

Semi-Annual Shareholder Report

January 31, 2020

Share Class | Ticker **A** | QABGX **C** | QCBGX **Institutional** | QIBGX **R6** | QKBGX

Federated MDT Balanced Fund

Fund Established 2002

A Portfolio of Federated MDT Series

IMPORTANT NOTICE REGARDING REPORT DELIVERY

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

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

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

Not FDIC Insured • May Lose Value • No Bank Guarantee



**J. Christopher
Donahue**

President

Federated MDT
Balanced 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, 2019 through January 31, 2020. 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, offers easy access to valuable resources that include timely fund updates, economic and market insights from our investment strategists, and financial planning tools.

Thank you for investing with us. 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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Portfolio of Investments Summary Tables (unaudited)

At January 31, 2020, the Fund's portfolio composition¹ was as follows:

| Security Type | Percentage of Total Net Assets |
|---|-----------------------------------|
| Domestic Equity Securities | 53.9% |
| Corporate Debt Securities | 12.0% |
| International Equity Securities (including International Exchange-Traded Funds) | 9.1% |
| Federated Mortgage Core Portfolio | 7.4% |
| U.S. Treasury Securities ² | 7.0% |
| High Yield Bond Portfolio | 1.9% |
| Federated Project and Trade Finance Core Fund | 2.0% |
| Commercial Mortgage-Backed Securities | 1.7% |
| Emerging Markets Core Fund | 1.5% |
| Federated Bank Loan Core Fund | 1.1% |
| Mortgage-Backed Securities | 0.6% |
| Municipal Bonds | 0.0% ³ |
| Asset-Backed Securities | 0.0% ³ |
| Collateralized Mortgage Obligations | 0.0% ³ |
| Securities Lending Collateral ⁴ | 0.4% |
| Derivative Contracts ⁵ | 0.0% ³ |
| Cash Equivalents ⁶ | 1.7% |
| Other Assets and Liabilities—Net ⁷ | (0.3)% |
| TOTAL | 100.0% |

- 1 See the Fund's Prospectus and Statement of Additional Information for a description of the types of securities in which the Fund invests. As of the date specified above, the Fund owned shares of one or more affiliated investment companies. For purposes of this table, affiliated investment companies (other than an affiliated money market mutual fund) in which the Fund invested less than 10% of its net assets, are listed individually in the table.
- 2 Includes U.S. Treasuries pledged as collateral to ensure the Fund is able to satisfy the obligations of its outstanding futures contracts.
- 3 Represents less than 0.1%.
- 4 Represents cash collateral received for portfolio securities on loan that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements.
- 5 Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the table at the end of the Portfolio of Investments included in this Report.
- 6 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements other than those representing cash collateral for securities lending.
- 7 Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.

At January 31, 2020, the Fund's sector composition⁸ for its equity securities (excluding exchange-traded funds) was as follows:

| Sector Composition | Percentage of Equity Securities |
|---------------------------|--|
| Information Technology | 23.4% |
| Health Care | 14.2% |
| Financials | 13.8% |
| Consumer Discretionary | 10.5% |
| Communication Services | 10.1% |
| Industrials | 8.5% |
| Consumer Staples | 7.3% |
| Energy | 3.4% |
| Real Estate | 3.8% |
| Materials | 2.6% |
| Utilities | 2.4% |
| TOTAL | 100.0% |

- ⁸ 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.

Portfolio of Investments

January 31, 2020 (unaudited)

| Shares or Principal Amount | | Value |
|----------------------------------|--|------------------|
| | COMMON STOCKS—54.8% | |
| | Communication Services—5.5% | |
| 2,848 | AT&T, Inc. | \$ 107,142 |
| 2,376 | ¹ Alphabet, Inc., Class A | 3,404,285 |
| 157 | Cable One, Inc. | 267,533 |
| 3,535 | ¹ Charter Communications, Inc. | 1,829,221 |
| 3,224 | Comcast Corp., Class A | 139,245 |
| 6,010 | ¹ Facebook, Inc. | 1,213,479 |
| 28,128 | ¹ MSG Networks, Inc. | 427,827 |
| 369 | Omnicom Group, Inc. | 27,789 |
| 3,365 | ¹ Take-Two Interactive Software, Inc. | 419,414 |
| 22,944 | Verizon Communications, Inc. | 1,363,791 |
| | TOTAL | 9,199,726 |
| | Consumer Discretionary—5.8% | |
| 250 | ¹ Amazon.com, Inc. | 502,180 |
| 668 | ¹ AutoZone, Inc. | 706,717 |
| 30 | ¹ Booking Holdings, Inc. | 54,917 |
| 2,402 | ¹ Burlington Stores, Inc. | 522,363 |
| 1,272 | ¹ CROCs, Inc. | 48,222 |
| 468 | Dollar General Corp. | 71,796 |
| 4,723 | Dunkin' Brands Group, Inc. | 368,819 |
| 12,265 | eBay, Inc. | 411,613 |
| 24,635 | Ford Motor Co. | 217,281 |
| 5,192 | ² GameStop Corp. | 19,937 |
| 272 | Garmin Ltd. | 26,370 |
| 6,532 | General Motors Co. | 218,103 |
| 4,741 | Goodyear Tire & Rubber Co. | 62,249 |
| 2,319 | Harley-Davidson, Inc. | 77,455 |
| 328 | Home Depot, Inc. | 74,817 |
| 2,435 | ¹ Libbey, Inc. | 3,239 |
| 10,457 | Lowe's Cos., Inc. | 1,215,522 |
| 691 | ¹ Lululemon Athletica, Inc. | 165,419 |
| 4,127 | Nike, Inc., Class B | 397,430 |
| 2,791 | ¹ O'Reilly Automotive, Inc. | 1,133,425 |
| 1,053 | Pulte Group, Inc. | 47,016 |
| 1,973 | ^{1,2} RH | 411,864 |

**Shares or
Principal
Amount**
Value

| COMMON STOCKS—continued | | |
|---|---|------------------|
| Consumer Discretionary—continued | | |
| 293 | Ross Stores, Inc. | \$ 32,872 |
| 4,068 | ¹ Sally Beauty Holdings, Inc. | 62,444 |
| 6,116 | Starbucks Corp. | 518,820 |
| 6,357 | Target Corp. | 703,974 |
| 5,107 | ¹ Tempur Sealy International, Inc. | 467,903 |
| 5,423 | Tupperware Brands Corp. | 33,948 |
| 9,457 | Wyndham Destinations, Inc. | 458,948 |
| 5,029 | Yum! Brands, Inc. | 531,917 |
| 1,135 | ¹ Zumiez, Inc. | 35,378 |
| | TOTAL | 9,602,958 |
| Consumer Staples—4.0% | | |
| 8,295 | Church and Dwight, Inc. | 615,655 |
| 14,629 | Colgate-Palmolive Co. | 1,079,328 |
| 4,726 | Estee Lauder Cos., Inc., Class A | 922,326 |
| 4,289 | Fresh Del Monte Produce, Inc. | 134,589 |
| 2,303 | Hershey Foods Corp. | 357,357 |
| 14,203 | Kimberly-Clark Corp. | 2,034,438 |
| 3,679 | Lamb Weston Holdings, Inc. | 335,929 |
| 5,104 | PepsiCo, Inc. | 724,870 |
| 1,342 | Philip Morris International, Inc. | 110,983 |
| 2,041 | Procter & Gamble Co. | 254,349 |
| 1,002 | Sysco Corp. | 82,304 |
| | TOTAL | 6,652,128 |
| Energy—1.9% | | |
| 9,355 | Chevron Corp. | 1,002,295 |
| 9,705 | EOG Resources, Inc. | 707,591 |
| 4,099 | HollyFrontier Corp. | 184,127 |
| 2,157 | PBF Energy, Inc. | 58,886 |
| 2,360 | Phillips 66 | 215,633 |
| 10,832 | Valero Energy Corp. | 913,246 |
| | TOTAL | 3,081,778 |
| Financials—7.6% | | |
| 484 | ¹ Alleghany Corp. | 386,067 |
| 20,347 | Allstate Corp. | 2,411,933 |
| 2,028 | American Express Co. | 263,376 |
| 9,000 | American International Group, Inc. | 452,340 |
| 2,706 | Ameriprise Financial, Inc. | 447,599 |

**Shares or
Principal
Amount**
Value

| COMMON STOCKS—continued | | |
|-----------------------------|---|-------------------|
| Financials—continued | | |
| 3,264 | ¹ Athene Holding Ltd. | \$ 142,180 |
| 787 | BlackRock, Inc. | 415,024 |
| 4,800 | Blackstone Mortgage Trust, Inc. | 183,360 |
| 2,970 | Capital One Financial Corp. | 296,406 |
| 405 | Chubb Ltd. | 61,556 |
| 14,347 | Citigroup, Inc. | 1,067,560 |
| 633 | Citizens Financial Group, Inc. | 23,598 |
| 673 | Discover Financial Services | 50,563 |
| 1,933 | Everest Re Group Ltd. | 534,610 |
| 17,862 | Fifth Third Bancorp | 508,174 |
| 2,766 | ¹ Green Dot Corp. | 83,201 |
| 17,749 | Huntington Bancshares, Inc. | 240,854 |
| 727 | Intercontinental Exchange, Inc. | 72,511 |
| 12,370 | KeyCorp | 231,443 |
| 551 | LPL Investment Holdings, Inc. | 50,764 |
| 400 | MSCI, Inc., Class A | 114,320 |
| 6,530 | MetLife, Inc. | 324,606 |
| 783 | NASDAQ, Inc. | 91,188 |
| 17,976 | Navient Corp. | 258,495 |
| 748 | Northern Trust Corp. | 73,162 |
| 261 | PNC Financial Services Group | 38,772 |
| 8,481 | Popular, Inc. | 474,597 |
| 4,412 | Progressive Corp., OH | 356,004 |
| 5,093 | Prudential Financial, Inc. | 463,769 |
| 2,248 | Reinsurance Group of America | 323,824 |
| 4,342 | RenaissanceRe Holdings Ltd. | 822,549 |
| 1,205 | S&P Global, Inc. | 353,945 |
| 1,700 | State Street Corp. | 128,571 |
| 2,948 | The Hartford Financial Services Group, Inc. | 174,757 |
| 926 | The Travelers Cos., Inc. | 121,880 |
| 12,722 | ² Zions Bancorporation, N.A. | 578,724 |
| | TOTAL | 12,622,282 |
| Health Care—7.8% | | |
| 575 | AbbVie, Inc. | 46,586 |
| 7,004 | ¹ Alexion Pharmaceuticals, Inc. | 696,127 |
| 3,278 | AmerisourceBergen Corp. | 280,466 |
| 1,155 | Amgen, Inc. | 249,538 |

**Shares or
Principal
Amount**

Value

| COMMON STOCKS—continued | | |
|------------------------------|--|-------------------|
| Health Care—continued | | |
| 194 | ¹ Biogen, Inc. | \$ 52,157 |
| 2,562 | Bristol-Myers Squibb Co. | 161,278 |
| 6,779 | Cardinal Health, Inc. | 347,153 |
| 439 | Chemed Corp. | 205,031 |
| 15,524 | ¹ Community Health Systems, Inc. | 66,598 |
| 1,443 | ¹ Davita, Inc. | 115,252 |
| 107 | ¹ Edwards Lifesciences Corp. | 23,525 |
| 5,790 | Eli Lilly & Co. | 808,516 |
| 977 | Gilead Sciences, Inc. | 61,746 |
| 615 | ¹ Global Blood Therapeutics, Inc. | 40,135 |
| 13,451 | HCA Healthcare, Inc. | 1,866,999 |
| 4,435 | ¹ Incyte Genomics, Inc. | 324,065 |
| 422 | ¹ Insulet Corp. | 81,885 |
| 497 | ¹ Intercept Group, Inc. | 45,928 |
| 617 | ¹ Intuitive Surgical, Inc. | 345,384 |
| 3,151 | ¹ Jazz Pharmaceuticals PLC | 451,696 |
| 1,243 | Johnson & Johnson | 185,045 |
| 3,884 | McKesson Corp. | 553,897 |
| 6,845 | Medtronic PLC | 790,187 |
| 3,710 | Merck & Co., Inc. | 316,982 |
| 2,796 | Pfizer, Inc. | 104,123 |
| 213 | ¹ Reata Pharmaceuticals, Inc. | 46,602 |
| 611 | ¹ Regeneron Pharmaceuticals, Inc. | 206,481 |
| 1,689 | ¹ Seattle Genetics, Inc. | 183,071 |
| 6,288 | Stryker Corp. | 1,324,882 |
| 5,773 | ¹ Tenet Healthcare Corp. | 182,658 |
| 184 | ¹ Varian Medical Systems, Inc. | 25,865 |
| 6,816 | ¹ Vertex Pharmaceuticals, Inc. | 1,547,573 |
| 418 | Zimmer Biomet Holdings, Inc. | 61,822 |
| 8,872 | Zoetis, Inc. | 1,190,711 |
| | TOTAL | 12,989,964 |
| Industrials—4.6% | | |
| 612 | 3M Co. | 97,100 |
| 2,951 | AGCO Corp. | 206,983 |
| 11,019 | Allison Transmission Holdings, Inc. | 487,040 |
| 1,531 | ¹ Cimpress PLC | 183,154 |
| 2,110 | Cintas Corp. | 588,627 |

**Shares or
Principal
Amount**
Value

| COMMON STOCKS—continued | | |
|-------------------------------------|---|------------------|
| Industrials—continued | | |
| 3,735 | Delta Air Lines, Inc. | \$ 208,189 |
| 1,162 | Deluxe Corp. | 56,008 |
| 1,468 | General Dynamics Corp. | 257,546 |
| 9,740 | Heico Corp. | 1,192,468 |
| 143 | Honeywell International, Inc. | 24,770 |
| 3,004 | ¹ Jet Blue Airways Corp. | 59,569 |
| 163 | Kansas City Southern Industries, Inc. | 27,496 |
| 703 | Lennox International, Inc. | 163,785 |
| 5,052 | Lockheed Martin Corp. | 2,162,862 |
| 345 | Northrop Grumman Corp. | 129,227 |
| 233 | Parker-Hannifin Corp. | 45,596 |
| 10,000 | Pitney Bowes, Inc. | 37,400 |
| 2,651 | Rockwell Automation, Inc. | 508,091 |
| 9,094 | ¹ SPX Corp. | 446,243 |
| 133 | ¹ Teledyne Technologies, Inc. | 48,553 |
| 2,738 | TransUnion | 251,075 |
| 5,372 | United Parcel Service, Inc. | 556,109 |
| | TOTAL | 7,737,891 |
| Information Technology—12.8% | | |
| 1,296 | ¹ Adobe, Inc. | 455,077 |
| 1,960 | ¹ Akamai Technologies, Inc. | 182,966 |
| 7,808 | ¹ Ansys, Inc. | 2,141,969 |
| 5,499 | Apple, Inc. | 1,701,996 |
| 2,059 | ¹ Autodesk, Inc. | 405,314 |
| 1,970 | Automatic Data Processing, Inc. | 337,638 |
| 1,565 | Booz Allen Hamilton Holding Corp. | 122,133 |
| 125 | Broadcom, Inc. | 38,145 |
| 1,355 | CDW Corp. | 176,760 |
| 18,537 | ¹ Cadence Design Systems, Inc. | 1,336,703 |
| 956 | ¹ Ceridian HCM Holding, Inc. | 70,065 |
| 5,653 | ¹ Cirrus Logic, Inc. | 434,207 |
| 3,047 | ¹ Dell Technologies, Inc. | 148,602 |
| 4,618 | ¹ DocuSign, Inc. | 362,559 |
| 251 | ¹ EPAM Systems, Inc. | 57,263 |
| 13,274 | ¹ Fortinet, Inc. | 1,531,289 |
| 8,704 | HP, Inc. | 185,569 |
| 2,784 | ¹ Inphi Corp. | 211,473 |

**Shares or
Principal
Amount**
Value

| COMMON STOCKS—continued | | |
|---|--|-------------------|
| Information Technology—continued | | |
| 1,900 | ^{1,2} Insight Enterprises, Inc. | \$ 125,153 |
| 3,642 | Intel Corp. | 232,833 |
| 3,085 | Intuit, Inc. | 864,972 |
| 5,233 | KLA Corp. | 867,317 |
| 8,506 | ¹ Keysight Technologies, Inc. | 790,973 |
| 1,953 | Lam Research Corp. | 582,404 |
| 6,842 | Mastercard, Inc. | 2,161,662 |
| 8,084 | Microsoft Corp. | 1,376,139 |
| 1,522 | NVIDIA Corp. | 359,846 |
| 11,894 | Paychex, Inc. | 1,020,148 |
| 2,248 | ¹ Paycom Software, Inc. | 715,224 |
| 391 | ¹ Paylocity Corp. | 55,479 |
| 508 | SS&C Technologies Holdings, Inc. | 32,009 |
| 1,825 | ¹ Salesforce.com, Inc. | 332,716 |
| 7,000 | ¹ Sanmina Corp. | 222,880 |
| 1,048 | ¹ Synopsys, Inc. | 154,591 |
| 1,120 | Teradyne, Inc. | 73,909 |
| 2,143 | Universal Display Corp. | 377,532 |
| 20,792 | Vishay Intertechnology, Inc. | 421,870 |
| 1,666 | ¹ WEX, Inc. | 361,389 |
| 10,000 | Western Union Co. | 269,000 |
| | TOTAL | 21,297,774 |
| Materials—1.4% | | |
| 9,367 | Domtar, Corp. | 326,159 |
| 27,044 | DuPont de Nemours, Inc. | 1,384,112 |
| 453 | FMC Corp. | 43,302 |
| 579 | Martin Marietta Materials | 152,740 |
| 436 | Scotts Miracle-Gro Co. | 53,515 |
| 770 | Sherwin-Williams Co. | 428,882 |
| | TOTAL | 2,388,710 |
| Real Estate—2.1% | | |
| 1,650 | Alexandria Real Estate Equities, Inc. | 269,280 |
| 1,100 | American Tower Corp. | 254,914 |
| 4,200 | Americold Realty Trust | 144,774 |
| 1,500 | Camden Property Trust | 168,645 |
| 2,050 | EastGroup Properties, Inc. | 278,943 |
| 305 | Equinix, Inc. | 179,868 |

**Shares or
Principal
Amount**
Value

| COMMON STOCKS—continued | | |
|--|---|-------------------|
| Real Estate—continued | | |
| 3,600 | Equity Lifestyle Properties, Inc. | \$ 261,900 |
| 9,000 | Invitation Homes, Inc. | 283,230 |
| 2,900 | ProLogis, Inc. | 269,352 |
| 3,400 | Realty Income Corp. | 266,594 |
| 4,300 | Rexford Industrial Realty, Inc. | 207,217 |
| 6,700 | STORE Capital Corp. | 262,975 |
| 1,400 | Sun Communities, Inc. | 227,038 |
| 5,200 | Terreno Realty Corp. | 297,752 |
| 3,550 | Weyerhaeuser Co. | 102,773 |
| | TOTAL | 3,475,255 |
| Utilities—1.3% | | |
| 14,160 | AES Corp. | 281,218 |
| 10,546 | Consolidated Edison Co. | 991,324 |
| 16,701 | Exelon Corp. | 794,801 |
| 6,603 | Vistra Energy Corp. | 148,699 |
| | TOTAL | 2,216,042 |
| | TOTAL COMMON STOCKS (IDENTIFIED COST \$84,154,964) | 91,264,508 |
| ASSET-BACKED SECURITY—0.0% | | |
| Auto Receivables—0.0% | | |
| § 12,368 | Santander Drive Auto Receivables Trust 2016-2, Class C, 2.660%, 11/15/2021 (IDENTIFIED COST \$12,366) | 12,374 |
| COLLATERALIZED MORTGAGE OBLIGATIONS—0.0% | | |
| 283 | ³ Bear Stearns Mortgage Securities, Inc. 1997-6, Class 1A, 6.315%, 3/25/2031 | 283 |
| 722 | Federal Home Loan Mortgage Corp. REMIC, Series 1311, Class K, 7.000%, 7/15/2022 | 756 |
| 833 | Federal Home Loan Mortgage Corp. REMIC, Series 1384, Class D, 7.000%, 9/15/2022 | 869 |
| 3,578 | Federal Home Loan Mortgage Corp. REMIC, Series 2497, Class JH, 6.000%, 9/15/2032 | 4,010 |
| 2,621 | ⁴ Federal National Mortgage Association REMIC, Series 1993-113, Class SB, 9.749% (10-year Constant Maturity Treasury +48.285%), Maximum Rate 9.749%, 7/25/2023 | 2,799 |
| 815 | Federal National Mortgage Association REMIC, Series 2003-35, Class UC, 3.750%, 5/25/2033 | 841 |
| | TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (IDENTIFIED COST \$9,175) | 9,558 |

**Shares or
Principal
Amount**
Value

| | | |
|------------|--|------------------|
| | COMMERCIAL MORTGAGE-BACKED SECURITIES—1.7% | |
| | Commercial Mortgage—1.7% | |
| \$ 190,000 | Bank, Class A4, 3.488%, 11/15/2050 | \$ 208,593 |
| 200,000 | Citigroup Commercial Mortgage Trust 2013-GC11, Class B, 3.732%, 4/10/2046 | 208,384 |
| 70,000 | Commercial Mortgage Pass-Through Certificates 2012-CR1, Class AM, 3.912%, 5/15/2045 | 72,884 |
| 125,000 | Commercial Mortgage Pass-Through Certificates 2012-CR1, Class B, 4.612%, 5/15/2045 | 130,335 |
| 200,000 | Commercial Mortgage Trust 2013-CR8, Class B, 4.085%, 6/10/2046 | 210,579 |
| 200,000 | Commercial Mortgage Trust 2014-LC17, Class B, 4.490%, 10/10/2047 | 217,240 |
| 300,000 | Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048 | 318,719 |
| 200,000 | FREMF Mortgage Trust 2013-K25 REMIC, Class B, 3.743%, 11/25/2045 | 207,958 |
| 66,612 | Federal Home Loan Mortgage Corp. REMIC, Series K055, Class A1, 2.263%, 4/25/2025 | 67,278 |
| 113,023 | Federal Home Loan Mortgage Corp. REMIC, Series K504, Class A2, 2.566%, 9/25/2020 | 113,016 |
| 350,000 | Federal Home Loan Mortgage Corp. REMIC, Series K737, Class A2, 2.530%, 10/25/2026 | 366,367 |
| 100,000 | GS Mortgage Securities Corp. II 2012-GCJ7, Class AS, 4.085%, 5/10/2045 | 103,890 |
| 200,000 | JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049 | 213,514 |
| 50,000 | JPMDB Commercial Mortgage Securities Trust 2017-C5, Class A5, 3.693%, 3/15/2050 | 55,203 |
| 100,000 | Morgan Stanley Capital I 2012-C4, Class AS, 3.773%, 3/15/2045 | 103,190 |
| 150,000 | UBS-Barclays Commercial Mortgage Trust 2013-C6, Class B, 3.875%, 4/10/2046 | 157,402 |
| 25,000 | WF-RBS Commercial Mortgage Trust 2012-C6, Class B, 4.697%, 4/15/2045 | 26,239 |
| | TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$2,710,842) | 2,780,791 |
| | CORPORATE BONDS—12.0% | |
| | Basic Industry - Chemicals—0.0% | |
| 10,000 | DuPont de Nemours, Inc., Sr. Unsecd. Note, 3.766%, 11/15/2020 | 10,151 |
| 10,000 | DuPont de Nemours, Inc., Sr. Unsecd. Note, 5.319%, 11/15/2038 | 12,160 |
| 5,000 | Sherwin-Williams Co., Sr. Unsecd. Note, 2.750%, 6/1/2022 | 5,119 |
| | TOTAL | 27,430 |
| | Basic Industry - Metals & Mining—0.2% | |
| 15,000 | Anglogold Ashanti Holdings PLC, Sr. Note, 6.500%, 4/15/2040 | 16,985 |
| 15,000 | ArcelorMittal SA, Sr. Unsecd. Note, 6.250%, 2/25/2022 | 16,122 |

| Shares or Principal Amount | | Value |
|----------------------------------|--|-----------|
| | CORPORATE BONDS—continued | |
| | Basic Industry - Metals & Mining—continued | |
| \$ 62,000 | Carpenter Technology Corp., Sr. Unsecd. Note, 4.450%, 3/1/2023 | \$ 65,175 |
| 40,000 | Carpenter Technology Corp., Sr. Unsecd. Note, 5.200%, 7/15/2021 | 41,085 |
| 20,000 | Newcrest Finance Property Ltd., Sr. Unsecd. Note, 144A, 4.200%, 10/1/2022 | 21,005 |
| 100,000 | Reliance Steel & Aluminum Co., Sr. Unsecd. Note, 4.500%, 4/15/2023 | 106,794 |
| 20,000 | Southern Copper Corp., Sr. Unsecd. Note, 6.750%, 4/16/2040 | 27,504 |
| | TOTAL | 294,670 |
| | Basic Industry - Paper—0.0% | |
| 10,000 | Weyerhaeuser Co., Sr. Unsecd. Note, 3.250%, 3/15/2023 | 10,321 |
| 20,000 | Weyerhaeuser Co., Sr. Unsecd. Note, 4.700%, 3/15/2021 | 20,501 |
| | TOTAL | 30,822 |
| | Capital Goods - Aerospace & Defense—0.2% | |
| 100,000 | Arconic, Inc., 5.870%, 2/23/2022 | 106,657 |
| 11,000 | Embraer Overseas Ltd., Sr. Unsecd. Note, 144A, 5.696%, 9/16/2023 | 12,160 |
| 20,000 | Raytheon Co., Sr. Note, 4.400%, 2/15/2020 | 20,015 |
| 10,000 | Rockwell Collins, Inc., Sr. Unsecd. Note, 3.100%, 11/15/2021 | 10,211 |
| 15,000 | Spirit AeroSystems, Inc., Sr. Unsecd. Note, 4.600%, 6/15/2028 | 15,367 |
| 40,000 | ⁴ Textron Financial Corp., Jr. Sub. Note, 144A, 3.644% (3-month USLIBOR + 1.735%), 2/15/2042 | 32,668 |
| 50,000 | Textron, Inc., Sr. Unsecd. Note, 4.000%, 3/15/2026 | 54,103 |
| 50,000 | Textron, Inc., Sr. Unsecd. Note, 4.300%, 3/1/2024 | 54,029 |
| | TOTAL | 305,210 |
| | Capital Goods - Building Materials—0.2% | |
| 200,000 | Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024 | 209,627 |
| 80,000 | Masco Corp., Sr. Unsecd. Note, 4.375%, 4/1/2026 | 88,646 |
| | TOTAL | 298,273 |
| | Capital Goods - Construction Machinery—0.0% | |
| 10,000 | CNH Industrial Capital America LLC, Sr. Unsecd. Note, 4.375%, 4/5/2022 | 10,488 |
| | Capital Goods - Diversified Manufacturing—0.2% | |
| 15,000 | Avery Dennison Corp., Sr. Unsecd. Note, 5.375%, 4/15/2020 | 15,094 |
| 30,000 | General Electric Capital Corp., Sr. Unsecd. Note, Series GMTN, 3.100%, 1/9/2023 | 30,981 |
| 15,000 | Thomas & Betts Corp., Sr. Unsecd. Note, 5.625%, 11/15/2021 | 16,027 |
| 200,000 | Valmont Industries, Inc., 5.250%, 10/1/2054 | 212,172 |
| | TOTAL | 274,274 |
| | Communications - Cable & Satellite—0.0% | |
| 15,000 | Comcast Corp., Sr. Unsecd. Note, 3.900%, 3/1/2038 | 17,166 |

| Shares or Principal Amount | | Value |
|----------------------------------|---|-----------|
| | CORPORATE BONDS—continued | |
| | Communications - Cable & Satellite—continued | |
| \$ 10,000 | Comcast Corp., Sr. Unsec'd. Note, 4.400%, 8/15/2035 | \$ 12,184 |
| 15,000 | NBCUniversal Media LLC, Sr. Unsec'd. Note, 4.375%, 4/1/2021 | 15,473 |
| | TOTAL | 44,823 |
| | Communications - Media & Entertainment—0.0% | |
| 30,000 | Grupo Televisa S.A., Sr. Unsec'd. Note, 6.125%, 1/31/2046 | 38,919 |
| 20,000 | Omnicom Group, Inc., Sr. Unsec'd. Note, 3.625%, 5/1/2022 | 20,807 |
| | TOTAL | 59,726 |
| | Communications - Telecom Wireless—0.4% | |
| 150,000 | Crown Castle International Corp., Sr. Unsec'd. Note, 3.700%, 6/15/2026 | 162,102 |
| 15,000 | Crown Castle International Corp., Sr. Unsec'd. Note, 4.875%, 4/15/2022 | 15,957 |
| 200,000 | Vodafone Group PLC, Sr. Unsec'd. Note, 4.250%, 9/17/2050 | 218,773 |
| 200,000 | Vodafone Group PLC, Sr. Unsec'd. Note, 4.875%, 6/19/2049 | 240,778 |
| | TOTAL | 637,610 |
| | Communications - Telecom Wirelines—0.2% | |
| 5,000 | AT&T, Inc., Sr. Unsec'd. Note, 4.500%, 5/15/2035 | 5,768 |
| 10,000 | AT&T, Inc., Sr. Unsec'd. Note, 5.250%, 3/1/2037 | 12,275 |
| 10,000 | AT&T, Inc., Sr. Unsec'd. Note, 5.700%, 3/1/2057 | 13,366 |
| 150,000 | Telefonica Emisiones SAU, Sr. Unsec'd. Note, 5.520%, 3/1/2049 | 194,305 |
| 90,000 | Verizon Communications, Inc., Sr. Unsec'd. Note, 4.150%, 3/15/2024 | 97,813 |
| 25,000 | Verizon Communications, Inc., Sr. Unsec'd. Note, 5.250%, 3/16/2037 | 32,573 |
| | TOTAL | 356,100 |
| | Consumer Cyclical - Automotive—0.2% | |
| 10,000 | DaimlerChrysler North America Holding Corp., Company Guarantee, 8.500%, 1/18/2031 | 15,212 |
| 200,000 | Ford Motor Credit Co. LLC, Sr. Unsec'd. Note, 3.336%, 3/18/2021 | 202,312 |
| 160,000 | General Motors Financial Co., Inc., Sr. Unsec'd. Note, 3.200%, 7/6/2021 | 162,563 |
| 10,000 | General Motors Financial Co., Inc., Sr. Unsec'd. Note, 3.950%, 4/13/2024 | 10,556 |
| | TOTAL | 390,643 |
| | Consumer Cyclical - Leisure—0.0% | |
| 66,707 | Football Trust V, Pass Thru Cert., 5.350%, 10/5/2020 | 68,168 |
| | Consumer Cyclical - Lodging—0.0% | |
| 20,000 | American Campus Communities Operating Partnership LP, Sr. Unsec'd. Note, 4.125%, 7/1/2024 | 21,704 |
| 30,000 | Hyatt Hotels Corp., Sr. Unsec'd. Note, 3.375%, 7/15/2023 | 31,211 |
| | TOTAL | 52,915 |

**Shares or
Principal
Amount**
Value
CORPORATE BONDS—continued
Consumer Cyclical - Retailers—0.2%

| | | |
|-----------|---|----------------|
| \$ 50,000 | Advance Auto Parts, Inc., 4.500%, 12/1/2023 | \$ 54,136 |
| 250,000 | AutoZone, Inc., Sr. Unsecd. Note, 3.250%, 4/15/2025 | 265,628 |
| 15,000 | CVS Health Corp., Sr. Unsecd. Note, 3.700%, 3/9/2023 | 15,741 |
| 15,000 | CVS Health Corp., Sr. Unsecd. Note, 4.100%, 3/25/2025 | 16,329 |
| 10,000 | O'Reilly Automotive, Inc., Company Guarantee, 4.875%, 1/14/2021 | 10,213 |
| 20,000 | Under Armour, Inc., Sr. Unsecd. Note, 3.250%, 6/15/2026 | 19,614 |
| 10,000 | WalMart, Inc., Sr. Unsecd. Note, 5.625%, 4/1/2040 | 14,432 |
| | TOTAL | 396,093 |

Consumer Cyclical - Services—0.3%

| | | |
|---------|--|----------------|
| 200,000 | Alibaba Group Holding Ltd., Sr. Unsecd. Note, 2.800%, 6/6/2023 | 204,495 |
| 125,000 | Amazon.com, Inc., Sr. Unsecd. Note, 3.800%, 12/5/2024 | 137,145 |
| 25,000 | Cintas Corp. No. 2, Sr. Unsecd. Note, 4.300%, 6/1/2021 | 25,756 |
| 65,000 | Expedia, Inc., Company Guarantee, 5.950%, 8/15/2020 | 66,390 |
| 15,000 | Expedia, Inc., Sr. Unsecd. Note, 144A, 3.250%, 2/15/2030 | 14,818 |
| 10,000 | University of Southern California, Sr. Unsecd. Note, 5.250%, 10/1/2111 | 15,548 |
| 70,000 | Visa, Inc., Sr. Unsecd. Note, 3.150%, 12/14/2025 | 75,271 |
| 15,000 | Visa, Inc., Sr. Unsecd. Note, 4.150%, 12/14/2035 | 18,397 |
| | TOTAL | 557,820 |

Consumer Non-Cyclical - Food/Beverage—1.0%

| | | |
|---------|---|------------------|
| 30,000 | Anheuser-Busch Cos LLC/Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.700%, 2/1/2036 | 36,157 |
| 300,000 | Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 5.550%, 1/23/2049 | 410,753 |
| 300,000 | Danone SA, Sr. Unsecd. Note, 144A, 2.947%, 11/2/2026 | 314,240 |
| 140,000 | Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026 | 147,556 |
| 80,000 | General Mills, Inc., Sr. Unsecd. Note, 4.700%, 4/17/2048 | 97,885 |
| 270,000 | Heineken NV, Sr. Unsecd. Note, 144A, 3.500%, 1/29/2028 | 293,699 |
| 200,000 | Kerry Group Financial Services, Sr. Unsecd. Note, 144A, 3.200%, 4/9/2023 | 206,827 |
| 4,000 | Kraft Heinz Foods Co., Sr. Unsecd. Note, 2.800%, 7/2/2020 | 4,008 |
| 15,000 | Kraft Heinz Foods Co., Sr. Unsecd. Note, 5.200%, 7/15/2045 | 17,053 |
| 50,000 | Mead Johnson Nutrition Co., Sr. Unsecd. Note, 4.125%, 11/15/2025 | 55,819 |
| | TOTAL | 1,583,997 |

Consumer Non-Cyclical - Health Care—0.1%

| | | |
|---------|---|---------|
| 135,000 | Agilent Technologies, Inc., Sr. Unsecd. Note, 2.750%, 9/15/2029 | 138,626 |
| 15,000 | Agilent Technologies, Inc., Sr. Unsecd. Note, 3.200%, 10/1/2022 | 15,442 |

**Shares or
Principal
Amount**
Value

| CORPORATE BONDS—continued | |
|--|---|
| Consumer Non-Cyclical - Health Care—continued | |
| \$ 10,000 | Laboratory Corp. of America Holdings, Sr. Unsecd. Note, 3.750%, 8/23/2022 |
| | \$ 10,425 |
| | TOTAL 164,493 |
| Consumer Non-Cyclical - Pharmaceuticals—0.4% | |
| 500,000 | AbbVie, Inc., Sr. Unsecd. Note, 144A, 4.250%, 11/21/2049 |
| | 542,766 |
| 15,000 | Amgen, Inc., Sr. Unsecd. Note, 4.400%, 5/1/2045 |
| | 17,388 |
| 10,000 | Bristol-Myers Squibb Co., Sr. Unsecd. Note, 144A, 4.125%, 6/15/2039 |
| | 12,049 |
| 15,000 | Johnson & Johnson, Sr. Unsecd. Note, 3.550%, 3/1/2036 |
| | 16,947 |
| | TOTAL 589,150 |
| Consumer Non-Cyclical - Supermarkets—0.0% | |
| 10,000 | Kroger Co., Sr. Unsecd. Note, 4.450%, 2/1/2047 |
| | 10,935 |
| Energy - Independent—0.3% | |
| 250,000 | Canadian Natural Resources Ltd., 3.900%, 2/1/2025 |
| | 268,433 |
| 125,000 | Cimarex Energy Co., Sr. Unsecd. Note, 3.900%, 5/15/2027 |
| | 129,797 |
| 20,000 | EQT Corp., Sr. Unsecd. Note, 3.900%, 10/1/2027 |
| | 15,864 |
| 150,000 | Occidental Petroleum Corp., Sr. Unsecd. Note, 2.900%, 8/15/2024 |
| | 153,387 |
| | TOTAL 567,481 |
| Energy - Integrated—0.5% | |
| 135,000 | BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.119%, 5/4/2026 |
| | 143,069 |
| 20,000 | BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.224%, 4/14/2024 |
| | 21,065 |
| 300,000 | BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.937%, 9/21/2028 |
| | 337,177 |
| 5,000 | ConocoPhillips, Company Guarantee, 6.500%, 2/1/2039 |
| | 7,419 |
| 75,000 | Husky Energy, Inc., 4.000%, 4/15/2024 |
| | 80,120 |
| 240,000 | Husky Energy, Inc., Sr. Unsecd. Note, 4.400%, 4/15/2029 |
| | 263,132 |
| | TOTAL 851,982 |
| Energy - Midstream—0.7% | |
| 20,000 | Energy Transfer Operating, Sr. Unsecd. Note, 5.500%, 6/1/2027 |
| | 23,017 |
| 115,000 | Energy Transfer Partners LP, Sr. Unsecd. Note, 4.050%, 3/15/2025 |
| | 122,057 |
| 75,000 | Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024 |
| | 81,273 |
| 10,000 | Energy Transfer Partners LP, Sr. Unsecd. Note, 6.125%, 12/15/2045 |
| | 11,597 |
| 170,000 | Enterprise Products Operating LLC, Sr. Unsecd. Note, 3.950%, 2/15/2027 |
| | 186,748 |
| 270,000 | Enterprise Products Operating LLC, Sr. Unsecd. Note, 4.200%, 1/31/2050 |
| | 291,167 |
| 10,000 | Florida Gas Transmission Co. LLC, Sr. Unsecd. Note, 144A, 5.450%, 7/15/2020 |
| | 10,149 |

| Shares or Principal Amount | | Value |
|----------------------------------|---|-----------|
| | CORPORATE BONDS—continued | |
| | Energy - Midstream—continued | |
| \$ 20,000 | Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, Series MTN, 6.950%, 1/15/2038 | \$ 26,893 |
| 40,000 | MPLX LP, Sr. Unsecd. Note, 4.125%, 3/1/2027 | 42,436 |
| 5,000 | MPLX LP, Sr. Unsecd. Note, 4.500%, 4/15/2038 | 5,181 |
| 225,000 | MPLX LP, Sr. Unsecd. Note, 5.500%, 2/15/2049 | 258,121 |
| 20,000 | Texas Eastern Transmission LP, Sr. Unsecd. Note, 144A, 2.800%, 10/15/2022 | 20,321 |
| 10,000 | Western Gas Partners LP, Sr. Unsecd. Note, 4.750%, 8/15/2028 | 10,293 |
| 30,000 | Williams Partners LP, Sr. Unsecd. Note, 4.125%, 11/15/2020 | 30,312 |
| | TOTAL | 1,119,565 |
| | Energy - Oil Field Services—0.0% | |
| 15,000 | Nabors Industries, Inc., Company Guarantee, 5.000%, 9/15/2020 | 15,156 |
| 3,000 | Nabors Industries, Inc., Sr. Unsecd. Note, 4.625%, 9/15/2021 | 3,007 |
| | TOTAL | 18,163 |
| | Energy - Refining—0.1% | |
| 15,000 | HollyFrontier Corp., Sr. Unsecd. Note, 5.875%, 4/1/2026 | 17,082 |
| 15,000 | Marathon Petroleum Corp., Sr. Unsecd. Note, 4.500%, 4/1/2048 | 16,409 |
| 10,000 | Marathon Petroleum Corp., Sr. Unsecd. Note, 6.500%, 3/1/2041 | 13,420 |
| 25,000 | Tesoro Corp., Sr. Unsecd. Note, 5.375%, 10/1/2022 | 25,253 |
| 15,000 | Valero Energy Corp., Sr. Unsecd. Note, 4.350%, 6/1/2028 | 16,687 |
| | TOTAL | 88,851 |
| | Financial Institution - Banking—2.5% | |
| 74,000 | American Express Co., 2.650%, 12/2/2022 | 75,890 |
| 250,000 | American Express Credit Corp., Sr. Unsecd. Note, Series MTN, 2.250%, 5/5/2021 | 252,008 |
| 300,000 | Bank of America Corp., Sr. Unsecd. Note, Series GMTN, 3.500%, 4/19/2026 | 322,938 |
| 250,000 | ^b Bank of America Corp., Sr. Unsecd. Note, Series MTN, 2.559% (3-month USLIBOR +0.650%), 10/1/2021 | 250,963 |
| 10,000 | Bank of America Corp., Sr. Unsecd. Note, Series MTN, 3.499%, 5/17/2022 | 10,221 |
| 100,000 | Bank of America Corp., Sr. Unsecd. Note, Series MTN, 5.000%, 5/13/2021 | 104,119 |
| 200,000 | Bank of America Corp., Sub. Note, Series L, 3.950%, 4/21/2025 | 216,864 |
| 15,000 | Bank of America Corp., Sub. Note, Series MTN, 4.200%, 8/26/2024 | 16,323 |
| 15,000 | Bank of America Corp., Sub., Series MTN, 4.450%, 3/3/2026 | 16,777 |
| 20,000 | Bank of New York Mellon, N.A., 3.400%, 5/15/2024 | 21,358 |
| 200,000 | Citigroup, Inc., Sr. Unsecd. Note, 2.700%, 3/30/2021 | 202,405 |
| 40,000 | Citigroup, Inc., Sr. Unsecd. Note, 2.876%, 7/24/2023 | 40,859 |

**Shares or
Principal
Amount**
Value
CORPORATE BONDS—continued
Financial Institution - Banking—continued

| | | |
|-----------|---|------------------|
| \$ 15,000 | Citigroup, Inc., Sr. Unsecd. Note, 3.142%, 1/24/2023 | \$ 15,347 |
| 250,000 | Citigroup, Inc., Sr. Unsecd. Note, 3.300%, 4/27/2025 | 265,887 |
| 170,000 | Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026 | 182,492 |
| 15,000 | Citigroup, Inc., Sub. Note, 4.450%, 9/29/2027 | 16,876 |
| 25,000 | City National Corp., Sr. Unsecd. Note, 5.250%, 9/15/2020 | 25,552 |
| 30,000 | Comerica, Inc., 3.800%, 7/22/2026 | 32,340 |
| 75,000 | Fifth Third Bancorp, Sr. Unsecd. Note, 3.650%, 1/25/2024 | 79,864 |
| 40,000 | Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.200%, 2/23/2023 | 41,509 |
| 275,000 | Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.625%, 1/22/2023 | 289,156 |
| 150,000 | Goldman Sachs Group, Inc., Sr. Unsecd. Note, 6.250%, 2/1/2041 | 220,275 |
| 80,000 | HSBC Holdings PLC, Sr. Unsecd. Note, 5.100%, 4/5/2021 | 83,037 |
| 10,000 | ⁵ JPMorgan Chase & Co., Jr. Sub. Deb., Series X, 6.100%, 10/1/2024 | 11,041 |
| 25,000 | ⁵ JPMorgan Chase & Co., Jr. Sub. Note, Series FF, 5.000%, 8/1/2024 | 26,167 |
| 20,000 | JPMorgan Chase & Co., Sr. Unsecd. Note, 3.559%, 4/23/2024 | 21,025 |
| 15,000 | JPMorgan Chase & Co., Sr. Unsecd. Note, 3.882%, 7/24/2038 | 17,160 |
| 400,000 | JPMorgan Chase & Co., Sub. Note, 3.375%, 5/1/2023 | 418,739 |
| 300,000 | Morgan Stanley, 4.300%, 1/27/2045 | 367,587 |
| 120,000 | Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.500%, 4/21/2021 | 121,155 |
| 15,000 | Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.125%, 1/23/2023 | 15,569 |
| 15,000 | Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 4.000%, 7/23/2025 | 16,493 |
| 15,000 | Morgan Stanley, Sub. Note, Series MTN, 4.100%, 5/22/2023 | 15,990 |
| 65,000 | Royal Bank of Canada, Sec. Fac. Bond, 2.100%, 10/14/2020 | 65,153 |
| 10,000 | Royal Bank of Scotland Group PLC, Sub., 6.000%, 12/19/2023 | 11,250 |
| 10,000 | State Street Corp., Sub. Deb., 3.031%, 11/1/2034 | 10,372 |
| 45,000 | Sumitomo Mitsui Financial Group, Inc., Sr. Unsecd. Note, 3.102%, 1/17/2023 | 46,685 |
| 130,000 | Truist Financial Corp., Sr. Unsecd. Note, 2.900%, 3/3/2021 | 131,617 |
| 10,000 | Wells Fargo & Co., Series MTN, 4.100%, 6/3/2026 | 11,022 |
| 15,000 | Wells Fargo & Co., Sr. Unsecd. Note, 3.069%, 1/24/2023 | 15,356 |
| 10,000 | Westpac Banking Corp., Sub., Series GMTN, 4.322%, 11/23/2031 | 10,897 |
| | TOTAL | 4,116,338 |
| | Financial Institution - Broker/Asset Mgr/Exchange—0.1% | |
| 80,000 | Invesco Finance PLC, Sr. Unsecd. Note, 3.750%, 1/15/2026 | 87,665 |
| 70,000 | Nuveen LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/1/2028 | 80,157 |
| 13,000 | Raymond James Financial, Inc., Sr. Unsecd. Note, 5.625%, 4/1/2024 | 14,871 |
| 15,000 | XLIT Ltd., Sub., 4.450%, 3/31/2025 | 16,631 |
| | TOTAL | 199,324 |

| Shares or Principal Amount | | Value |
|----------------------------------|--|------------|
| | CORPORATE BONDS—continued | |
| | Financial Institution - Finance Companies—0.4% | |
| \$ 170,000 | AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 3.950%, 2/1/2022 | \$ 176,008 |
| 150,000 | AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.875%, 1/16/2024 | 164,476 |
| 250,000 | GE Capital International Funding, Inc., Sr. Unsecd. Note, 4.418%, 11/15/2035 | 281,960 |
| 25,000 | Santander UK Group Holdings PLC, Sr. Unsecd. Note, 3.125%, 1/8/2021 | 25,298 |
| | TOTAL | 647,742 |
| | Financial Institution - Insurance - Life—0.7% | |
| 200,000 | Aflac, Inc., Sr. Unsecd. Note, 3.625%, 6/15/2023 | 213,654 |
| 25,000 | American International Group, Inc., 4.500%, 7/16/2044 | 29,840 |
| 35,000 | American International Group, Inc., Sr. Unsecd. Note, 4.125%, 2/15/2024 | 37,967 |
| 125,000 | American International Group, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2028 | 140,913 |
| 10,000 | Lincoln National Corp., Sr. Unsecd. Note, 4.200%, 3/15/2022 | 10,479 |
| 275,000 | Mass Mutual Global Funding II, 144A, 2.000%, 4/15/2021 | 276,402 |
| 10,000 | MetLife, Inc., Jr. Sub. Note, 10.750%, 8/1/2039 | 16,764 |
| 15,000 | MetLife, Inc., Jr. Sub. Note, 6.400%, 12/15/2036 | 18,884 |
| 250,000 | MetLife, Inc., Sr. Unsecd. Note, 3.600%, 4/10/2024 | 269,274 |
| 15,000 | Penn Mutual Life Insurance Co., Sr. Note, 144A, 7.625%, 6/15/2040 | 22,713 |
| 10,000 | Principal Financial Group, Inc., Sr. Unsecd. Note, 3.125%, 5/15/2023 | 10,399 |
| 10,000 | Principal Financial Group, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2022 | 10,380 |
| 50,000 | Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 6.200%, 11/15/2040 | 69,894 |
| | TOTAL | 1,127,563 |
| | Financial Institution - Insurance - P&C—0.1% | |
| 10,000 | Berkshire Hathaway Finance Corp., Sr. Unsecd. Note, 4.200%, 8/15/2048 | 12,147 |
| 65,000 | Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039 | 116,275 |
| | TOTAL | 128,422 |
| | Financial Institution - REIT - Apartment—0.1% | |
| 20,000 | Post Apartment Homes LP, Sr. Unsecd. Note, 3.375%, 12/1/2022 | 20,725 |
| 70,000 | UDR, Inc., Sr. Unsecd. Note, Series MTN, 2.950%, 9/1/2026 | 72,917 |
| | TOTAL | 93,642 |
| | Financial Institution - REIT - Healthcare—0.3% | |
| 50,000 | Healthcare Trust of America, 3.700%, 4/15/2023 | 52,145 |

**Shares or
Principal
Amount**
Value

| CORPORATE BONDS—continued | | |
|--|--|------------------|
| Financial Institution - REIT - Healthcare—continued | | |
| \$ 220,000 | Healthcare Trust of America, Sr. Unsecd. Note, 3.100%, 2/15/2030 | \$ 227,091 |
| 185,000 | Welltower, Inc., Sr. Unsecd. Note, 2.700%, 2/15/2027 | 189,647 |
| | TOTAL | 468,883 |
| Financial Institution - REIT - Office—0.1% | | |
| 50,000 | Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 3.900%, 6/15/2023 | 53,110 |
| 70,000 | Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 3.950%, 1/15/2028 | 77,522 |
| | TOTAL | 130,632 |
| Financial Institution - REIT - Other—0.1% | | |
| 105,000 | WP Carey, Inc., Sr. Unsecd. Note, 3.850%, 7/15/2029 | 113,654 |
| 75,000 | WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024 | 81,397 |
| | TOTAL | 195,051 |
| Financial Institution - REIT - Retail—0.0% | | |
| 50,000 | Kimco Realty Corp., Sr. Unsecd. Note, 3.400%, 11/1/2022 | 52,020 |
| Sovereign—0.0% | | |
| 30,000 | Corp Andina De Fomento, Sr. Unsecd. Note, 4.375%, 6/15/2022 | 31,674 |
| Technology—0.6% | | |
| 10,000 | Apple, Inc., 3.850%, 5/4/2043 | 11,621 |
| 30,000 | Apple, Inc., Sr. Unsecd. Note, 2.400%, 5/3/2023 | 30,766 |
| 200,000 | Apple, Inc., Sr. Unsecd. Note, 2.950%, 9/11/2049 | 204,606 |
| 20,000 | Corning, Inc., Unsecd. Note, 4.750%, 3/15/2042 | 23,323 |
| 240,000 | Diamond 1 Finance Corp./Diamond 2 Finance Corp., Sr. Secd. Note, 144A, 6.020%, 6/15/2026 | 280,536 |
| 125,000 | Equifax, Inc., Sr. Unsecd. Note, 2.300%, 6/1/2021 | 125,809 |
| 53,000 | Fidelity National Information Services, Inc., Sr. Unsecd. Note, 3.500%, 4/15/2023 | 55,690 |
| 110,000 | Fiserv, Inc., Sr. Unsecd. Note, 3.500%, 7/1/2029 | 118,856 |
| 70,000 | Hewlett Packard Enterprise Co., Sr. Unsecd. Note, 3.600%, 10/15/2020 | 70,775 |
| 20,000 | Ingram Micro, Inc., Sr. Unsecd. Note, 5.000%, 8/10/2022 | 20,672 |
| 30,000 | KLA Corp., Sr. Unsecd. Note, 4.125%, 11/1/2021 | 31,085 |
| 15,000 | Microsoft Corp., Sr. Unsecd. Note, 3.450%, 8/8/2036 | 17,022 |
| 10,000 | Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 9/12/2022 | 10,557 |
| 50,000 | Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045 | 65,600 |
| | TOTAL | 1,066,918 |
| Technology Services—0.0% | | |
| 5,000 | Global Payments, Inc., Sr. Unsecd. Note, 3.200%, 8/15/2029 | 5,252 |

**Shares or
Principal
Amount**
Value

| CORPORATE BONDS—continued | | |
|--|---|------------------|
| Transportation - Airlines—0.0% | | |
| \$ 30,000 | Delta Air Lines, Inc., Sr. Unsecd. Note, 2.900%, 10/28/2024 | \$ 30,356 |
| Transportation - Railroads—0.2% | | |
| 50,000 | Burlington Northern Santa Fe Corp., Deb., 5.750%, 5/1/2040 | 70,991 |
| 30,000 | Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2023 | 30,978 |
| 225,000 | Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.125%, 6/1/2026 | 236,210 |
| | TOTAL | 338,179 |
| Transportation - Services—0.2% | | |
| 15,000 | Enterprise Rent-A-Car USA Finance Co., Sr. Unsecd. Note, 144A, 5.625%, 3/15/2042 | 19,654 |
| 20,000 | FedEx Corp., Sr. Unsecd. Note, 3.900%, 2/1/2035 | 21,163 |
| 25,000 | Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 3.650%, 7/29/2021 | 25,634 |
| 70,000 | Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 2.800%, 3/1/2022 | 71,228 |
| 200,000 | Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.750%, 6/9/2023 | 211,007 |
| 30,000 | United Parcel Service, Inc., Sr. Unsecd. Note, 3.125%, 1/15/2021 | 30,437 |
| | TOTAL | 379,123 |
| Utility - Electric—1.3% | | |
| 70,000 | Electricite de France SA, Note, 144A, 5.600%, 1/27/2040 | 93,313 |
| 300,000 | Electricite de France SA, Sr. Unsecd. Note, 144A, 4.500%, 9/21/2028 | 342,952 |
| 140,000 | Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046 | 169,667 |
| 280,000 | Enel Finance International NV, Sr. Unsecd. Note, 144A, 4.625%, 9/14/2025 | 311,584 |
| 170,000 | EverSource Energy, Sr. Unsecd. Note, 3.350%, 3/15/2026 | 178,774 |
| 200,000 | Exelon Corp., Sr. Unsecd. Note, 3.400%, 4/15/2026 | 214,168 |
| 100,000 | Exelon Generation Co. LLC, Sr. Unsecd. Note, 4.250%, 6/15/2022 | 104,943 |
| 10,000 | Great Plains Energy, Inc., Note, 4.850%, 6/1/2021 | 10,329 |
| 110,000 | National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046 | 121,788 |
| 25,000 | National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, Series MTNC, 8.000%, 3/1/2032 | 38,740 |
| 250,000 | PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026 | 261,824 |
| 175,000 | Southern Co., Sr. Unsecd. Note, 3.250%, 7/1/2026 | 186,465 |
| 10,000 | TECO Finance, Inc., Company Guarantee, 5.150%, 3/15/2020 | 10,038 |
| 40,000 | UIL Holdings Corp., Sr. Unsecd. Note, 4.625%, 10/1/2020 | 40,681 |
| | TOTAL | 2,085,266 |
| Utility - Natural Gas—0.1% | | |
| 50,000 | Enbridge Energy Partners LP, Sr. Unsecd. Note, 4.200%, 9/15/2021 | 51,652 |

| Shares or Principal Amount | | Value |
|----------------------------------|--|------------|
| | CORPORATE BONDS—continued | |
| | Utility - Natural Gas—continued | |
| \$ 65,000 | National Fuel Gas Co., Sr. Unsecd. Note, 3.750%, 3/1/2023 | \$ 67,675 |
| 15,000 | Sempra Energy, Sr. Unsecd. Note, 2.900%, 2/1/2023 | 15,455 |
| 5,000 | TransCanada PipeLines Ltd., Sr. Unsecd. Note, 6.200%, 10/15/2037 | 6,661 |
| | TOTAL | 141,443 |
| | TOTAL CORPORATE BONDS (IDENTIFIED COST \$18,352,066) | 20,037,510 |
| | MORTGAGE-BACKED SECURITIES—0.6% | |
| 59,181 | Federal Home Loan Mortgage Corp., Pool G07801, 4.000%, 10/1/2044 | 63,649 |
| 10,566 | Federal National Mortgage Association, Pool 357761, 5.500%, 5/1/2035 | 11,967 |
| 1,523 | Federal National Mortgage Association, Pool 728709, 5.500%, 7/1/2033 | 1,710 |
| 46,028 | Federal National Mortgage Association, Pool 932864, 4.000%, 12/1/2040 | 49,547 |
| 69,389 | Federal National Mortgage Association, Pool AB7859, 3.500%, 2/1/2043 | 73,888 |
| 53,440 | Federal National Mortgage Association, Pool AD6938, 4.500%, 6/1/2040 | 58,455 |
| 33,862 | Federal National Mortgage Association, Pool AQ0945, 3.000%, 11/1/2042 | 35,132 |
| 40,312 | Federal National Mortgage Association, Pool AT2127, 3.000%, 4/1/2043 | 41,849 |
| 29,423 | Federal National Mortgage Association, Pool AT7861, 3.000%, 6/1/2028 | 30,535 |
| 77,636 | Federal National Mortgage Association, Pool BM4388, 4.000%, 8/1/2048 | 82,554 |
| 31,132 | Federal National Mortgage Association, Pool BM5024, 3.000%, 11/1/2048 | 32,017 |
| 58,937 | Federal National Mortgage Association, Pool BM5246, 3.500%, 11/1/2048 | 61,304 |
| 42,807 | Federal National Mortgage Association, Pool CA0833, 3.500%, 12/1/2047 | 44,673 |
| 39,326 | Federal National Mortgage Association, Pool CA4427, 3.000%, 10/1/2049 | 40,383 |
| 34,239 | Federal National Mortgage Association, Pool FM0008, 3.500%, 8/1/2049 | 35,839 |
| 64,164 | Federal National Mortgage Association, Pool FM1000, 3.000%, 4/1/2047 | 66,230 |
| 34,043 | Federal National Mortgage Association, Pool FM1221, 3.500%, 7/1/2049 | 35,793 |
| 39,587 | Federal National Mortgage Association, Pool MA0500, 5.000%, 8/1/2040 | 43,745 |

**Shares or
Principal
Amount**
Value

| | MORTGAGE-BACKED SECURITIES—continued | |
|-----------|--|------------------|
| \$ 46,135 | Federal National Mortgage Association, Pool MA0666, 4.500%, 3/1/2041 | \$ 50,306 |
| 49,332 | Federal National Mortgage Association, Pool MA1430, 3.000%, 5/1/2043 | 51,213 |
| 57,636 | Federal National Mortgage Association, Pool MA2803, 2.500%, 11/1/2031 | 58,847 |
| 30,354 | Government National Mortgage Association, Pool MA0625, 3.500%, 12/20/2042 | 31,908 |
| 22,942 | Government National Mortgage Association, Pool MA1376, 4.000%, 10/20/2043 | 24,372 |
| | TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$993,092) | 1,025,916 |
| | U.S. TREASURIES—7.0% | |
| 108,525 | ⁶ U.S. Treasury Inflation-Protected Notes, 0.125%, 4/15/2021 | 108,293 |
| 170,463 | U.S. Treasury Inflation-Protected Notes, 0.125%, 1/15/2022 | 170,851 |
| 226,249 | U.S. Treasury Inflation-Protected Notes, 0.250%, 7/15/2029 | 235,306 |
| 68,346 | U.S. Treasury Inflation-Protected Notes, 0.375%, 7/15/2027 | 71,272 |
| 407,936 | U.S. Treasury Inflation-Protected Notes, 0.500%, 4/15/2024 | 419,166 |
| 414,204 | U.S. Treasury Inflation-Protected Notes, 0.625%, 4/15/2023 | 423,485 |
| 290,269 | U.S. Treasury Inflation-Protected Notes, 0.750%, 2/15/2042 | 320,851 |
| 78,229 | U.S. Treasury Inflation-Protected Notes, 1.000%, 2/15/2048 | 93,252 |
| 521,301 | U.S. Treasury Inflation-Protected Notes, 1.000%, 2/15/2049 | 626,323 |
| 137,955 | U.S. Treasury Inflation-Protected Notes, 1.375%, 2/15/2044 | 173,084 |
| 100,000 | United States Treasury Note, 1.375%, 1/31/2022 | 100,094 |
| 1,400,000 | United States Treasury Note, 1.500%, 11/30/2021 | 1,403,668 |
| 550,000 | United States Treasury Note, 1.500%, 11/30/2024 | 554,649 |
| 175,000 | United States Treasury Note, 1.500%, 1/31/2027 | 175,838 |
| 1,295,000 | United States Treasury Note, 1.625%, 12/31/2021 | 1,301,918 |
| 55,000 | United States Treasury Note, 1.625%, 5/15/2026 | 55,743 |
| 400,000 | United States Treasury Note, 1.750%, 12/31/2024 | 408,085 |
| 100,000 | United States Treasury Note, 1.750%, 12/31/2026 | 102,125 |
| 2,925,000 | United States Treasury Note, 1.750%, 11/15/2029 | 2,988,487 |
| 55,000 | United States Treasury Note, 1.875%, 1/31/2022 | 55,569 |
| 25,000 | United States Treasury Note, 2.125%, 9/30/2021 | 25,301 |
| 120,000 | United States Treasury Note, 2.250%, 3/31/2021 | 121,053 |
| 50,000 | United States Treasury Note, 2.250%, 4/30/2024 | 51,912 |
| 65,000 | United States Treasury Note, 2.250%, 11/15/2025 | 68,131 |
| 100,000 | United States Treasury Bond, 2.250%, 8/15/2049 | 105,567 |
| 30,000 | United States Treasury Note, 2.375%, 8/15/2024 | 31,383 |
| 125,000 | United States Treasury Note, 2.375%, 4/30/2026 | 132,286 |

| Shares or Principal Amount | | Value |
|----------------------------------|---|---------------|
| | U.S. TREASURIES—continued | |
| \$ 25,000 | United States Treasury Note, 2.375%, 5/15/2027 | \$ 26,629 |
| 350,000 | United States Treasury Bond, 2.375%, 11/15/2049 | 379,558 |
| 25,000 | United States Treasury Note, 2.500%, 1/31/2021 | 25,242 |
| 375,000 | United States Treasury Note, 2.500%, 2/28/2021 | 378,945 |
| 65,000 | United States Treasury Note, 2.500%, 8/15/2023 | 67,675 |
| 90,000 | United States Treasury Note, 2.500%, 5/15/2024 | 94,397 |
| 200,000 | United States Treasury Note, 2.625%, 2/15/2029 | 219,098 |
| 20,000 | United States Treasury Note, 2.875%, 5/15/2028 | 22,194 |
| 50,000 | United States Treasury Bond, 4.500%, 2/15/2036 | 69,644 |
| | TOTAL U.S. TREASURIES (IDENTIFIED COST \$11,237,426) | 11,607,074 |
| | MUNICIPAL BOND—0.0% | |
| 30,000 | Texas State Transportation Commission—State Highway Fund, 5.178%, 4/1/2030 (IDENTIFIED COST \$34,028) | 37,182 |
| | EXCHANGE-TRADED FUNDS—8.2% | |
| 24,775 | iShares Core MSCI Emerging Markets ETF | 1,253,367 |
| 185,000 | iShares MSCI EAFE ETF | 12,483,800 |
| | TOTAL EXCHANGE-TRADED FUNDS (IDENTIFIED COST \$13,926,098) | 13,737,167 |
| | INVESTMENT COMPANIES—16.0% | |
| 253,091 | Emerging Markets Core Fund | 2,581,528 |
| 180,120 | Federated Bank Loan Core Fund | 1,772,384 |
| 728,398 | Federated Government Obligations Fund, Premier Shares, 1.49% ⁷ | 728,398 |
| 2,750,971 | Federated Institutional Prime Value Obligations Fund, Institutional Shares, 1.71% ⁷ | 2,751,796 |
| 1,235,521 | Federated Mortgage Core Portfolio | 12,281,081 |
| 371,159 | Federated Project and Trade Finance Core Fund | 3,310,736 |
| 515,198 | High Yield Bond Portfolio | 3,250,897 |
| | TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$27,243,102) | 26,676,820 |
| | TOTAL INVESTMENT IN SECURITIES—100.3% (IDENTIFIED COST \$158,673,159) ⁸ | 167,188,900 |
| | OTHER ASSETS AND LIABILITIES - NET—(0.3)% ⁹ | (502,631) |
| | TOTAL NET ASSETS—100% | \$166,686,269 |

At January 31, 2020, the Fund had the following outstanding futures contracts:

| Description | Number of Contracts | Notional Value | Expiration Date | Value and Unrealized Appreciation (Depreciation) |
|---|----------------------------|-----------------------|------------------------|---|
| ¹ United States Treasury Note 2-Year Long Futures | 41 | \$8,870,734 | March 2020 | \$28,248 |
| ¹ United States Treasury Note 5-Year Long Futures | 9 | \$1,082,883 | March 2020 | \$14,862 |
| ¹ United States Treasury Note 10-Year Long Futures | 3 | \$ 394,969 | March 2020 | \$ 5,493 |
| ¹ United States Treasury Note 10-Year Ultra Long Futures | 1 | \$ 145,656 | March 2020 | \$ 3,701 |
| ¹ United States Treasury Ultra Bond Short Futures | 1 | \$ 193,687 | March 2020 | \$(8,628) |
| NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS | | | | \$43,676 |

Net Unrealized Appreciation (Depreciation) on Futures Contracts is included in “Other Assets and Liabilities—Net.”

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| Affiliates | Balance of Shares Held 7/31/2019 | Purchases/ Additions | Sales/ Reductions |
|---|---|---------------------------------|------------------------------|
| Emerging Markets Core Fund | 278,303 | 135,582 | (160,794) |
| Federated Bank Loan Core Fund | 135,857 | 59,248 | (14,985) |
| Federated Government Obligations Fund, Premier Shares* | 145,972 | 77,540,874 | (76,958,448) |
| Federated Institutional Prime Value Obligations Fund, Institutional Shares | 5,815,511 | 35,207,624 | (38,272,164) |
| Federated Mortgage Core Portfolio | 1,314,242 | 821,318 | (900,039) |
| Federated Project and Trade Finance Core Fund | 362,119 | 9,040 | — |
| High Yield Bond Portfolio | 691,626 | 299,238 | (475,666) |
| TOTAL OF AFFILIATED TRANSACTIONS | 8,743,630 | 114,072,924 | (116,782,096) |

| Balance of Shares Held 1/31/2020 | Value | Change in Unrealized Appreciation/Depreciation | Net Realized Gain/(Loss) | Dividend Income |
|----------------------------------|--------------|--|--------------------------|-----------------|
| 253,091 | \$ 2,581,528 | \$ 17,657 | \$ 28,299 | \$ 66,686 |
| 180,120 | \$ 1,772,384 | \$ (370) | \$ 1,498 | \$ 41,889 |
| 728,398 | \$ 728,398 | NA | NA | 13,285 |
| 2,750,971 | \$ 2,751,796 | \$ 134 | \$ (348) | 26,788 |
| 1,235,521 | \$12,281,081 | \$(77,019) | \$167,449 | \$216,469 |
| 371,159 | \$ 3,310,736 | \$(36,693) | \$ — | \$ 80,969 |
| 515,198 | \$ 3,250,897 | \$ (169) | \$ 7,060 | \$124,891 |
| 6,034,458 | \$26,676,820 | \$(96,460) | \$203,958 | \$570,977 |

* All or a portion of the balance/activity for the fund relates to cash collateral received on securities lending transactions.

- 1 Non-income-producing security.
- 2 All or a portion of these securities are temporarily on loan to unaffiliated broker/dealers.
- 3 JPMorgan Chase & Co. has fully and unconditionally guaranteed Bear Stearns' outstanding registered debt securities.
- 4 Floating/variable note with current rate and current maturity or next reset date shown.
- 5 Perpetual Bond Security. The maturity date reflects the next call date.
- 6 All or a portion of this security is pledged as collateral to ensure the Fund is able to satisfy the obligations of its outstanding futures contracts.
- 7 7-day net yield.
- 8 Also represents cost for federal tax purposes.
- 9 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, 2020.

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

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

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

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

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

The following is a summary of the inputs used, as of January 31, 2020, in valuing the Fund's assets carried at fair value:

Valuation Inputs

| | Level 1— Quoted Prices | Level 2— Other Significant Observable Inputs | Level 3— Significant Unobservable Inputs | Total |
|--|------------------------------|--|---|----------------------|
| Equity Securities: | | | | |
| Common Stocks | | | | |
| Domestic | \$ 89,784,208 | \$ — | \$— | \$ 89,784,208 |
| International | 1,480,300 | — | — | 1,480,300 |
| Debt Securities: | | | | |
| Asset-Backed Security | — | 12,374 | — | 12,374 |
| Collateralized Mortgage Obligations | — | 9,558 | — | 9,558 |
| Commercial Mortgage-Backed Securities | — | 2,780,791 | — | 2,780,791 |
| Corporate Bonds | — | 20,037,510 | — | 20,037,510 |
| Mortgage-Backed Securities | — | 1,025,916 | — | 1,025,916 |
| U.S. Treasuries | — | 11,607,074 | — | 11,607,074 |
| Municipal Bonds | — | 37,182 | — | 37,182 |
| Exchange-Traded Funds | 13,737,167 | — | — | 13,737,167 |
| Investment Companies¹ | 23,366,084 | — | — | 26,676,820 |
| TOTAL SECURITIES | \$128,367,759 | \$35,510,405 | \$— | \$167,188,900 |
| Other Financial Instruments² | | | | |
| Assets | \$ 52,304 | \$ — | \$— | \$ 52,304 |
| Liabilities | (8,628) | — | — | (8,628) |
| TOTAL OTHER FINANCIAL INSTRUMENTS | \$ 43,676 | \$ — | \$— | \$ 43,676 |

1 As permitted by U.S. generally accepted accounting principles (GAAP), the Investment Company valued at \$3,310,736 is measured at fair value using the net asset value (NAV) per share practical expedient and has not been categorized in the chart above, but is included in the Total column. The amount included herein is intended to permit reconciliation of the fair value classifications to the amounts presented on the Statement of Assets and Liabilities. The price of shares redeemed of Federated Project and Trade Finance Core Fund may be determined as of the closing NAV of the fund up to twenty-four days after receipt of a shareholder redemption request.

2 Other financial instruments are futures contracts.

The following acronyms are used throughout this portfolio:

ETF —Exchange-Traded Fund
 FREMF—Freddie Mac Multifamily K-Deals
 GMTN —Global Medium Term Note
 LIBOR —London Interbank Offered Rate
 MTN —Medium Term Note
 REIT —Real Estate Investment Trust
 REMIC —Real Estate Mortgage Investment Conduit

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) 1/31/2020 | Year Ended July 31, | | | | |
|---|---|---------------------|----------------|----------------|----------------|----------------|
| | | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net Asset Value, Beginning of Period | \$18.71 | \$19.59 | \$17.74 | \$16.52 | \$16.83 | \$16.07 |
| Income From Investment Operations: | | | | | | |
| Net investment income ¹ | 0.11 | 0.25 | 0.21 | 0.26 | 0.24 | 0.20 |
| Net realized and unrealized gain (loss) | 0.64 | 0.57 | 1.89 | 1.23 | (0.31) | 0.74 |
| TOTAL FROM INVESTMENT OPERATIONS | 0.75 | 0.82 | 2.10 | 1.49 | (0.07) | 0.94 |
| Less Distributions: | | | | | | |
| Distributions from net investment income | (0.24) | (0.19) | (0.25) | (0.27) | (0.24) | (0.18) |
| Distributions from net realized gain | (0.53) | (1.51) | — | — | — | — |
| TOTAL DISTRIBUTIONS | (0.77) | (1.70) | (0.25) | (0.27) | (0.24) | (0.18) |
| Net Asset Value, End of Period | \$18.69 | \$18.71 | \$19.59 | \$17.74 | \$16.52 | \$16.83 |
| Total Return² | 4.07% | 5.28% | 11.91% | 9.11% | (0.37)% | 5.89% |
| Ratios to Average Net Assets: | | | | | | |
| Net expenses | 1.31% ³ | 1.31% | 1.32% | 1.26% | 1.30% | 1.30% |
| Net investment income | 1.11% ³ | 1.35% | 1.11% | 1.51% | 1.51% | 1.21% |
| Expense waiver/reimbursement ⁴ | 0.05% ³ | 0.08% | 0.06% | 0.15% | 0.10% | 0.09% |
| Supplemental Data: | | | | | | |
| Net assets, end of period (000 omitted) | \$95,056 | \$84,243 | \$61,553 | \$61,405 | \$61,245 | \$62,555 |
| Portfolio turnover | 64% | 92% | 89% | 82% | 98% | 89% |

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

2 *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.*

3 *Computed on an annualized basis.*

4 *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) 1/31/2020 | Year Ended July 31, | | | | |
|---|---|---------------------|----------------|----------------|----------------|----------------|
| | | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net Asset Value, Beginning of Period | \$18.50 | \$19.31 | \$17.49 | \$16.30 | \$16.59 | \$15.84 |
| Income From Investment Operations: | | | | | | |
| Net investment income ¹ | 0.03 | 0.11 | 0.06 | 0.13 | 0.12 | 0.07 |
| Net realized and unrealized gain (loss) | 0.63 | 0.59 | 1.87 | 1.20 | (0.31) | 0.74 |
| TOTAL FROM INVESTMENT OPERATIONS | 0.66 | 0.70 | 1.93 | 1.33 | (0.19) | 0.81 |
| Less Distributions: | | | | | | |
| Distributions from net investment income | (0.10) | (0.00) ² | (0.11) | (0.14) | (0.10) | (0.06) |
| Distributions from net realized gain | (0.53) | (1.51) | — | — | — | — |
| TOTAL DISTRIBUTIONS | (0.63) | (1.51) | (0.11) | (0.14) | (0.10) | (0.06) |
| Net Asset Value, End of Period | \$18.53 | \$18.50 | \$19.31 | \$17.49 | \$16.30 | \$16.59 |
| Total Return³ | 3.66% | 4.54% | 11.09% | 8.23% | (1.10)% | 5.12% |
| Ratios to Average Net Assets: | | | | | | |
| Net expenses | 2.06% ³ | 2.06% | 2.07% | 2.01% | 2.05% | 2.05% |
| Net investment income | 0.36% ³ | 0.60% | 0.35% | 0.75% | 0.76% | 0.45% |
| Expense waiver/reimbursement ⁴ | 0.06% ³ | 0.10% | 0.04% | 0.13% | 0.08% | 0.06% |
| Supplemental Data: | | | | | | |
| Net assets, end of period (000 omitted) | \$15,863 | \$15,492 | \$27,577 | \$29,007 | \$29,152 | \$31,571 |
| Portfolio turnover | 64% | 92% | 89% | 82% | 98% | 89% |

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

2 Represents less than \$0.01.

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.

3 Computed on an annualized basis.

4 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 – Institutional Shares

(For a Share Outstanding Throughout Each Period)

| | Six Months Ended (unaudited) 1/31/2020 | Year Ended July 31, | | | | |
|---|---|---------------------|----------------|----------------|----------------|----------------|
| | | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net Asset Value, Beginning of Period | \$18.78 | \$19.64 | \$17.79 | \$16.57 | \$16.87 | \$16.11 |
| Income From Investment Operations: | | | | | | |
| Net investment income ¹ | 0.13 | 0.30 | 0.26 | 0.30 | 0.28 | 0.24 |
| Net realized and unrealized gain (loss) | 0.64 | 0.58 | 1.89 | 1.23 | (0.30) | 0.74 |
| TOTAL FROM INVESTMENT OPERATIONS | 0.77 | 0.88 | 2.15 | 1.53 | (0.02) | 0.98 |
| Less Distributions: | | | | | | |
| Distributions from net investment income | (0.28) | (0.23) | (0.30) | (0.31) | (0.28) | (0.22) |
| Distributions from net realized gain | (0.53) | (1.51) | — | — | — | — |
| TOTAL DISTRIBUTIONS | (0.81) | (1.74) | (0.30) | (0.31) | (0.28) | (0.22) |
| Net Asset Value, End of Period | \$18.74 | \$18.78 | \$19.64 | \$17.79 | \$16.57 | \$16.87 |
| Total Return² | 4.17% | 5.61% | 12.15% | 9.36% | (0.07)% | 6.13% |
| Ratios to Average Net Assets: | | | | | | |
| Net expenses | 1.06% ³ | 1.06% | 1.07% | 1.00% | 1.05% | 1.05% |
| Net investment income | 1.36% ³ | 1.62% | 1.35% | 1.77% | 1.76% | 1.46% |
| Expense waiver/reimbursement ⁴ | 0.05% ³ | 0.08% | 0.02% | 0.12% | 0.05% | 0.04% |
| Supplemental Data: | | | | | | |
| Net assets, end of period (000 omitted) | \$53,101 | \$53,035 | \$54,358 | \$39,136 | \$47,757 | \$53,291 |
| Portfolio turnover | 64% | 92% | 89% | 82% | 98% | 89% |

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

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

3 Computed on an annualized basis.

4 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 R6 Shares

(For a Share Outstanding Throughout Each Period)

| | Six Months Ended (unaudited) 1/31/2020 | Year Ended July 31, | | | | |
|---|---|---------------------|----------------|-------------------|----------------|----------------|
| | | 2019 | 2018 | 2017 ¹ | 2016 | 2015 |
| Net Asset Value, Beginning of Period | \$18.74 | \$19.62 | \$17.76 | \$16.49 | \$16.80 | \$16.05 |
| Income From Investment Operations: | | | | | | |
| Net investment income ² | 0.13 | 0.27 | 0.26 | 0.28 | 0.20 | 0.16 |
| Net realized and unrealized gain (loss) | 0.63 | 0.60 | 1.90 | 1.24 | (0.31) | 0.74 |
| TOTAL FROM INVESTMENT OPERATIONS | 0.76 | 0.87 | 2.16 | 1.52 | (0.11) | 0.90 |
| Less Distributions: | | | | | | |
| Distributions from net investment income | (0.28) | (0.24) | (0.30) | (0.25) | (0.20) | (0.15) |
| Distributions from net realized gain | (0.53) | (1.51) | — | — | — | — |
| TOTAL DISTRIBUTIONS | (0.81) | (1.75) | (0.30) | (0.25) | (0.20) | (0.15) |
| Net Asset Value, End of Period | \$18.69 | \$18.74 | \$19.62 | \$17.76 | \$16.49 | \$16.80 |
| Total Return³ | 4.13% | 5.56% | 12.24% | 9.32% | (0.59)% | 5.61% |
| Ratios to Average Net Assets: | | | | | | |
| Net expenses | 1.05% ⁴ | 1.05% | 1.06% | 1.05% | 1.56% | 1.56% |
| Net investment income | 1.34% ⁴ | 1.40% | 1.36% | 1.64% | 1.27% | 0.96% |
| Expense waiver/reimbursement ⁵ | 0.01% ⁴ | 0.06% | 0.02% | 0.06% | 0.04% | 0.03% |
| Supplemental Data: | | | | | | |
| Net assets, end of period (000 omitted) | \$2,667 | \$3,165 | \$12,178 | \$10,439 | \$577 | \$532 |
| Portfolio turnover | 64% | 92% | 89% | 82% | 98% | 89% |

1 Effective September 1, 2016, the Fund's Class R Shares were redesignated as Class R6 Shares.

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

January 31, 2020 (unaudited)

Assets:

| | |
|--|--------------------|
| Investment in securities, at value including \$684,960 of securities loaned and \$26,676,820 of investment in affiliated holdings* (identified cost \$158,673,159) | \$167,188,900 |
| Cash | 1,878 |
| Income receivable | 300,211 |
| Income receivable from affiliated holdings | 84,118 |
| Receivable for investments sold | 1,891,284 |
| Receivable for shares sold | 155,874 |
| Receivable for variation margin on futures contracts | 12,928 |
| TOTAL ASSETS | 169,635,193 |

Liabilities:

| | |
|---|------------------|
| Payable for investments purchased | \$1,928,242 |
| Payable for shares redeemed | 91,735 |
| Payable for collateral due to broker for securities lending | 728,398 |
| Payable to adviser (Note 5) | 3,445 |
| Payable for administrative fees (Note 5) | 361 |
| Payable for distribution services fee (Note 5) | 10,225 |
| Payable for other service fees (Notes 2 and 5) | 50,029 |
| Accrued expenses (Note 5) | 136,489 |
| TOTAL LIABILITIES | 2,948,924 |
| Net assets for 8,918,623 shares outstanding | \$166,686,269 |

Net Assets Consist of:

| | |
|-------------------------------------|----------------------|
| Paid-in capital | \$155,408,783 |
| Total distributable earnings (loss) | 11,277,486 |
| TOTAL NET ASSETS | \$166,686,269 |

Statement of Assets and Liabilities – continued

Net Asset Value, Offering Price and Redemption Proceeds Per Share

Class A Shares:

| | |
|--|---------|
| Net asset value per share (\$95,055,531 ÷ 5,086,171 shares outstanding), no par value, unlimited shares authorized | \$18.69 |
| Offering price per share (100/94.50 of \$18.69) | \$19.78 |
| Redemption proceeds per share | \$18.69 |

Class C Shares:

| | |
|--|---------|
| Net asset value per share (\$15,863,119 ÷ 856,218 shares outstanding), no par value, unlimited shares authorized | \$18.53 |
| Offering price per share | \$18.53 |
| Redemption proceeds per share (99.00/100 of \$18.53) | \$18.34 |

Institutional Shares:

| | |
|--|---------|
| Net asset value per share (\$53,100,730 ÷ 2,833,572 shares outstanding), no par value, unlimited shares authorized | \$18.74 |
| Offering price per share | \$18.74 |
| Redemption proceeds per share | \$18.74 |

Class R6 Shares:

| | |
|---|---------|
| Net asset value per share (\$2,666,889 ÷ 142,662 shares outstanding), no par value, unlimited shares authorized | \$18.69 |
| Offering price per share | \$18.69 |
| Redemption proceeds per share | \$18.69 |

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

See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended January 31, 2020 (unaudited)

Investment Income:

| | |
|--|------------------|
| Dividends (including \$557,070 received from affiliated holdings* and net of foreign taxes withheld of \$507) | \$1,432,012 |
| Interest | 517,359 |
| Net income on securities loaned (includes \$13,907 earned from affiliated holdings related to cash collateral balances*) | 4,311 |
| TOTAL INCOME | 1,953,682 |

Expenses:

| | |
|------------------------------------|------------------|
| Investment adviser fee (Note 5) | \$ 603,690 |
| Administrative fee (Note 5) | 63,407 |
| Custodian fees | 16,522 |
| Transfer agent fee (Note 2) | 76,526 |
| Directors'/Trustees' fees (Note 5) | 1,181 |
| Auditing fees | 17,126 |
| Legal fees | 4,835 |
| Portfolio accounting fees | 51,931 |
| Distribution services fee (Note 5) | 58,320 |
| Other service fees (Notes 2 and 5) | 127,755 |
| Share registration costs | 30,917 |
| Printing and postage | 15,257 |
| Miscellaneous (Note 5) | 16,173 |
| TOTAL EXPENSES | 1,083,640 |

Waiver and Reimbursements:

| | |
|---|-----------------|
| Waiver/reimbursement of investment adviser fee (Note 5) | \$(10,420) |
| Reimbursement of other operating expenses (Notes 2 and 5) | (27,336) |
| TOTAL WAIVER AND REIMBURSEMENTS | (37,756) |
| Net expenses | 1,045,884 |
| Net investment income | \$ 907,798 |

Statement of Operations – continued

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

| | |
|---|-------------|
| Net realized gain on investments (including net realized gain of \$203,958 on sales of investments in affiliated holdings*) | \$5,556,896 |
| Net realized gain on futures contracts | 40,424 |
| Net change in unrealized appreciation of investments (including net change in unrealized depreciation of \$(96,460) on investments in affiliated holdings*) | (111,486) |
| Net change in unrealized appreciation/depreciation of translation of assets and liabilities in foreign currency | (27) |
| Net change in unrealized appreciation of futures contracts | 13,904 |
| Net realized and unrealized gain (loss) on investments, futures contracts and foreign currency transactions | 5,499,711 |
| Change in net assets resulting from operations | \$6,407,509 |

* 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

| | Six Months Ended (unaudited) 1/31/2020 | Year Ended 7/31/2019 |
|---|---|---------------------------------|
| Increase (Decrease) in Net Assets | | |
| Operations: | | |
| Net investment income | \$ 907,798 | \$ 2,133,076 |
| Net realized gain | 5,597,320 | 7,525,854 |
| Net change in unrealized appreciation/depreciation | (97,609) | (1,859,525) |
| CHANGE IN NET ASSETS RESULTING FROM OPERATIONS | 6,407,509 | 7,799,405 |
| Distributions to Shareholders: | | |
| Class A Shares | (3,813,306) | (6,723,192) |
| Class C Shares | (539,280) | (1,044,348) |
| Institutional Shares | (2,518,866) | (5,847,283) |
| Class R6 Shares | (108,342) | (242,234) |
| CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS | (6,979,794) | (13,857,057) |
| Share Transactions: | | |
| Proceeds from sale of shares | 20,396,026 | 63,670,084 |
| Proceeds from shares issued in connection with the tax-free transfer of assets from PNC Balanced Allocation Fund | 11,298,197 | — |
| Net asset value of shares issued to shareholders in payment of distributions declared | 6,622,022 | 12,933,369 |
| Cost of shares redeemed | (26,992,868) | (70,276,399) |
| CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS | 11,323,377 | 6,327,054 |
| Change in net assets | 10,751,092 | 269,402 |
| Net Assets: | | |
| Beginning of period | 155,935,177 | 155,665,775 |
| End of period | \$166,686,269 | \$155,935,177 |

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

January 31, 2020 (unaudited)

1. ORGANIZATION

Federated MDT Series (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 five portfolios. The financial statements included herein are only those of Federated MDT Balanced 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 four classes of shares: Class A Shares, Class C Shares, Institutional Shares and Class R6 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 the possibility of long-term growth of capital and income.

On March 30, 2017, the Fund’s T Share Class became effective with the Securities and Exchange Commission (SEC), but is not yet offered for sale.

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.

On November 15, 2019, the Fund acquired all of the net assets of PNC Balanced Allocation Fund (the “Acquired Fund”), an open-end investment company, in a tax-free reorganization in exchange for shares of the Fund, pursuant to a plan of reorganization approved by the Acquired Fund’s shareholders on November 5, 2019. The purpose of the transaction was to combine two portfolios with comparable investment objectives and strategies. For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from the Acquired Fund was carried forward to align ongoing reporting of the Fund’s realized gains and losses with amounts distributable to shareholders for tax purposes.

For every one share of the Acquired Fund’s Class A Shares exchanged, a shareholder received 0.616 shares of the Fund’s Class A Shares.

For every one share of the Acquired Fund’s Class C Shares exchanged, a shareholder received 0.609 shares of the Fund’s Class C Shares.

For every one share of the Acquired Fund’s Class I Shares exchanged, a shareholder received 0.610 shares of the Fund’s Institutional Shares.

The Fund received net assets from the Acquired Fund as the result of the tax-free reorganization as follows:

| Shares of the Fund Issued | Acquired Fund’s Net Assets Received | Unrealized Appreciation¹ | Net Assets of the Fund Immediately Prior to Combination | Net Assets of the Fund Immediately After Combination |
|----------------------------------|--|--|--|---|
| 593,132 | \$11,298,197 | \$2,170,935 | \$154,177,771 | \$165,475,968 |

¹ Unrealized Appreciation is included in the Net Assets Received amount shown above.

Assuming the acquisition had been completed on August 1, 2019, the beginning of the annual reporting period of the Fund, the Fund's pro forma results of operations for the six months ended January 31, 2020, were as follows:

| | |
|--|-------------|
| Net investment income | \$ 975,909 |
| Net realized and unrealized gain on investments | \$5,900,485 |
| Net increase in net assets resulting from operations | \$6,876,394 |

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Acquired Fund that have been included in the Fund's Statement of Operations and Statement of Changes in Net Assets as of January 31, 2020.

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 GAAP.

Investment Valuation

In calculating its 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.
- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Fund's Board of Trustees (the "Trustees").
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.
- 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 MDTA LLC (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, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Positive or negative inflation adjustments on Treasury Inflation-Protected Securities are included in interest income. 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.

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 \$37,756 is disclosed in various locations in this Note 2 and Note 5. For the six months ended January 31, 2020, transfer agent fees for the Fund were as follows:

| | Transfer Agent Fees Incurred | Transfer Agent Fees Reimbursed |
|----------------------|---------------------------------|-----------------------------------|
| Class A Shares | \$43,694 | \$(15,097) |
| Class C Shares | 8,118 | (3,627) |
| Institutional Shares | 24,098 | (8,612) |
| Class R6 Shares | 616 | — |
| TOTAL | \$76,526 | \$(27,336) |

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.

Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund's Class A Shares and Class C Shares to unaffiliated financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees. For the six months ended January 31, 2020, other service fees for the Fund were as follows:

| | Other Service Fees Incurred |
|----------------|--------------------------------|
| Class A Shares | \$108,315 |
| Class C Shares | 19,440 |
| TOTAL | \$127,755 |

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue 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, 2020, 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, 2020, 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.

Futures Contracts

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

Futures contracts outstanding at period end are listed after the Fund's Portfolio of Investments.

The average notional value of long and short futures contracts held by the Fund throughout the period was \$13,922,324 and \$2,109,266, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Restricted Securities

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

Securities Lending

The Fund participates in a securities lending program providing for the lending of equity securities to qualified brokers. The term of the loans within the program is one year or less. The Fund normally receives cash collateral for securities loaned that is invested in an affiliated money market fund or in affiliated money market funds, other money market instruments and/or repurchase agreements. Investments in money market funds may include funds with a "floating" NAV that can impose redemption fees and liquidity gates, impose certain operational impediments to investing cash collateral, and, if the investee fund's NAV

decreases, result in the Fund recognizing losses and being required to cover the decrease in the value of the cash collateral. Collateral is maintained at a minimum level of 100% of the market value of investments loaned, plus interest, if applicable. In accordance with the Fund's securities lending agreement, the market value of securities on loan is determined each day at the close of business and any additional collateral required to cover the value of securities on loan is delivered to the Fund on the next business day. Earnings on collateral are allocated between the borrower of the security, the securities lending agent, as a fee for its services under the program and the Fund, according to agreed-upon rates. The Fund will not have the right to vote on securities while they are on loan. However, the Fund will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that are deemed to be material by the Adviser. There can be no assurance that the Fund will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

Securities lending transactions 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 net settlement amounts but gross. As indicated below, the cash collateral received by the Fund exceeds the market value of the securities loaned reducing the net settlement amount to zero. The chart below identifies the amount of collateral received as well as the market value of securities on loan. Additionally, the securities lending agreement executed by the Fund includes an indemnification clause. This clause stipulates that the borrower will reimburse the Fund for any losses as a result of any failure of the borrower to return equivalent securities to the Fund.

As of January 31, 2020, securities subject to this type of arrangement and related collateral were as follows:

| Market Value of Securities Loaned | Collateral Received |
|--|----------------------------|
| \$684,960 | \$728,398 |

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

| | Assets | |
|--|--|-------------------|
| | Statement of Assets and Liabilities Location | Fair Value |
| Derivatives not accounted for as hedging instruments under ASC Topic 815 | | |
| Interest rate contracts | Receivable for variation margin on futures contracts | \$ 43,676* |

* Includes cumulative net appreciation of futures contracts as reported in the footnotes to the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

The Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended January 31, 2020

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

| | Futures Contracts |
|-------------------------|----------------------|
| Interest rate contracts | \$40,424 |

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

| | Futures Contracts |
|-------------------------|----------------------|
| Interest rate contracts | \$13,904 |

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 1/31/2020 | | Year Ended 7/31/2019 | |
|---|-------------------------------|---------------------|-------------------------|----------------------|
| | Shares | Amount | Shares | Amount |
| Class A Shares: | | | | |
| Shares sold | 333,607 | \$ 6,241,615 | 1,017,180 | \$ 18,426,997 |
| Conversion of Class C Shares to Class A Shares | — | — | 577,227 | 11,313,650 |
| Proceeds from shares issued in connection with the tax-free transfer of assets from the Acquired Fund | 425,056 | 8,093,068 | — | — |
| Shares issued to shareholders in payment of distributions declared | 191,088 | 3,554,535 | 356,509 | 5,992,523 |
| Shares redeemed | (365,461) | (6,846,477) | (591,801) | (10,713,481) |
| NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS | 584,290 | \$11,042,741 | 1,359,115 | \$ 25,019,689 |

| | Six Months Ended 1/31/2020 | | Year Ended 7/31/2019 | |
|---|-------------------------------|--------------|-------------------------|----------------|
| | Shares | Amount | Shares | Amount |
| Class C Shares: | | | | |
| Shares sold | 92,296 | \$ 1,709,660 | 295,829 | \$ 5,229,357 |
| Proceeds from shares issued in connection with the tax-free transfer of assets from the Acquired Fund | 24,943 | 468,430 | — | — |
| Shares issued to shareholders in payment of distributions declared | 26,632 | 488,464 | 54,548 | 903,860 |
| Conversion of Class C Shares to Class A Shares | — | — | (585,290) | (11,313,650) |
| Shares redeemed | (125,136) | (2,314,137) | (355,430) | (6,666,352) |
| NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS | 18,735 | \$ 352,417 | (590,343) | \$(11,846,785) |

| | Six Months Ended 1/31/2020 | | Year Ended 7/31/2019 | |
|---|-------------------------------|---------------|-------------------------|---------------|
| | Shares | Amount | Shares | Amount |
| Institutional Shares: | | | | |
| Shares sold | 627,401 | \$ 12,040,438 | 1,337,055 | \$ 24,174,708 |
| Proceeds from shares issued in connection with the tax-free transfer of assets from the Acquired Fund | 143,133 | 2,736,699 | — | — |
| Shares issued to shareholders in payment of distributions declared | 132,428 | 2,472,323 | 344,529 | 5,809,112 |
| Shares redeemed | (893,639) | (16,824,808) | (1,624,656) | (28,538,979) |
| NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS | 9,323 | \$ 424,652 | 56,928 | \$ 1,444,841 |

| | Six Months Ended 1/31/2020 | | Year Ended 7/31/2019 | |
|--|-------------------------------|--------------|-------------------------|----------------|
| | Shares | Amount | Shares | Amount |
| Class R6 Shares: | | | | |
| Shares sold | 21,553 | \$ 404,313 | 235,953 | \$ 4,525,372 |
| Shares issued to shareholders in payment of distributions declared | 5,727 | 106,700 | 13,548 | 227,874 |
| Shares redeemed | (53,562) | (1,007,446) | (701,361) | (13,043,937) |
| NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS | (26,282) | \$ (496,433) | (451,860) | \$ (8,290,691) |
| NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS | 586,066 | \$11,323,377 | 373,840 | \$ 6,327,054 |

4. FEDERAL TAX INFORMATION

At January 31, 2020, the cost of investments for federal tax purposes was \$158,673,159. The net unrealized appreciation of investments for federal tax purposes was \$8,559,417. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$13,292,718 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$4,733,301. The amounts presented are inclusive of derivative contracts.

At July 31, 2019, for federal income tax purposes, the Fund had \$30,009 in straddle loss deferral.

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 0.75% 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, 2020, the Adviser voluntarily waived \$8,504 of its fee and voluntarily reimbursed \$27,336 of transfer agent fees.

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 six months ended January 31, 2020, the Adviser reimbursed \$1,916.

Certain of the Fund's assets are managed by Federated Investment Management Company (the "Sub-Adviser"). Under the terms of a sub-advisory agreement between the Adviser and the Sub-Adviser, the Sub-Adviser receives an allocable portion of the Fund's adviser fee. The fee is paid by the Adviser out of its resources and is not an incremental Fund expense. For the six months ended January 31, 2020, the Sub-Adviser earned a fee of \$74,745.

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 Hermes 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 six months ended January 31, 2020, the annualized fee paid to FAS was 0.079% 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 and Class C Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

| | Percentage of Average Daily Net Assets of Class |
|----------------|--|
| Class A Shares | 0.05% |
| Class C Shares | 0.75% |

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, 2020, distribution services fees for the Fund were as follows:

| | Distribution Services Fees Incurred |
|----------------|--|
| Class C Shares | \$58,320 |

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, 2020, FSC retained \$7,582 fees paid by the Fund. For the six months ended January 31, 2020, 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 six months ended January 31, 2020, FSC retained \$8,127 in sales charges from the sale of Class A Shares. FSC also retained \$962 of CDSC relating to redemptions of Class C Shares.

Other Service Fees

For the six months ended January 31, 2020, FSSC received \$6,784 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, Class C Shares, Institutional Shares and Class R6 Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.31%, 2.06%, 1.06% and 1.05% (the “Fee Limit”), respectively, up to but not including the later of (the “Termination Date”): (a) December 1, 2020 (October 1, 2020 with respect to Class R6

Shares); 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 six months ended January 31, 2020, were as follows:

| | |
|-----------|--------------|
| Purchases | \$79,730,093 |
| Sales | \$84,503,146 |

7. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement. The LOC was made available to finance temporarily the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to the highest, on any day, of (a) (i) the federal funds effective rate, (ii) the one month London Interbank Offered Rate (LIBOR), and (iii) 0.0%, plus (b) a margin. The LOC also requires the Fund to pay, quarterly in arrears and at maturity, its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized. As of January 31, 2020, the Fund had no outstanding loans. During the six months ended January 31, 2020, the Fund did not utilize the LOC.

8. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the SEC, the Fund, along with other funds advised by subsidiaries of Federated Hermes, 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, 2020, there were no outstanding loans. During the six months ended January 31, 2020, the program was not utilized.

9. SUBSEQUENT EVENTS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. As of the date of the issuance of these financial statements, this coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains, workflow operations and customer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including Fund service providers) and the market in general in significant and unforeseen ways. Any such impact could adversely affect the Fund's performance.

Effective on or about June 29, 2020, the name of the Trust and Fund will change to Federated Hermes MDT Series and Federated Hermes MDT Balanced Fund, respectively.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase or redemption payments; and (2) ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from August 1, 2019 to January 31, 2020.

ACTUAL EXPENSES

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

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

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

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

| | Beginning Account Value 8/1/2019 | Ending Account Value 1/31/2020 | Expenses Paid During Period ¹ |
|---|--|--------------------------------------|---|
| Actual: | | | |
| Class A Shares | \$1,000 | \$1,040.70 | \$ 6.72 |
| Class C Shares | \$1,000 | \$1,036.60 | \$10.55 |
| Institutional Shares | \$1,000 | \$1,041.70 | \$ 5.44 |
| Class R6 Shares | \$1,000 | \$1,041.30 | \$ 5.39 |
| Hypothetical (assuming a 5% return before expenses): | | | |
| Class A Shares | \$1,000 | \$1,018.60 | \$ 6.65 |
| Class C Shares | \$1,000 | \$1,014.80 | \$10.43 |
| Institutional Shares | \$1,000 | \$1,019.80 | \$ 5.38 |
| Class R6 Shares | \$1,000 | \$1,019.90 | \$ 5.33 |

¹ Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

| | |
|----------------------|-------|
| Class A Shares | 1.31% |
| Class C Shares | 2.06% |
| Institutional Shares | 1.06% |
| Class R6 Shares | 1.05% |

Evaluation and Approval of Advisory Contract – May 2019

FEDERATED MDT BALANCED 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 and subadvisory contracts for an additional one-year term. The Board’s decision regarding these contracts 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 and subadvisory contracts. 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 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 and subadvisory contracts 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 MDTA LLC (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, 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 and subadvisory contracts included review of the CCO Fee Evaluation Report, accompanying data and additional information covering the following matters, among others: the Adviser's and sub-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 above the median of the relevant Peer Group, but the Board noted the applicable waivers and reimbursements, and that the overall

expense structure of the Fund remained competitive in the context of other factors considered by the Board. In this regard, the Board had been previously advised that, while comparisons to fund Peer Groups are relevant in judging the reasonableness of advisory fees, the Fund's quantitative focus makes fee and expense comparisons particularly difficult. Although the Fund's advisory fee was above the median of the peer range, the Peer Group of funds varied widely in their complexity, and the Board has been informed that the management of the Fund is among the more complex relative to its Peer Group.

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 and subadvisory contracts.

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 and subadvisory contracts.

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' investment objectives or investment management techniques, or the costs to implement funds, even within the same Peer Group, and that the CCO had specifically noted that the Fund's quantitative focus makes fee and expense comparisons particularly difficult as the funds in the Peer Group varied widely in their complexity, and the management of the Fund is among the more complex relative to its Peer Group.

For the one-year, three-year and five-year periods covered by the CCO Fee Evaluation Report, the Fund's performance was above the median of the relevant Peer Group.

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

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 reduction 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 Senior Officer 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 and subadvisory contracts. 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 and subadvisory contract were appropriate.

The Board based its decision to approve the investment advisory and subadvisory contracts 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 contracts reflects its view that Federated’s performance and actions provided a satisfactory basis to support the decision to continue the existing arrangements.

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 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.

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.

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.

Federated Hermes

Federated MDT Balanced Fund
Federated Hermes Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561

Contact us at **FederatedInvestors.com**
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