

# Semi-Annual Shareholder Report

January 31, 2019

Share Class | Ticker

**A** | GRAXX  
**F** | GRGXX

**B** | GRBXX  
**P** | GRFX

**C** | GRCXX

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## Federated Government Reserves Fund

*Fund Established 2005*

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A Portfolio of Money Market Obligations Trust

### IMPORTANT NOTICE REGARDING REPORT DELIVERY

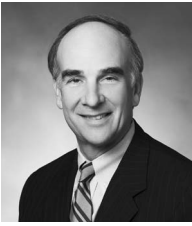
Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, 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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**Not FDIC Insured • May Lose Value • No Bank Guarantee**



**J. Christopher  
Donahue**

*President*

Federated Government  
Reserves Fund

## Letter from the President

Dear Valued Shareholder,

I am pleased to present the Semi-Annual Shareholder Report for your fund covering the period from August 1, 2018 through January 31, 2019. This report includes a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

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

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

Sincerely,

A handwritten signature in cursive script that reads "J. Christopher Donahue". The ink is dark and the signature is fluid and legible.

J. Christopher Donahue, President

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# In Memoriam

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

## **RICHARD B. FISHER**

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

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

# Portfolio of Investments Summary Tables (unaudited)

At January 31, 2019, the Fund's portfolio composition<sup>1</sup> was as follows:

<b>Security Type</b>	<b>Percentage of Total Net Assets</b>
Repurchase Agreements	49.9%
U.S. Government Agency Securities	39.9%
U.S. Treasury Securities	10.8%
Other Assets and Liabilities—Net <sup>2</sup>	(0.6)%
<b>TOTAL</b>	<b>100.0%</b>

At January 31, 2019, the Fund's effective maturity<sup>3</sup> schedule was as follows:

<b>Securities With an Effective Maturity of:</b>	<b>Percentage of Total Net Assets</b>
1-7 Days	65.2%
8-30 Days	17.5%
31-90 Days	13.5%
91-180 Days	1.7%
181 Days or more	2.7%
Other Assets and Liabilities—Net <sup>2</sup>	(0.6)%
<b>TOTAL</b>	<b>100.0%</b>

- <sup>1</sup> See the Fund's Prospectus and Statement of Additional Information for more complete information regarding these security types.
- <sup>2</sup> Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- <sup>3</sup> Effective maturity is determined in accordance with the requirements of Rule 2a-7 under the Investment Company Act of 1940, which regulates money market mutual funds.

# Portfolio of Investments

January 31, 2019 (unaudited)

Principal Amount		Value
	GOVERNMENT AGENCIES—39.9%	
\$ 135,250,000	<sup>1</sup> Federal Farm Credit System Discount Notes, 2.190% - 2.670%, 2/8/2019 - 12/9/2019	\$ 134,432,641
50,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.423% - 2.434% (1-month USLIBOR -0.080%), 2/13/2019 - 2/27/2019	49,996,434
74,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.424% - 2.435% (1-month USLIBOR -0.085%), 2/1/2019 - 2/15/2019	73,999,633
91,500,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.432% - 2.514% (1-month USLIBOR +0.000%), 2/13/2019 - 2/14/2019	91,500,000
50,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.435% - 2.449% (1-month USLIBOR -0.065%), 2/12/2019 - 2/28/2019	49,999,343
10,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.447% (1-month USLIBOR -0.055%), 2/27/2019	9,999,573
30,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.447% (1-month USLIBOR -0.060%), 2/4/2019	29,999,344
39,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.458% - 2.469% (1-month USLIBOR -0.045%), 2/12/2019 - 2/21/2019	38,999,971
40,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.461% - 2.466% (1-month USLIBOR -0.043%), 2/15/2019 - 2/21/2019	39,999,958
22,800,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.472% (1-month USLIBOR -0.041%), 2/6/2019	22,800,000
56,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.474% (1-month USLIBOR -0.040%), 2/13/2019	55,999,877
8,500,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.481% (1-month USLIBOR -0.030%), 2/9/2019	8,500,000
20,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.500% (1-month USLIBOR -0.020%), 2/4/2019	19,999,337
20,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.507% (1-month USLIBOR +0.005%), 2/27/2019	19,999,099
35,000,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.508% (1-month USLIBOR +0.001%), 2/4/2019	34,998,618
14,500,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 2.670% (1-month USLIBOR +0.150%), 2/1/2019	14,502,152
144,500,000	<sup>1</sup> Federal Home Loan Bank System Discount Notes, 2.359% - 2.440%, 3/25/2019 - 5/17/2019	143,788,152
165,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.302% - 2.312% (3-month USLIBOR -0.280%), 2/4/2019 - 2/6/2019	165,000,000
232,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.314% - 2.497% (3-month USLIBOR -0.275%), 2/7/2019 - 4/23/2019	232,000,000
98,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.331% - 2.587% (3-month USLIBOR -0.210%), 2/1/2019 - 4/9/2019	98,000,000

Principal Amount		Value
	GOVERNMENT AGENCIES—continued	
\$ 75,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.378% (1-month USLIBOR -0.135%), 2/6/2019	\$ 75,000,000
177,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.378% - 2.389% (1-month USLIBOR -0.125%), 2/4/2019 - 2/21/2019	177,000,000
50,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.387% (1-month USLIBOR -0.120%), 2/4/2019	50,000,000
11,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.391% (1-month USLIBOR -0.130%), 2/8/2019	11,000,000
70,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.395% (1-month USLIBOR -0.115%), 2/25/2019	70,000,000
10,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.396% (1-month USLIBOR -0.110%), 2/22/2019	10,000,113
110,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.398% - 2.407% (1-month USLIBOR -0.105%), 2/19/2019 - 2/23/2019	110,000,000
31,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.410% (Secured Overnight Financing Rate +0.020%), 2/1/2019	31,000,000
150,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.422% - 2.423% (1-month USLIBOR -0.080%), 2/19/2019 - 2/26/2019	150,000,000
85,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.426% (1-month USLIBOR -0.085%), 2/9/2019	85,000,000
10,500,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.430% (3-month USLIBOR -0.185%), 2/10/2019	10,500,000
46,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.430% (Secured Overnight Financing Rate +0.040%), 2/1/2019	46,000,000
52,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.438% - 2.456% (1-month USLIBOR -0.065%), 2/3/2019 - 2/8/2019	51,998,254
23,250,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.448% (1-month USLIBOR -0.055%), 2/20/2019	23,250,000
76,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.453% - 2.459% (1-month USLIBOR -0.060%), 2/11/2019 - 2/18/2019	76,000,000
42,500,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.457% (3-month USLIBOR -0.340%), 4/9/2019	42,500,000
126,700,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.457% - 2.475% (1-month USLIBOR -0.045%), 2/01/2019 - 2/28/2019	126,699,774
176,250,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.457% - 2.463% (1-month USLIBOR -0.050%), 2/3/2019 - 2/19/2019	176,250,000
25,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.466% (1-month USLIBOR -0.040%), 2/22/2019	25,000,000
30,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.478% (1-month USLIBOR -0.025%), 2/20/2019	30,000,000
106,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.483% - 2.508% (3-month USLIBOR -0.300%), 4/3/2019 - 4/10/2019	106,000,000
36,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.484% (3-month USLIBOR -0.295%), 4/16/2019	36,000,000

Principal Amount		Value
	GOVERNMENT AGENCIES—continued	
\$ 87,600,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.487% (3-month USLIBOR -0.265%), 4/29/2019	\$ 87,600,000
55,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.519% (3-month USLIBOR -0.260%), 4/16/2019	55,000,000
59,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.529% - 2.547% (3-month USLIBOR -0.160%), 2/24/2019 - 2/28/2019	58,996,585
55,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.541% (3-month USLIBOR -0.230%), 4/25/2019	55,005,367
18,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.611% (3-month USLIBOR -0.150%), 4/22/2019	18,000,000
77,250,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 2.652% - 2.673% (3-month USLIBOR -0.140%), 3/19/2019 - 3/26/2019	77,256,759
188,250,000	Federal Home Loan Bank System Notes, 2.400% - 2.500%, 5/20/2019 - 11/4/2019	188,240,234
36,325,000	<sup>2</sup> Federal National Mortgage Association Floating Rate Notes, 2.510% (Secured Overnight Financing Rate +0.120%), 2/1/2019	36,325,000
22,600,000	<sup>2</sup> Federal National Mortgage Association Floating Rate Notes, 2.550% (Secured Overnight Financing Rate +0.160%), 2/1/2019	22,600,000
	<b>TOTAL GOVERNMENT AGENCIES</b>	<b>3,452,736,218</b>
	U.S. TREASURY—10.8%	
170,000,000	<sup>1</sup> United States Treasury Bills, 2.180%, 2/7/2019	169,938,233
50,000,000	<sup>1</sup> United States Treasury Bills, 2.180%, 2/14/2019	49,960,639
100,000,000	<sup>1</sup> United States Treasury Bills, 2.241%, 3/7/2019	99,788,350
100,000,000	<sup>1</sup> United States Treasury Bills, 2.262%, 3/14/2019	99,742,383
80,000,000	<sup>1</sup> United States Treasury Bills, 2.311%, 3/21/2019	79,753,493
84,000,000	<sup>1</sup> United States Treasury Bills, 2.415%, 4/18/2019	83,571,740
22,500,000	<sup>2</sup> United States Treasury Floating Rate Notes, 2.422% (91-day T-Bill +0.033%), 2/5/2019	22,502,194
106,250,000	<sup>2</sup> United States Treasury Floating Rate Notes, 2.434% (91-day T-Bill +0.045%), 2/5/2019	106,173,419
42,500,000	<sup>2</sup> United States Treasury Floating Rate Notes, 2.504% (91-day T-Bill +0.115%), 2/5/2019	42,500,000
75,000,000	United States Treasury Notes, 1.375% - 1.500%, 2/28/2019	74,953,632
35,000,000	United States Treasury Notes, 1.500%, 10/31/2019	34,695,480
73,700,000	United States Treasury Notes, 3.625%, 8/15/2019	74,103,844
	<b>TOTAL U.S. TREASURY</b>	<b>937,683,407</b>
	REPURCHASE AGREEMENTS—49.9%	
200,000,000	Repurchase agreement, 2.600% dated 1/31/2019 under which ABN Amro Bank N.V. will repurchase the securities provided as collateral for \$200,014,444 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Government Agency securities with various maturities to 7/16/2058 and the market value of those underlying securities was \$205,766,849.	200,000,000



Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$ 258,300,000	Interest in \$575,000,000 joint repurchase agreement, 2.560% dated 1/31/2019 under which Barclays Bank PLC will repurchase the securities provided as collateral for \$575,040,889 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury securities with various maturities to 5/31/2025 and the market value of those underlying securities was \$586,541,792.	\$ 258,300,000
50,000,000	Repurchase agreement, 2.450% dated 1/9/2019 under which Barclays Bank PLC will repurchase the securities provided as collateral for \$50,102,083 on 2/8/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury securities with various maturities to 2/28/2023 and the market value of those underlying securities was \$51,100,668.	50,000,000
100,000,000	Repurchase agreement, 2.560% dated 1/31/2019 under which Barclays Capital, Inc will repurchase the securities provided as collateral for \$100,007,111 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury securities with various maturities to 11/15/2047 and the market value of those underlying securities was \$102,007,308.	100,000,000
150,000,000	Interest in \$200,000,000 joint repurchase agreement, 2.580% dated 1/31/2019 under which BMO Harris Bank, N.A. will repurchase the securities provided as collateral for \$200,014,333 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Government Agency securities with various maturities to 2/25/2036 and the market value of those underlying securities was \$206,445,330.	150,000,000
150,000,000	Interest in \$250,000,000 joint repurchase agreement, 2.580% dated 1/30/2019 under which BNP Paribas SA will repurchase the securities provided as collateral for \$250,035,833 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury and U.S. Government Agency securities with various maturities to 8/15/2040 and the market value of those underlying securities was \$255,018,278.	150,000,000
2,771,000	Interest in \$3,000,000 joint repurchase agreement, 2.600% dated 1/31/2019 under which BNP Paribas SA will repurchase the securities provided as collateral for \$3,000,217 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury securities with various maturities to 8/15/2019 and the market value of those underlying securities was \$3,060,230.	2,771,000
75,000,000	Repurchase agreement, 2.450% dated 1/9/2019 under which BNP Paribas SA will repurchase the securities provided as collateral for \$75,311,354 on 3/11/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury and U.S. Government Agency securities with various maturities to 1/1/2049 and the market value of those underlying securities was \$76,657,825.	75,000,000

Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$ 100,000,000	Repurchase agreement, 2.470% dated 1/2/2019 under which BNP Paribas SA will repurchase the securities provided as collateral for \$100,205,833 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury and U.S. Government Agency securities with various maturities to 11/20/2048 and the market value of those underlying securities was \$102,229,387.	\$ 100,000,000
50,000,000	Repurchase agreement, 2.470% dated 12/27/2018 under which BNP Paribas SA will repurchase the securities provided as collateral for \$50,308,750 on 3/27/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Government Agency securities with various maturities to 11/20/2048 and the market value of those underlying securities was \$51,125,979.	50,000,000
500,000,000	Repurchase agreement, 2.410% dated 1/29/2019 under which Citigroup Global Markets, Inc. will repurchase the securities provided as collateral for \$500,234,306 on 2/5/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Government Agency securities with various maturities to 12/20/2068 and the market value of those underlying securities was \$515,102,545.	500,000,000
2,000,000,000	Repurchase agreement, 2.560% dated 1/31/2019 under which Fixed Income Clearing Corporation will repurchase the securities provided as collateral for \$2,000,142,222 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury securities with various maturities to 11/15/2045 and the market value of those underlying securities was \$2,040,000,030.	2,000,000,000
27,500,000	Repurchase agreement, 2.580% dated 1/31/2019 under which HSBC Securities (USA), Inc. will repurchase the securities provided as collateral for \$27,501,971 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury securities with various maturities to 1/30/2020 and the market value of those underlying securities was \$28,050,005.	27,500,000
54,000,000	Interest in \$300,000,000 joint repurchase agreement, 2.550% dated 1/31/2019 under which Merrill Lynch, Pierce, Fenner & Smith, Inc. will repurchase the securities provided as collateral for \$300,021,250 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury and U.S. Government Agency securities with various maturities to 7/15/2027 and the market value of those underlying securities was \$306,021,718.	54,000,000
250,000,000	Repurchase agreement, 2.580% dated 1/31/2019 under which Natixis Financial Products LLC will repurchase the securities provided as collateral for \$250,017,917 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Treasury and U.S. Government Agency securities with various maturities to 8/16/2058 and the market value of those underlying securities was \$255,123,045.	250,000,000

Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$ 300,000,000	Repurchase agreement, 2.590% dated 1/31/2019 under which Wells Fargo Securities LLC will repurchase the securities provided as collateral for \$300,021,583 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Government Agency securities with various maturities to 2/1/2049 and the market value of those underlying securities was \$306,022,015.	\$ 300,000,000
50,000,000	Repurchase agreement, 2.590% dated 1/31/2019 under which Wells Fargo Securities LLC will repurchase the securities provided as collateral for \$50,003,597 on 2/1/2019. The securities provided as collateral at the end of the period held with BNY Mellon, tri-party agent, were U.S. Government Agency securities with various maturities to 1/20/2049 and the market value of those underlying securities was \$51,003,669.	50,000,000
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<b>4,317,571,000</b>
	<b>TOTAL INVESTMENT IN SECURITIES—100.6% (AT AMORTIZED COST)<sup>3</sup></b>	<b>8,707,990,625</b>
	<b>OTHER ASSETS AND LIABILITIES - NET—(0.6)%<sup>4</sup></b>	<b>(51,863,552)</b>
	<b>TOTAL NET ASSETS—100%</b>	<b>\$8,656,127,073</b>

1 *Discount rate at time of purchase.*

2 *Floating/variable note with current rate and current maturity or next reset date shown.*

3 *Also represents cost for federal tax purposes.*

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 January 31, 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.

In valuing the Fund's assets as of January 31, 2019, all investments of the Fund are valued using amortized cost, which is a methodology utilizing Level 2 inputs.

The following acronym is used throughout this portfolio:

LIBOR—London Interbank Offered Rate

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2019	Year Ended July 31,			Period Ended 7/31/2015 <sup>1</sup>
		2018	2017	2016	
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.007	0.006	0.000 <sup>2</sup>	—	—
Net realized gain (loss)	0.000 <sup>2</sup>	(0.000) <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.007</b>	<b>0.006</b>	<b>0.000<sup>2</sup></b>	<b>0.000<sup>2</sup></b>	<b>—</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.007)	(0.006)	(0.000) <sup>2</sup>	—	—
Distributions from net realized gain	—	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.007)</b>	<b>(0.006)</b>	<b>(0.000)<sup>2</sup></b>	<b>—</b>	<b>—</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.68%</b>	<b>0.56%</b>	<b>0.02%</b>	<b>0.00%<sup>4</sup></b>	<b>0.00%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses	0.87% <sup>5,6</sup>	0.87% <sup>5</sup>	0.65% <sup>5</sup>	0.40% <sup>5</sup>	0.15% <sup>6</sup>
Net investment income	1.35% <sup>6</sup>	0.54%	0.02%	0.00%	0.00% <sup>6</sup>
Expense waiver/reimbursement <sup>7</sup>	0.14% <sup>6</sup>	0.15%	0.37%	0.62%	0.86% <sup>6</sup>
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$80,636	\$73,428	\$87,623	\$89,786	\$218

1 Reflects operations for the period from July 20, 2015 (date of initial investment) to July 31, 2015.

2 Represents less than \$0.001.

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

4 Represents less than 0.01%.

5 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio is 0.87% for the six months ended January 31, 2019, and 0.87%, 0.65% and 0.40% for the years ended July 31, 2018, 2017 and 2016, after taking into account this expense reduction.

6 Computed on an annualized basis.

7 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

# Financial Highlights – Class B Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2019	Year Ended July 31,			Period Ended 7/31/2015 <sup>1</sup>
		2018	2017	2016	
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.005	0.002	0.000 <sup>2</sup>	—	—
Net realized gain (loss)	0.000 <sup>2</sup>	(0.000) <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.005</b>	<b>0.002</b>	<b>0.000<sup>2</sup></b>	<b>0.000<sup>2</sup></b>	<b>—</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.005)	(0.002)	—	—	—
Distributions from net realized gain	—	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.005)</b>	<b>(0.002)</b>	<b>(0.000)<sup>2</sup></b>	<b>—</b>	<b>—</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.48%</b>	<b>0.23%</b>	<b>0.00%<sup>4</sup></b>	<b>0.00%<sup>4</sup></b>	<b>0.00%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses	1.27% <sup>5,6</sup>	1.19% <sup>5</sup>	0.65% <sup>5</sup>	0.40% <sup>5</sup>	0.15% <sup>6</sup>
Net investment income	0.94% <sup>6</sup>	0.20%	0.00%	0.00%	0.00% <sup>6</sup>
Expense waiver/reimbursement <sup>7</sup>	0.11% <sup>6</sup>	0.17%	0.74%	0.99%	1.16% <sup>6</sup>
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$1,966	\$2,024	\$3,252	\$5,892	\$18

1 Reflects operations for the period from July 20, 2015 (date of initial investment) to July 31, 2015.

2 Represents less than \$0.001.

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 less than one year are not annualized.

4 Represents less than 0.01%.

5 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio is 1.27% for the six months ended January 31, 2019, and 1.19%, 0.65% and 0.40% for the years ended July 31, 2018, 2017 and 2016, respectively, after taking into account this expense reduction.

6 Computed on an annualized basis.

7 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

# Financial Highlights – Class C Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2019	Year Ended July 31,			Period Ended 7/31/2015 <sup>1</sup>
		2018	2017	2016	
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.005	0.002	0.000 <sup>2</sup>	—	—
Net realized gain (loss)	0.000 <sup>2</sup>	(0.000) <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.005</b>	<b>0.002</b>	<b>0.000<sup>2</sup></b>	<b>0.000<sup>2</sup></b>	<b>—</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.005)	(0.002)	—	—	—
Distributions from net realized gain	—	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.005)</b>	<b>(0.002)</b>	<b>(0.000)<sup>2</sup></b>	<b>—</b>	<b>—</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.48%</b>	<b>0.23%</b>	<b>0.00%<sup>4</sup></b>	<b>0.00%<sup>4</sup></b>	<b>0.00%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses	1.26% <sup>5,6</sup>	1.20% <sup>5</sup>	0.68% <sup>5</sup>	0.40% <sup>5</sup>	0.15% <sup>6</sup>
Net investment income	0.99% <sup>6</sup>	0.19%	0.00%	0.00%	0.00% <sup>6</sup>
Expense waiver/reimbursement <sup>7</sup>	0.09% <sup>6</sup>	0.16%	0.69%	0.97%	1.16% <sup>6</sup>
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$7,178	\$6,007	\$9,963	\$10,783	\$0 <sup>8</sup>

- 1 Reflects operations for the period from July 20, 2015 (date of initial investment) to July 31, 2015.
- 2 Represents less than \$0.001.
- 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 less than one year are not annualized.
- 4 Represents less than 0.01%.
- 5 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio is 1.26% for the six months ended January 31, 2019, and 1.20%, 0.68% and 0.40% for the years ended July 31, 2018, 2017 and 2016, respectively, after taking into account this expense reduction.
- 6 Computed on an annualized basis.
- 7 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.
- 8 Represents less than \$1,000.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class F Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2019	Year Ended July 31,			Period Ended 7/31/2015 <sup>1</sup>
		2018	2017	2016	
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.007	0.006	0.000 <sup>2</sup>	—	—
Net realized gain (loss)	0.000 <sup>2</sup>	(0.000) <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.007</b>	<b>0.006</b>	<b>0.000<sup>2</sup></b>	<b>0.000<sup>2</sup></b>	<b>—</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.007)	(0.006)	(0.000) <sup>2</sup>	—	—
Distributions from net realized gain	—	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.007)</b>	<b>(0.006)</b>	<b>(0.000)<sup>2</sup></b>	<b>—</b>	<b>—</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.68%</b>	<b>0.56%</b>	<b>0.02%</b>	<b>0.00%<sup>4</sup></b>	<b>0.00%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses	0.87% <sup>5,6</sup>	0.87% <sup>5</sup>	0.62% <sup>5</sup>	0.40% <sup>5</sup>	0.15% <sup>6</sup>
Net investment income	1.38% <sup>6</sup>	0.54%	0.02%	0.00%	0.00% <sup>6</sup>
Expense waiver/reimbursement <sup>7</sup>	0.16% <sup>6</sup>	0.16%	0.42%	0.63%	0.86% <sup>6</sup>
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$1,728	\$1,071	\$1,524	\$3,066	\$0 <sup>8</sup>

- 1 Reflects operations for the period from July 20, 2015 (date of initial investment) to July 31, 2015.
- 2 Represents less than \$0.001.
- 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 less than one year are not annualized.
- 4 Represents less than 0.01%.
- 5 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio is 0.87% for the six months ended January 31, 2019, and 0.87%, 0.62% and 0.40% for the years ended July 31, 2018, 2017 and 2016, respectively, after taking into account this expense reduction.
- 6 Computed on an annualized basis.
- 7 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.
- 8 Represents less than \$1,000.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class P Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited)	Year Ended July 31,				
	1/31/2019	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.006	0.004	0.000 <sup>1</sup>	—	—	—
Net realized gain (loss)	0.000 <sup>1</sup>	(0.000) <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>
TOTAL FROM INVESTMENT OPERATIONS	0.006	0.004	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.006)	(0.004)	(0.000) <sup>1</sup>	—	—	—
Distributions from net realized gain	—	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>
TOTAL DISTRIBUTIONS	(0.006)	(0.004)	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>2</sup></b>	0.60%	0.41%	0.00% <sup>3</sup>	0.00% <sup>3</sup>	0.00% <sup>3</sup>	0.00% <sup>3</sup>
<b>Ratios to Average Net Assets:</b>						
Net expenses	1.02% <sup>4,5</sup>	1.02% <sup>5</sup>	0.66% <sup>5</sup>	0.31% <sup>5</sup>	0.11% <sup>5</sup>	0.10% <sup>5</sup>
Net investment income	1.20% <sup>4</sup>	0.40%	0.00%	0.00%	0.00%	0.00%
Expense waiver/ reimbursement <sup>6</sup>	0.19% <sup>4</sup>	0.18%	0.54%	0.89%	1.18%	1.20%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$8,564,620	\$8,626,983	\$10,580,501	\$12,639,013	\$12,194,155	\$11,135,915

1 Represents less than \$0.001.

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

3 Represents less than 0.01%.

4 Computed on an annualized basis.

5 The net expense ratio is calculated without reduction for expenses offset arrangements. The net expense ratios are 1.02% for the six months ended January 31, 2019, and 1.02%, 0.66%, 0.31%, 0.11% and 0.10% for the years ended July 31, 2018, 2017, 2016, 2015 and 2014, respectively, after taking into account these expense reductions.

6 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

January 31, 2019 (unaudited)

## Assets:

Investment in securities	\$4,390,419,625	
Investments in repurchase agreements	4,317,571,000	
Investment in securities, at amortized cost and fair value		\$8,707,990,625
Cash		691,489
Income receivable		9,232,018
Receivable for shares sold		75,627
<b>TOTAL ASSETS</b>		<b>8,717,989,759</b>

## Liabilities:

Payable for investments purchased	55,032,541	
Payable for shares redeemed	262,670	
Income distribution payable	3,995	
Payable for distribution services fee (Note 5)	3,408,399	
Payable for other service fees (Notes 2 and 5)	1,920,344	
Payable for investment adviser fee (Note 5)	27,241	
Payable for administrative fee (Note 5)	19,012	
Accrued expenses (Note 5)	1,188,484	
<b>TOTAL LIABILITIES</b>		<b>61,862,686</b>
Net assets for 8,656,130,038 shares outstanding		\$8,656,127,073

## Net Assets Consists of:

Paid-in capital	\$8,656,128,909	
Total distributable earnings (loss)		(1,836)
<b>TOTAL NET ASSETS</b>		<b>\$8,656,127,073</b>

# Statement of Assets and Liabilities – continued

## Net Asset Value, Offering Price and Redemption Proceeds Per Share:

### Class A Shares:

\$80,635,502 ÷ 80,635,515 shares outstanding, no par value, unlimited shares authorized	\$1.00
Offering price per share	\$1.00
Redemption proceeds per share	\$1.00

### Class B Shares:

\$1,965,816 ÷ 1,965,817 shares outstanding, no par value, unlimited shares authorized	\$1.00
Offering price per share	\$1.00
Redemption proceeds per share (94.50/100 of \$1.00) <sup>1</sup>	\$0.95

### Class C Shares:

\$7,178,107 ÷ 7,178,109 shares outstanding, no par value, unlimited shares authorized	\$1.00
Offering price per share	\$1.00
Redemption proceeds per share (99.00/100 of \$1.00) <sup>1</sup>	\$0.99

### Class F Shares:

\$1,728,090 ÷ 1,728,091 shares outstanding, no par value, unlimited shares authorized	\$1.00
Offering price per share	\$1.00
Redemption proceeds per share (99.00/100 of \$1.00) <sup>1</sup>	\$0.99

### Class P Shares:

\$8,564,619,558 ÷ 8,564,622,506 shares outstanding, no par value, unlimited shares authorized	\$1.00
Offering price per share	\$1.00
Redemption proceeds per share	\$1.00

<sup>1</sup> Under certain limited conditions, a “Contingent Deferred Sales Charge” of up to 5.50% for Class B Shares and up to 1.00% for Class C Shares and Class F Shares may be imposed. See “Sales Charge When You Redeem” in the Prospectus.

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Six Months Ended January 31, 2019 (unaudited)

## Investment Income:

Interest	\$96,716,488
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## Expenses:

Investment adviser fee (Note 5)	\$ 8,717,046
Administrative fee (Note 5)	3,487,617
Custodian fees	131,444
Transfer agent fees (Notes 2 and 5)	4,406,113
Directors'/Trustees' fees (Note 5)	35,955
Auditing fees	11,814
Legal fees	5,944
Distribution services fee (Note 5)	23,940,267
Other service fees (Notes 2 and 5)	10,827,117
Portfolio accounting fees	97,312
Share registration costs	530,964
Printing and postage	394,095
Miscellaneous (Note 5)	26,244
<b>TOTAL EXPENSES</b>	<b>52,611,932</b>

## Waivers, Reimbursement and Reduction:

Waiver of investment adviser fee (Note 5)	\$(3,741,662)
Waiver/reimbursement of other operating expenses (Notes 2 and 5)	(4,338,400)
Reduction of custodian fees (Note 6)	(3,263)
<b>TOTAL WAIVERS, REIMBURSEMENT AND REDUCTION</b>	<b>(8,083,325)</b>

Net expenses	44,528,607
Net investment income	52,187,881
Net realized gain on investments	1,273
Change in net assets resulting from operations	\$52,189,154

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

	<b>Six Months Ended (unaudited) 1/31/2019</b>	<b>Year Ended 7/31/2018</b>
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 52,187,881	\$ 38,110,273
Net realized gain (loss)	1,273	(3,109)
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>52,189,154</b>	<b>38,107,164</b>
<b>Distributions to Shareholders (Note 2):</b>		
Class A Shares	(521,582)	(438,449)
Class B Shares	(8,599)	(5,067)
Class C Shares	(28,396)	(16,041)
Class F Shares	(8,591)	(7,689)
Class P Shares	(51,620,705)	(37,672,713)
<b>CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS</b>	<b>(52,187,873)</b>	<b>(38,139,959)</b>
<b>Share Transactions:</b>		
Proceeds from sale of shares	2,723,278,290	4,243,162,779
Net asset value of shares issued to shareholders in payment of distributions declared	50,551,472	36,971,477
Cost of shares redeemed	(2,827,215,809)	(6,253,452,727)
<b>CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS</b>	<b>(53,386,047)</b>	<b>(1,973,318,471)</b>
Change in net assets	(53,384,766)	(1,973,351,266)
<b>Net Assets:</b>		
Beginning of period	8,709,511,839	10,682,863,105
End of period	\$ 8,656,127,073	\$ 8,709,511,839

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

January 31, 2019 (unaudited)

## 1. ORGANIZATION

Money Market Obligations 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 20 portfolios. The financial statements included herein are only those of Federated Government Reserves Fund (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers five classes of shares: Class A Shares, Class B Shares, Class C Shares, Class F Shares and Class P 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 provide current income consistent with stability of principal and liquidity.

The Fund operates as a government money market fund. As a government money market fund, the Fund: (1) invests at least 99.5% of its total assets in: (i) cash; (ii) securities issued or guaranteed by the United States or certain U.S. government agencies or instrumentalities; and/or (iii) repurchase agreements that are collateralized fully; (2) generally continues to use amortized cost to value its portfolio securities and transact at a stable \$1.00 net asset value (NAV); and (3) has elected not to be subject to the liquidity fees and gates requirement at this time as permitted by Rule 2a-7 under the Act.

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

### Investment Valuation

Securities are valued at amortized cost. Under the amortized cost valuation method, an investment is valued initially at its cost as determined in accordance with GAAP. The Fund then adjusts the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be 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.

The Fund's Board of Trustees (the "Trustees") have ultimate responsibility for determining the fair value of investments. The Trustees have appointed a valuation committee ("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 of securities and in overseeing the comparison of amortized cost to market-based value. 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 monitoring the relationship of market-based value and amortized cost. 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 and assumptions), 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.

### **Repurchase Agreements**

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

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

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

Repurchase agreements are subject to Master Netting Agreements which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not settlement amounts but gross. As indicated above, the cash or securities to be repurchased, as shown on the Portfolio of Investments, exceeds the repurchase price to be paid under the agreements reducing the net settlement amount to zero.

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

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified cost basis. Interest income and expenses are accrued daily. Distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income, if any, are declared daily and paid monthly. Amortization/accretion of premium and discount is included in investment income. Investment income, realized 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 waivers, reimbursement and reduction of \$8,083,325 is disclosed in various locations in this Note 2, Note 5 and Note 6. For the six months ended January 31, 2019, transfer agent fees for the Fund were as follows:

	Transfer Agent Fees Incurred	Transfer Agent Fees Reimbursed
Class A Shares	\$ 7,934	\$(2,826)
Class B Shares	730	(254)
Class C Shares	1,340	—
Class F Shares	208	(176)
Class P Shares	4,395,901	—
TOTAL	\$4,406,113	\$(3,256)

Dividends are declared separately for each class. No class has preferential dividends rights; differences in per share dividend rates are generally due to differences in separate class expenses. The distributions disclosed on the Statement of Changes in Net Assets for the year ended July 31, 2018, were from the following sources:

### Net Investment Income

Class A Shares	\$ 438,207
Class B Shares	5,058
Class C Shares	16,014
Class F Shares	7,685
Class P Shares	37,643,317

### Net Realized Gain

Class A Shares	\$ 242
Class B Shares	9
Class C Shares	27
Class F Shares	4
Class P Shares	29,396

Distributions in excess of net investment income at July 31, 2018 were \$(8).

## 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, Class B Shares, Class C Shares, Class F Shares and Class P 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 six months ended January 31, 2019, other services fees for the Fund were as follows:

	<b>Other Service Fees Incurred</b>
Class A Shares	\$ 91,595
Class B Shares	2,277
Class C Shares	7,067
Class F Shares	1,541
Class P Shares	10,724,637
<b>TOTAL</b>	<b>\$10,827,117</b>

## 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 six months ended January 31, 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 January 31, 2019, tax years 2015 through 2018 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

## 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.

## Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the



securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. Restricted securities are valued at amortized cost in accordance with Rule 2a-7 under the Act.

### 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:

	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Shares sold	38,903,094	\$ 38,903,094	39,265,655	\$ 39,265,655
Shares issued to shareholders in payment of distributions declared	504,788	504,788	425,520	425,520
Shares redeemed	(32,199,934)	(32,199,934)	(53,886,600)	(53,886,600)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	7,207,948	\$ 7,207,948	(14,195,425)	\$(14,195,425)

	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
<b>Class B Shares:</b>				
Shares sold	658,328	\$ 658,328	1,000,028	\$ 1,000,028
Shares issued to shareholders in payment of distributions declared	8,528	8,528	5,021	5,021
Shares redeemed	(724,644)	(724,644)	(2,232,957)	(2,232,957)
NET CHANGE RESULTING FROM CLASS B SHARE TRANSACTIONS	(57,788)	\$ (57,788)	(1,227,908)	\$(1,227,908)

	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
<b>Class C Shares:</b>				
Shares sold	5,746,210	\$ 5,746,210	5,300,783	\$ 5,300,783
Shares issued to shareholders in payment of distributions declared	27,982	27,982	15,771	15,771
Shares redeemed	(4,603,174)	(4,603,174)	(9,272,899)	(9,272,899)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	1,171,018	\$ 1,171,018	(3,956,345)	\$(3,956,345)

Class F Shares:	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
Shares sold	1,653,010	\$ 1,653,010	371,575	\$ 371,575
Shares issued to shareholders in payment of distributions declared	6,493	6,493	6,192	6,192
Shares redeemed	(1,002,156)	(1,002,156)	(830,833)	(830,833)
NET CHANGE RESULTING FROM CLASS F SHARE TRANSACTIONS	657,347	\$ 657,347	(453,066)	\$(453,066)

Class P Shares:	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
Shares sold	2,676,317,648	\$ 2,676,317,648	4,197,224,738	\$ 4,197,224,738
Shares issued to shareholders in payment of distributions declared	50,003,681	50,003,681	36,518,972	36,518,973
Shares redeemed	(2,788,685,900)	(2,788,685,901)	(6,187,229,438)	(6,187,229,438)
NET CHANGE RESULTING FROM CLASS P SHARE TRANSACTIONS	(62,364,571)	\$ (62,364,572)	(1,953,485,728)	\$(1,953,485,727)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(53,386,046)	\$ (53,386,047)	(1,973,318,472)	\$(1,973,318,471)

#### 4. FEDERAL TAX INFORMATION

At July 31, 2018, the Fund had a capital loss carryforward of \$3,109 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, a net capital loss incurred in taxable years beginning after December 22, 2010, retains its character as either short-term or long-term and does not expire. All of the Fund's capital loss carryforwards were incurred in taxable years after December 22, 2010.

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

Short-Term	Long-Term	Total
\$1,182	\$1,927	\$3,109

#### 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 0.20% 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 six months ended January 31, 2019, the Adviser voluntarily waived \$3,741,662 of its fee and voluntarily reimbursed \$3,256 of transfer agent fees.

## Administrative Fee

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

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

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the six months ended January 31, 2019, the annualized net fee paid to FAS was 0.080% of average daily net assets of the Fund.

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

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

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

## Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Class A Shares, Class B Shares, Class C Shares, Class F Shares and Class P Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets, annually, to compensate FSC:

<b>Share Class Name</b>	<b>Percentage of Average Daily Net Assets of Class</b>
Class A Shares	0.45%
Class B Shares	0.75%
Class C Shares	0.75%
Class F Shares	0.45%
Class P Shares	0.55%

Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the six months ended January 31, 2019, distribution services fees for the Fund were as follows:

	<b>Distribution Service Fees Incurred</b>	<b>Distribution Services Fees Waived by Unaffiliated Third Parties</b>
Class A Shares	\$ 173,529	\$ (19,281)
Class B Shares	6,830	—
Class C Shares	21,573	—
Class F Shares	2,805	(312)
Class P Shares	23,735,530	(4,315,551)
<b>TOTAL</b>	<b>\$23,940,267</b>	<b>\$(4,335,144)</b>

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended January 31, 2019, FSC retained \$288,648 of fees paid by the Fund.

### **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 six months ended January 31, 2019, FSC retained \$5,750, and \$103 of CDSC relating to redemptions of Class B Shares and Class C Shares, respectively.

### **Other Service Fees**

For the six months ended January 31, 2019, FSSC received \$48,806 of the other service fees disclosed in Note 2.

### **Expense Limitation**

Due to the possibility of changes in market conditions and other factors, there can be no assurance that the level of waiver/reimbursement/reduction for Fund expenses reflected in the financial highlights will be maintained in the future. 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, Class B Shares, Class C Shares, Class F Shares and Class P Shares (after the voluntary waivers and reimbursements) will not exceed 0.87%, 1.27%, 1.27%, 0.87% and 1.02% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"):

(a) October 1, 2019; 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, 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. EXPENSE REDUCTION**

Through arrangements with the Fund's custodian, net credits realized as a result of uninvested cash balances were used to reduce custody expenses. For the six months ended January 31, 2019, the Fund's expenses were reduced by \$3,263 under these arrangements.

## **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 January 31, 2019, there were no outstanding loans. During the six months ended January 31, 2019, the program was not utilized.

## 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 August 1, 2018 to January 31, 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 8/1/2018	Ending Account Value 1/31/2019	Expenses Paid During Period <sup>1</sup>
<b>Actual:</b>			
Class A Shares	\$1,000.00	\$1,006.80	\$4.40
Class B Shares	\$1,000.00	\$1,004.80	\$6.42
Class C Shares	\$1,000.00	\$1,004.80	\$6.37
Class F Shares	\$1,000.00	\$1,006.80	\$4.40
Class P Shares	\$1,000.00	\$1,006.00	\$5.16
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Class A Shares	\$1,000.00	\$1,020.82	\$4.43
Class B Shares	\$1,000.00	\$1,018.80	\$6.46
Class C Shares	\$1,000.00	\$1,018.85	\$6.41
Class F Shares	\$1,000.00	\$1,020.82	\$4.43
Class P Shares	\$1,000.00	\$1,020.06	\$5.19

<sup>1</sup> Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	0.87%
Class B Shares	1.27%
Class C Shares	1.26%
Class F Shares	0.87%
Class P Shares	1.02%

# Evaluation and Approval of Advisory Contract – May 2018

## **FEDERATED GOVERNMENT RESERVES FUND (THE “FUND”)**

At its meetings in May 2018, 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.

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

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



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

The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated on matters relating to the Federated funds. The Independent 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.

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

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

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of the Adviser and its affiliates dedicated to the Fund. In this regard, the Board evaluated, among other things, the Adviser's personnel, experience, track record, overall reputation and willingness to invest in personnel and infrastructure that benefit the Fund. In addition, the Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and the Adviser's ability and experience in attracting and retaining qualified personnel to service the Fund. The Board noted the compliance program of the Adviser and the compliance-related resources provided to the Fund by the Adviser, including the Adviser's commitment to respond to rulemaking initiatives of the SEC. The Fund's ability to deliver

competitive performance when compared to its Peer Group was also deemed to be relevant by the Board as a useful indicator of how the Adviser is executing the Fund's investment program. The Adviser's ability to execute this program was one of the Board's considerations in reaching a conclusion that the nature, extent, and quality of the Adviser's investment management services warrant the continuation of the investment advisory contract.

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

The Fund's performance fell below the median of the relevant Peer Group for the one-year 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. The Board also considered the relatively tight dispersion of performance data with respect to the Fund and its Peer Group.

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.

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

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

The CCO Fee Evaluation Report also discussed the notion of possible realization of "economies of scale" as a fund grows larger. In this regard, the Board considered that the Adviser has made significant and long-term investments in areas that support all of the Federated funds, such as personnel and processes for the portfolio management, shareholder services, compliance, internal audit and risk management functions, as well as systems technology (including technology relating to cybersecurity) and that the benefits of these efforts (as well as any economies of scale, should they exist) were likely to be shared with the Federated fund family as a whole. The Board noted that the Adviser's investments in these areas are extensive. In addition, the Board considered that the Adviser and its affiliates have frequently waived fees and/or reimbursed expenses and that this has allowed fund shareholders to share potential economies of scale with shareholders. The Board also considered that such waivers and reimbursements can provide protection from an increase in expenses if a Federated fund's assets decline. Federated, as it does throughout the year, and specifically in connection with the Board's review of the advisory and subadvisory contracts, furnished information relative to revenue sharing or adviser-paid fees. Federated and the CCO noted that this information should be viewed to determine if there was an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, and should not be viewed to determine the appropriateness of advisory fees because it would represent marketing and distribution expenses. The Board also noted the absence of any applicable

regulatory or industry guidelines on this subject, which (as discussed in the CCO Fee Evaluation Report) is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with “breakpoints” that serve to reduce the fee as a fund attains a certain size.

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

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

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

## Voting Proxies on Fund Portfolio Securities

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

## Quarterly Portfolio Schedule

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

*You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

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.

**IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY**

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its/their Prospectus and Statement of Additional Information, and supplements to each, as well as Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-341-7400.



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

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