 2017 and reduced the corporate tax rate from 35 to 21%, negatively impacted leveraged companies relative to less-leveraged companies, as leveraged companies did not benefit to the same extent from the lower tax rates.

POSITIONING AND STRATEGY

For the reporting period, the Fund's strategy of investing in leveraged company stocks had an overall negative impact on the Fund's benchmark-relative performance (versus the R2000), as leveraged company stocks underperformed non-leveraged stocks of similar capitalizations.

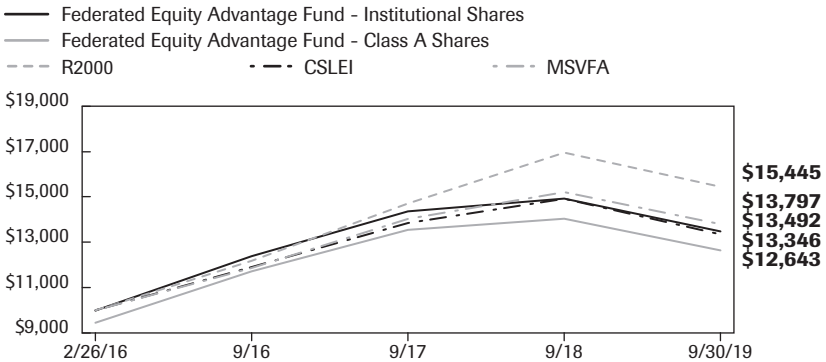
- 1 *Please see the footnotes to the line graphs below for definitions of, and further information about, the R2000.*
 - 2 *Please see the footnotes to the line graphs below for definitions of, and further information about, the CSLEI.*
 - 3 *Please see the footnotes to the line graphs below for definitions of, and further information about, the MSVFA.*
 - 4 *The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000[®] Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set.**
 - 5 *The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.**
 - 6 *The Russell Midcap[®] Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000[®] Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.**
 - 7 *The Russell Microcap[®] Index measures the performance of the microcap segment of the U.S. equity market. Microcap stocks make up less than 3% of the U.S. equity market (by market cap) and consist of the smallest 1,000 securities in the small-cap Russell 2000[®] Index, plus the next 1,000 smallest eligible securities by market cap. The Russell Microcap Index is constructed to provide a comprehensive and unbiased barometer for the microcap segment trading on national exchanges. The Index is completely reconstituted annually to ensure new and growing equities are reflected and companies continue to reflect appropriate capitalization and value characteristics.**
- * *The index is unmanaged, and it is not possible to invest directly in an index.*

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

The graph below illustrates the hypothetical investment of \$10,000¹ in the Federated Equity Advantage Fund from February 26, 2016 (start of performance) to September 30, 2019, compared to the Russell 2000[®] Index (R2000),² the Credit Suisse Leveraged Equity Index (CSLEI)³ and the Morningstar Small Value Funds Average (MSVFA).⁴ 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 September 30, 2019



■ Total returns shown for Class A Shares include the maximum sales charge of 5.50% (\$10,000 investment minus \$550 sales charge = \$9,450).

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 9/30/2019

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

	1 Year	Start of Performance*
Class A Shares	-14.90%	6.74%
Institutional Shares	-9.69%	8.68%
R2000	-8.89%	12.86%
CSLEI	-10.53%	8.39%**
MSVFA	-9.38%	9.32%

* The Fund's start of performance date was February 26, 2016.

** Total return for the CSLEI is from February 29, 2016 (first date following the Fund's commencement for which the return data is available).

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 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.

- 1 Represents a hypothetical investment of \$10,000 in the Fund after deducting applicable sales charges: for Class A Shares, the maximum sales charge of 5.50% (\$10,000 investment minus \$550 sales charge = \$9,450). The Fund's performance assumes the reinvestment of all dividends and distributions. The R2000, CSLEI and the MSVFA have been adjusted to reflect reinvestment of dividends on securities in the index and the average.*
- 2 The R2000 measures the performance of the small-cap segment of the U.S. equity universe. The R2000 is a subset of the Russell 3000[®] Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The R2000 is constructed to provide a comprehensive and unbiased small-cap barometer, and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The R2000 is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index. The R2000 is not adjusted to reflect sales charges, expenses or other fees that the Securities and Exchange Commission (SEC) requires to be reflected in the Fund's performance.*

- 3 *The CSLEI is an unmanaged market-weighted index designed to represent securities of the investable universe of the U.S. dollar denominated high-yield debt market. The CSLEI is not adjusted to reflect sales charges, expenses or other fees that the SEC requires to be reflected in the Fund's performance. The index is unmanaged, and unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index.*
- 4 *Morningstar figures represent the average of the total returns reported by all the 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.*

Portfolio of Investments Summary Table (unaudited)

At September 30, 2019, the Fund's sector composition¹ was as follows:

Sector Composition	Percentage of Total Net Assets
Materials	19.3%
Consumer Discretionary	18.6%
Information Technology	17.3%
Communication Services	12.2%
Energy	12.2%
Utilities	8.9%
Real Estate	3.3%
Industrials	2.9%
Health Care	2.8%
Cash Equivalents ²	4.3%
Other Assets and Liabilities—Net ³	(1.8)%
TOTAL	100.0%

- 1 Except for Cash Equivalents and Other Assets and Liabilities, sector classifications are based upon, and individual portfolio securities are assigned to, the classifications of the Global Industry Classification Standard (GICS) except that the Adviser assigns a classification to securities not classified by the GICS and to securities for which the Adviser does not have access to the classification made by the GICS.*
- 2 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.*
- 3 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*

Portfolio of Investments

September 30, 2019

Shares		Value
	COMMON STOCKS—97.5%	
	COMMUNICATION SERVICES—12.2%	
	Media—12.2%	
2,465	¹ Altice USA, Inc.	\$ 70,696
5,025	Emerald Expositions Events, Inc.	48,893
10,845	Entercom Communication Corp.	36,222
1,890	¹ iHeartMedia, Inc.	28,350
26,340	¹ Urban One, Inc.	52,417
	TOTAL COMMUNICATION SERVICES	236,578
	CONSUMER DISCRETIONARY—18.6%	
	Auto Components—8.4%	
5,215	¹ American Axle & Manufacturing Holdings, Inc.	42,867
4,595	Goodyear Tire & Rubber Co.	66,191
460	Lear Corp.	54,234
	TOTAL	163,292
	Hotels Restaurants & Leisure—6.2%	
3,350	Red Rock Resorts, Inc.	68,021
3,510	¹ Stars Group, Inc./The	52,580
	TOTAL	120,601
	Specialty Retail—2.3%	
7,825	¹ Party City Holdco, Inc.	44,681
	Textiles Apparel & Luxury Goods—1.7%	
2,230	Hanesbrands, Inc.	34,164
	TOTAL CONSUMER DISCRETIONARY	362,738
	ENERGY—12.2%	
	Oil Gas & Consumable Fuels—12.2%	
2,175	Enviva Partners LP/Enviva Partners Finance Corp.	69,491
4,415	¹ Jagged Peak Energy, Inc.	32,053
1,945	Parsley Energy, Inc.	32,676
2,175	Sunoco LP	68,404
3,240	¹ WPX Energy, Inc.	34,312
	TOTAL ENERGY	236,936
	HEALTH CARE—2.8%	
	Health Care Technology—0.7%	
835	¹ Inovalon Holdings, Inc.	13,686
	Pharmaceuticals—2.1%	
640	¹ Mallinckrodt PLC	1,542

Shares		Value
	COMMON STOCKS—continued	
	HEALTH CARE—continued	
	Pharmaceuticals—continued	
1,120	¹ Prestige Consumer Healthcare, Inc.	\$ 38,853
	TOTAL	40,395
	TOTAL HEALTH CARE	54,081
	INDUSTRIALS—2.9%	
	Machinery—2.9%	
2,050	Altra Holdings, Inc.	56,775
	INFORMATION TECHNOLOGY—17.3%	
	Communications Equipment—3.1%	
1,135	¹ Lumentum Holdings, Inc.	60,791
	Electronic Equipment Instruments & Components—9.3%	
1,050	¹ Anixter International, Inc.	72,576
358	CDW Corp.	44,120
5,270	¹ TTM Technologies, Inc.	64,267
	TOTAL	180,963
	Technology Hardware Storage & Peripherals—4.9%	
1,180	¹ Dell Technologies, Inc.	61,195
1,088	¹ NCR Corp.	34,337
	TOTAL	95,532
	TOTAL INFORMATION TECHNOLOGY	337,286
	MATERIALS—19.3%	
	Chemicals—3.2%	
2,140	¹ Koppers Holdings, Inc.	62,509
	Containers & Packaging—13.1%	
900	¹ Crown Holdings, Inc.	59,454
5,172	Graphic Packaging Holding Co.	76,287
4,532	Owens-Illinois, Inc.	46,544
1,969	WestRock Co.	71,770
	TOTAL	254,055
	Metals & Mining—3.0%	
3,590	Teck Resources Ltd.	58,266
	TOTAL MATERIALS	374,830
	REAL ESTATE—3.3%	
	Equity Real Estate Investment Trusts (REITs)—3.3%	
1,680	Gaming and Leisure Properties, Inc.	64,243
	UTILITIES—8.9%	
	Gas Utilities—3.5%	
2,877	Suburban Propane Partners LP	67,983

Shares		Value
	COMMON STOCKS—continued	
	UTILITIES—continued	
	Independent Power and Renewable Electricity Producers—5.4%	
1,500	NRG Energy, Inc.	\$ 59,400
1,705	Vistra Energy Corp.	45,575
	TOTAL	104,975
	TOTAL UTILITIES	172,958
	TOTAL COMMON STOCKS (IDENTIFIED COST \$1,990,197)	1,896,425
	INVESTMENT COMPANY—4.3%	
82,708	Federated Institutional Prime Value Obligations Fund, Institutional Shares, 2.06% ² (IDENTIFIED COST \$82,727)	82,724
	TOTAL INVESTMENT IN SECURITIES—101.8% (IDENTIFIED COST \$2,072,924) ³	1,979,149
	OTHER ASSETS AND LIABILITIES - NET—(1.8)% ⁴	(35,050)
	TOTAL NET ASSETS—100%	\$1,944,099

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 September 30, 2019, were as follows:

	Federated Institutional Prime Value Obligations Fund, Institutional Shares
Balance of Shares Held 9/30/2018	16,915
Purchases/Additions	518,617
Sales/Reductions	(452,824)
Balance of Shares Held 9/30/2019	82,708
Value	\$ 82,724
Change in Unrealized Appreciation/Depreciation	\$ (3)
Net Realized Gain/(Loss)	\$ (9)
Dividend Income	\$ 425

1 *Non-income-producing security.*

2 *7-day net yield.*

3 *The cost of investments for federal tax purposes amounts to \$2,063,859.*

4 *Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*

Note: The categories of investments are shown as a percentage of total net assets at September 30, 2019.

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.

At September 30, 2019, all investments of the Fund utilized Level 1 inputs, in valuing the Fund's assets carried at fair value.

See Notes which are an integral part of the Financial Statements

Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended September 30,			Period Ended
	2019	2018	2017	9/30/2016 ¹
Net Asset Value, Beginning of Period	\$13.76	\$13.61	\$12.40	\$10.00
Income From Investment Operations:				
Net investment income (loss) ²	0.10	0.08	(0.01)	(0.03)
Net realized and unrealized gain (loss)	(1.90)	0.42	1.88	2.43
TOTAL FROM INVESTMENT OPERATIONS	(1.80)	0.50	1.87	2.40
Less Distributions:				
Distributions from net investment income	(0.11)	—	—	—
Distributions from net realized gain	(2.81)	(0.35)	(0.66)	—
TOTAL DISTRIBUTIONS	(2.92)	(0.35)	(0.66)	—
Net Asset Value, End of Period	\$9.04	\$13.76	\$13.61	\$12.40
Total Return³	(9.95)%	3.63%	15.60%	24.00%
Ratios to Average Net Assets:				
Net expenses	1.22%	1.22%	1.23%	1.23% ⁴
Net investment income (loss)	1.04%	0.55%	(0.04)%	(0.46)% ⁴
Expense waiver/reimbursement ⁵	8.65%	5.52%	5.72%	7.47% ⁴
Supplemental Data:				
Net assets, end of period (000 omitted)	\$249	\$604	\$639	\$360
Portfolio turnover	51%	69%	82%	151%

1 Reflects operations for the period from February 26, 2016 (date of initial investment) to September 30, 2016.

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

3 Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.

4 Computed on an annualized basis.

5 This expense decrease is reflected in both the net expense and the net investment income (loss) 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)

	Year Ended September 30,			Period
	2019	2018	2017	Ended 9/30/2016 ¹
Net Asset Value, Beginning of Period	\$13.84	\$13.65	\$12.40	\$10.00
Income From Investment Operations:				
Net investment income ²	0.13	0.13	0.02	0.02
Net realized and unrealized gain (loss)	(1.92)	0.41	1.89	2.38
TOTAL FROM INVESTMENT OPERATIONS	(1.79)	0.54	1.91	2.40
Less Distributions:				
Distributions from net investment income	(0.15)	—	—	—
Distributions from net realized gain	(2.81)	(0.35)	(0.66)	—
TOTAL DISTRIBUTIONS	(2.96)	(0.35)	(0.66)	—
Net Asset Value, End of Period	\$9.09	\$13.84	\$13.65	\$12.40
Total Return³	(9.69)%	3.92%	15.94%	24.00%
Ratios to Average Net Assets:				
Net expenses	0.97%	0.97%	0.98%	0.98% ⁴
Net investment income	1.31%	0.70%	0.15%	0.23% ⁴
Expense waiver/reimbursement ⁵	8.82%	5.40%	5.79%	10.64% ⁴
Supplemental Data:				
Net assets, end of period (000 omitted)	\$1,695	\$2,055	\$2,619	\$1,606
Portfolio turnover	51%	69%	82%	151%

1 Reflects operations for the period from February 26, 2016 (date of initial investment) to September 30, 2016.

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

3 Based on net asset value. Total returns for periods of less than one year are not annualized.

4 Computed on an annualized basis.

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

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

September 30, 2019

Assets:

Investment in securities, at value including \$82,724 of investment in an affiliated holding (identified cost \$2,072,924)	\$1,979,149
Income receivable	736
Income receivable from affiliated holding	106
Receivable for investments sold	26,718
Receivable for shares sold	375
TOTAL ASSETS	2,007,084

Liabilities:

Payable for investments purchased	\$19,007
Payable to adviser (Note 5)	683
Payable for custodian fees	3,990
Payable for legal fees	2,786
Payable for portfolio accounting fees	26,988
Payable for other service fees (Notes 2 and 5)	124
Payable for share registration costs	8,206
Accrued expenses (Note 5)	1,201
TOTAL LIABILITIES	62,985

Net assets for 214,080 shares outstanding \$1,944,099

Net Assets Consist of:

Paid-in capital	\$2,040,352
Total distributable earnings (loss)	(96,253)
TOTAL NET ASSETS	\$1,944,099

Net Asset Value, Offering Price and Redemption Proceeds Per Share

Class A Shares:

Net asset value per share (\$248,688 ÷ 27,497 shares outstanding), no par value, unlimited shares authorized	\$9.04
Offering price per share (100/94.50 of \$9.04)	\$9.57
Redemption proceeds per share	\$9.04

Institutional Shares:

Net asset value per share (\$1,695,411 ÷ 186,583 shares outstanding), no par value, unlimited shares authorized	\$9.09
Offering price per share	\$9.09
Redemption proceeds per share	\$9.09

See Notes which are an integral part of the Financial Statements

Statement of Operations

Year Ended September 30, 2019

Investment Income:

Dividends (including \$425 received from an affiliated holding* and net of foreign taxes withheld of \$541)	\$ 48,525
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Expenses:

Investment adviser fee (Note 5)	\$ 18,103
Administrative fee (Note 5)	1,818
Custodian fees	6,389
Transfer agent fee	4,663
Directors'/Trustees' fees (Note 5)	3,518
Auditing fees	34,820
Legal fees	11,594
Portfolio accounting fees	64,224
Other service fees (Notes 2 and 5)	982
Share registration costs	36,538
Printing and postage	16,049
Taxes	243
Miscellaneous (Note 5)	9,994
TOTAL EXPENSES	208,935

Waiver and Reimbursements:

Waiver/reimbursement of investment adviser fee (Note 5)	\$ (18,103)
Reimbursement of other operating expenses (Note 5)	(169,087)
TOTAL WAIVER AND REIMBURSEMENTS	(187,190)

Net expenses	21,745
Net investment income	26,780

Realized and Unrealized Gain (Loss) on Investments and Foreign Currency Transactions:

Net realized loss on investments (including net realized loss of \$(9) on sales of investments in an affiliated holding*)	(22,105)
Net realized loss on foreign currency transactions	(5)
Net change in unrealized appreciation of investments (including net change in unrealized depreciation of \$(3) on investments in an affiliated holding*)	(274,967)
Net realized and unrealized loss on investments and foreign currency transactions	(297,077)
Change in net assets resulting from operations	\$(270,297)

* 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 September 30	2019	2018
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 26,780	\$ 21,626
Net realized gain (loss)	(22,110)	458,232
Net change in unrealized appreciation/depreciation	(274,967)	(354,757)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(270,297)	125,101
Distributions to Shareholders (Note 2):		
Class A Shares	(108,898)	(16,145)
Institutional Shares	(402,900)	(75,666)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(511,798)	(91,811)
Share Transactions:		
Proceeds from sale of shares	174,371	1,104,410
Net asset value of shares issued to shareholders in payment of distributions declared	477,038	88,036
Cost of shares redeemed	(583,367)	(1,825,765)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	68,042	(633,319)
Change in net assets	(714,053)	(600,029)
Net Assets:		
Beginning of period	2,658,152	3,258,181
End of period	\$1,944,099	\$ 2,658,152

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

September 30, 2019

1. ORGANIZATION

Federated High Yield Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of two portfolios. The financial statements included herein are only those of Federated Equity Advantage Fund (the "Fund"), a non-diversified portfolio. The financial statements of the other portfolio 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 two classes of shares: Class A 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 capital appreciation.

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:

- 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.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.
- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Fund's Board of Trustees (the "Trustees").
- 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 Trustees.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Trustees, 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 Trustees have ultimate responsibility for determining the fair value of investments for which market quotations are not readily available. The Trustees 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 Trustees 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 Trustees. The Trustees 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 Trustees.

The Trustees 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 traded principally 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 Trustees have adopted procedures whereby the Valuation Committee uses a pricing service to provide factors to update the fair value of equity securities traded principally in foreign markets from the time of the close of their respective foreign stock exchanges to the pricing time of the Fund. 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 Trustees. The Trustees 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 Fund's 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 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 annually. 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 and reimbursements of \$187,190 is disclosed in Note 5.

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 September 30, 2018, were from net realized gains. Undistributed net investment income at September 30, 2018, was \$25,887.

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 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 September 30, 2019, the Fund's Class A Shares incurred other service fees of \$982.

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 September 30, 2019, 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 September 30, 2019, tax years 2016 through 2019 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

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.

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 fiscal year end, resulting from changes in the exchange rate.

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. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Year Ended 9/30/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold	5,822	\$ 62,203	2,273	\$ 31,741
Shares issued to shareholders in payment of distributions declared	13,834	108,876	1,151	16,142
Shares redeemed	(36,005)	(354,939)	(6,553)	(90,420)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	(16,349)	\$(183,860)	(3,129)	\$(42,537)

	Year Ended 9/30/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Institutional Shares:				
Shares sold	12,058	\$ 112,168	76,397	\$ 1,072,669
Shares issued to shareholders in payment of distributions declared	46,662	368,162	5,114	71,894
Shares redeemed	(20,622)	(228,428)	(124,915)	(1,735,345)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	38,098	\$ 251,902	(43,404)	\$ (590,782)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	21,749	\$ 68,042	(46,533)	\$ (633,319)

4. FEDERAL TAX INFORMATION

The accounting treatment of certain items in accordance with income tax regulations may differ from the accounting treatment in accordance with GAAP which may result in permanent differences. In the case of the Fund, such differences primarily result from excise tax distribution requirements.

For the year ended September 30, 2019, permanent differences identified and reclassified among the components of net assets were as follows:

Increase (Decrease)	Total Distributable Earnings (Loss)
Paid-In Capital	
\$(61,882)	\$61,882

Net investment income (loss), net realized gains (losses), and net assets were not affected by this reclassification.

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended September 30, 2019 and 2018, was as follows:

	2019	2018
Ordinary income ¹	\$119,626	\$10,202
Long-term capital gains	\$392,172	\$81,609

¹ For tax purposes, short-term capital gains distributions are considered ordinary income distributions.

As of September 30, 2019, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 29,401
Unrealized appreciation (depreciation)	\$(84,710)
Capital loss carryforwards	\$(40,944)

The difference between book-basis and tax-basis net unrealized appreciation/depreciation is attributable to differing treatments for the deferral of losses on wash sales, non-taxable dividends and partnership adjustments.

At September 30, 2019, the cost of investments for federal tax purposes was \$2,063,859. The net unrealized depreciation of investments for federal tax purposes was \$84,710. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$195,677 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$280,387.

As of September 30, 2019, the Fund had a capital loss carryforward of \$40,944 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, these net capital losses retain their character as either short-term or long-term and do not expire.

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

Short-Term	Long-Term	Total
\$13,308	\$27,636	\$40,944

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 of the Fund. For the year ended September 30, 2019, the Adviser voluntarily waived \$18,090 of its fee and voluntarily reimbursed \$169,087 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 September 30, 2019, the Adviser reimbursed \$13.

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:

Administrative Fee	Average Daily Net Assets of the Investment Complex
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. For the year ended September 30, 2019, the annualized fee paid to FAS was 0.085% of average daily net assets of the Fund.

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 A Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at 0.05% 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.

For the year ended September 30, 2019, the Fund's Class A Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

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 September 30, 2019, FSC did not retain sales charges from the sale of the Class A Shares.

Other Service Fees

For the year ended September 30, 2019, FSSC received \$134 of the other service fees disclosed in Note 2.

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 interest expense, extraordinary expenses and proxy-related expenses paid by the Fund, if any) paid by the Fund's Class A Shares and Institutional Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.22% and 0.97% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) December 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 Trustees.

Directors'/Trustees' and Miscellaneous Fees

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Independent 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 Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended September 30, 2019, were as follows:

Purchases	\$1,093,386
Sales	\$1,570,317

7. 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 September 30, 2019, there were no outstanding loans. During the year ended September 30, 2019, the program was not utilized.

8. FEDERAL TAX INFORMATION (UNAUDITED)

For the fiscal year ended September 30, 2019, 27.93% of total ordinary income distributions made by the Fund are qualifying dividends which may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Act of 2003. Complete information is reported in conjunction with the reporting of your distributions on Form 1099-DIV.

For the year ended September 30, 2019, the amount of long-term capital gains designated by the Fund was \$392,172.

Of the ordinary income distributions made by the Fund during the year ended September 30, 2019, 24.19% qualify for the dividend received deduction available to corporate shareholders.

Report of Independent Registered Public Accounting Firm

TO THE BOARD OF TRUSTEES OF FEDERATED HIGH YIELD TRUST AND SHAREHOLDERS OF FEDERATED EQUITY ADVANTAGE FUND:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the Federated Equity Advantage Fund (the “Fund”), a portfolio of Federated High Yield Trust, as of September 30, 2019, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two year period then ended, and the related notes (collectively, the “financial statements”) and the financial highlights for each of the years or periods in the four year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of September 30, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two year period then ended, and the financial highlights for each of the years or periods in the four year period then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights 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 the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, 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 and financial highlights. Such procedures also included confirmation of securities owned as of September 30, 2019, by correspondence with the custodian and brokers, or by other appropriate auditing procedures. 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 and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor of one or more of Federated Investors' investment companies since 2006.

Boston, Massachusetts
November 21, 2019

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur 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 April 1, 2019 to September 30, 2019.

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. 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.

	Beginning Account Value 4/1/2019	Ending Account Value 9/30/2019	Expenses Paid During Period ¹
Actual:			
Class A Shares	\$1,000	\$ 980.50	\$6.06
Institutional Shares	\$1,000	\$ 982.70	\$4.82
Hypothetical (assuming a 5% return before expenses):			
Class A Shares	\$1,000	\$1,018.95	\$6.17
Institutional Shares	\$1,000	\$1,020.20	\$4.91

¹ 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	1.22%
Institutional Shares	0.97%

Board of Trustees and Trust Officers

The Board of Trustees is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are "interested persons" of the Fund (i.e., "Interested" Trustees) and those who are not (i.e., "Independent" Trustees). Unless otherwise noted, the address of each person listed is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2018, the Trust comprised two 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 Trustee 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 Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400.

INTERESTED TRUSTEES BACKGROUND

Name	
Birth Date	
Positions Held with Fund	Principal Occupation(s) for Past Five Years,
Date Service Began	Other Directorships Held and Previous Position(s)
J. Christopher Donahue*	
Birth Date: April 11, 1949	
PRESIDENT AND TRUSTEE	
Indefinite Term	
Began serving: March 1999	
	Principal Occupations: 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.
	Previous Positions: 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.

Name	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
Birth Date Positions Held with Fund Date Service Began John B. Fisher* Birth Date: May 16, 1956 TRUSTEE Indefinite Term Began serving: May 2016	<p>Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Fund Family; Director or Trustee of certain of the Funds in the Federated Fund Family; Vice President, Federated Investors, Inc.; President, Director/Trustee and CEO, Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company; President of some of the Funds in the Federated Fund Complex and Director, Federated Investors Trust Company.</p> <p>Previous Positions: President and Director of the Institutional Sales Division of Federated Securities Corp.; President and Director of Federated Investment Counseling; President and CEO of Passport Research, Ltd.; Director, Edgewood Securities Corp.; Director, Federated Services Company; Director, Federated Investors, Inc.; Chairman and Director, Southpointe Distribution Services, Inc. and President, Technology, Federated Services Company.</p>

* *Reasons for “interested” status: J. Christopher Donahue and John B. Fisher are interested due to their beneficial ownership of shares of Federated Investors, Inc. and due to positions they hold with Federated and its subsidiaries.*

INTERESTED TRUSTEES BACKGROUND

Name	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
Birth Date Positions Held with Fund Date Service Began John T. Collins Birth Date: January 24, 1947 TRUSTEE Indefinite Term Began serving: October 2013	<p>Principal Occupations: Director or Trustee of the Federated Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired).</p> <p>Other Directorships Held: Director, Chairman of the Compensation Committee, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace).</p> <p>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).</p>

Name	Birth Date	Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
G. Thomas Hough	Birth Date: February 28, 1955	TRUSTEE Indefinite Term Began serving: August 2015	<p>Principal Occupations: Director or Trustee of the Federated Fund Family; formerly, Vice Chair, Ernst & Young LLP (public accounting firm) (Retired).</p> <p>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, Haverly Furniture Companies, Inc.</p> <p>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.</p>
Maureen Lally-Green	Birth Date: July 5, 1949	TRUSTEE Indefinite Term Began serving: August 2009	<p>Principal Occupations: Director or Trustee of the Federated Fund Family; Adjunct Professor of Law, Duquesne University School of Law; formerly, Dean of the Duquesne University School of Law and Professor of Law and Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p>Other Directorships Held: Director, CNX Resources Corporation (formerly known as CONSOL Energy Inc.).</p> <p>Qualifications: Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career. Judge Lally-Green previously held the position of Dean of the School of Law of Duquesne University (as well as Interim Dean). 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>
Charles F. Mansfield, Jr.	Birth Date: April 10, 1945	TRUSTEE Indefinite Term Began serving: April 1999	<p>Principal Occupations: Director or Trustee of the Federated Fund Family; Management Consultant and Author.</p> <p>Other Directorships Held: None.</p> <p>Qualifications: 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>

Name	Birth Date	Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
Thomas M. O'Neill	Birth Date: June 14, 1951	TRUSTEE Indefinite Term Began serving: August 2006	<p>Principal Occupations: Director or Trustee, Chair of the Audit Committee of the Federated Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: 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>
P. Jerome Richey	Birth Date: February 23, 1949	TRUSTEE Indefinite Term Began serving: October 2013	<p>Principal Occupations: 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>Other Directorships Held: None.</p> <p>Qualifications: 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 & Rooney PC (a law firm).</p>
John S. Walsh	Birth Date: November 28, 1957	TRUSTEE Indefinite Term Began serving: April 1999	<p>Principal Occupations: 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>Other Directorships Held: None.</p> <p>Qualifications: Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh & Kelly, Inc. (paving contractors).</p>

OFFICERS

Name

Birth Date

**Positions Held with Fund
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.

Name**Birth Date****Positions Held with Fund****Date Service Began****Principal Occupation(s) for Past Five Years
and Previous Position(s)**

Robert J. Ostrowski

Birth Date: April 26, 1963

CHIEF INVESTMENT OFFICER
Officer since: May 2004

Principal Occupations: 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 2019

FEDERATED EQUITY ADVANTAGE FUND (THE “FUND”)

At its meetings in May 2019, the Fund’s Board of Trustees (the “Board”), including a majority of those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), 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.

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the CCO) furnished to the Board in advance of its May 2019 meetings an independent written evaluation presenting on the topics discussed below. 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. 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 Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer,” prior to the elimination of the Senior Officer position in December 2017.

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 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 Investment Management Company (the “Adviser”) and its affiliates (collectively, “Federated”) on matters relating to the funds advised by Federated (each, a “Federated Fund”). The Independent Trustees 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 Trustees encompassing a wide variety of topics. At the May meetings, in addition to meeting in separate sessions of the Independent Trustees without management present, senior management of the Adviser also met with the Independent Trustees and their counsel to discuss the materials presented and such additional matters as the Independent Trustees 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 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 below the median of the relevant Peer Group and the Board was satisfied that the overall expense structure of the Fund remained competitive.

For comparison, the CCO reviewed the fees charged by Federated for providing advisory services to products other than the Federated Funds (e.g., institutional 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 risks 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.

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, financial resources, 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 investment research and company engagement capabilities of the Adviser and its affiliates. The Board also 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 there may be differences in the funds' objectives or investment management techniques, or the costs to implement the funds, even within the same Peer Group.

The Fund's performance fell below the median of the relevant Peer Group for the one-year period 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 in the prior year's CCO Fee Evaluation Report.

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, the difficulties of calculating economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated 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 investments (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 Federated'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 potential economies of scale to be shared 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. 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. Form N-PX filings are also available at the SEC's website at www.sec.gov.

Quarterly Portfolio Schedule

Each fiscal quarter, the Fund will file with the SEC a complete schedule of its monthly portfolio holdings on "Form N-PORT." The Fund's holdings as of the end of the third month of every fiscal quarter, as reported on Form N-PORT, will be publicly available on the SEC's website at www.sec.gov within 60 days of the end of the fiscal quarter upon filing. You may also access this information via the link to the Fund and share class name at www.FederatedInvestors.com.

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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[®]

Federated Equity Advantage Fund
Federated Investors Funds
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Pittsburgh, PA 15237-7000

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

Federated Securities Corp., Distributor

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