

Semi-Annual Shareholder Report

January 31, 2019

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

Federated MDT Balanced Fund

Fund Established 2002

A Portfolio of Federated MDT Series

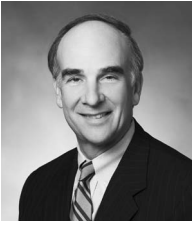
IMPORTANT NOTICE REGARDING REPORT DELIVERY

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, 2018 through January 31, 2019. This report includes a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

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

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

Sincerely,

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

J. Christopher Donahue, President

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In Memoriam

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

RICHARD B. FISHER

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

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

Portfolio of Investments Summary Tables (unaudited)

At January 31, 2019, the Fund's portfolio composition¹ was as follows:

Security Type	Percentage of Total Net Assets
Domestic Equity Securities	52.0%
Corporate Debt Securities	13.4%
International Equity Securities (including International Exchange-Traded Funds)	11.1%
Federated Mortgage Core Portfolio	9.4%
High Yield Bond Portfolio	2.3%
Collateralized Mortgage Obligations	2.1%
Federated Project and Trade Finance Core Fund	2.1%
Emerging Markets Core Fund	1.3%
U.S. Treasury Securities ²	0.9%
Federated Bank Loan Core Fund	0.7%
Asset-Backed Securities	0.4%
Securities Lending Collateral ³	0.1%
Derivative Contracts ⁴	0.0% ⁵
Cash Equivalents ⁶	4.0%
Other Assets and Liabilities—Net ⁷	0.2%
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 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.
- 4 Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the table at the end of the Portfolio of Investments included in this Report.
- 5 Represents less than 0.1%.
- 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, 2019, the Fund's sector composition⁸ for its equity securities (excluding exchange-traded funds) was as follows:

Sector Composition	Percentage of Equity Securities
Information Technology	20.2%
Financials	15.0%
Health Care	13.3%
Consumer Discretionary	10.8%
Industrials	10.6%
Communication Services	9.1%
Energy	5.8%
Consumer Staples	5.6%
Real Estate	4.4%
Materials	2.7%
Utilities	2.5%
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, 2019 (unaudited)

Shares or Principal Amount		Value
	COMMON STOCKS—52.9%	
	Communication Services—4.8%	
8,238	AT&T, Inc.	\$ 247,634
1,537	¹ Alphabet, Inc.	1,730,493
8,854	¹ DISH Network Corp., Class A	271,552
9,745	¹ Facebook, Inc.	1,624,394
31,453	¹ Live Nation Entertainment, Inc.	1,683,050
28,128	¹ MSG Networks, Inc.	630,067
3,876	¹ T-Mobile USA, Inc.	269,847
6,657	Verizon Communications, Inc.	366,535
9,289	Viacom, Inc., Class B	273,283
1,948	World Wrestling Entertainment, Inc.	160,398
	TOTAL	7,257,253
	Consumer Discretionary—5.7%	
5,200	Abercrombie & Fitch Co., Class A	112,684
597	Advance Auto Parts, Inc.	95,042
129	¹ Amazon.com, Inc.	221,716
788	¹ AutoZone, Inc.	667,704
7,113	Bed Bath & Beyond, Inc.	107,335
2,400	Big Lots, Inc.	75,696
5,188	¹ Burlington Stores, Inc.	890,832
645	¹ Cooper-Standard Holding, Inc.	49,317
14,234	D. R. Horton, Inc.	547,297
2,169	Dillard's, Inc., Class A	144,868
996	Dunkin' Brands Group, Inc.	68,117
5,865	Expedia Group, Inc.	699,401
24,635	Ford Motor Co.	216,788
3,861	¹ Fossil, Inc.	65,483
6,613	^{1,2} GNC Holdings, Inc.	20,170
5,192	² GameStop Corp.	58,877
4,741	Goodyear Tire & Rubber Co.	100,462
3,800	Guess ?, Inc.	74,138
3,983	Harley-Davidson, Inc.	146,813
369	¹ Helen of Troy Ltd.	42,819
6,546	Home Depot, Inc.	1,201,387
2,435	Libbey, Inc.	12,224

**Shares or
Principal
Amount**
Value

COMMON STOCKS—continued		
Consumer Discretionary—continued		
2,470	Lowe's Cos., Inc.	\$ 237,515
3,396	¹ Lululemon Athletica, Inc.	501,963
1,933	¹ Mohawk Industries, Inc.	248,951
656	¹ O'Reilly Automotive, Inc.	226,097
3,477	Ralph Lauren Corp.	403,819
3,900	¹ Sally Beauty Holdings, Inc.	67,158
2,661	¹ Skechers USA, Inc., Class A	72,299
2,311	Toll Brothers, Inc.	85,368
5,423	Tupperware Brands Corp.	147,885
644	¹ Urban Outfitters, Inc.	20,801
9,457	Wyndham Destinations, Inc.	398,518
5,099	Yum! Brands, Inc.	479,204
1,135	¹ Zumiez, Inc.	28,840
	TOTAL	8,537,588
Consumer Staples—3.0%		
10,972	Archer-Daniels-Midland Co.	492,643
2,708	Cal-Maine Foods, Inc.	114,223
1,410	Church and Dwight, Inc.	91,100
1,916	Costco Wholesale Corp.	411,231
3,483	Dean Foods Co.	14,524
7,516	Estee Lauder Cos., Inc., Class A	1,025,333
4,289	Fresh Del Monte Produce, Inc.	137,162
450	Hershey Foods Corp.	47,745
14,195	PepsiCo, Inc.	1,599,351
4,666	¹ Post Holdings, Inc.	433,098
1,746	Sysco Corp.	111,482
	TOTAL	4,477,892
Energy—3.1%		
21,903	Chevron Corp.	2,511,179
3,812	EOG Resources, Inc.	378,151
13,438	Exxon Mobil Corp.	984,737
5,879	HollyFrontier Corp.	331,223
10,600	¹ Noble Corp. PLC	34,980
2,171	Occidental Petroleum Corp.	144,979
2,335	Phillips 66	222,782
	TOTAL	4,608,031

**Shares or
Principal
Amount**
Value

COMMON STOCKS—continued		
Financials—8.0%		
22,005	Allstate Corp.	\$ 1,933,579
7,686	¹ Athene Holding Ltd.	329,729
11,267	Bank of America Corp.	320,772
10,000	Blackstone Mortgage Trust, Inc.	344,900
2,010	Citizens Financial Group, Inc.	68,179
3,720	Comerica, Inc.	292,913
2,018	Everest Re Group Ltd.	442,043
17,862	Fifth Third Bancorp	479,059
1,384	¹ Green Dot Corp.	102,444
13,300	Huntington Bancshares, Inc.	176,092
2,132	Intercontinental Exchange, Inc.	163,652
15,930	JPMorgan Chase & Co.	1,648,755
16,358	KeyCorp	269,416
2,046	LPL Investment Holdings, Inc.	143,977
3,184	M & T Bank Corp.	523,895
17,976	Navient Corp.	204,926
20,200	New Residential Investment Corp.	342,996
5,047	Northern Trust Corp.	446,458
1,395	PNC Financial Services Group	171,125
6,000	Pennymac Mortgage Investment Trust	121,440
6,722	Popular, Inc.	367,089
9,587	Progressive Corp., OH	645,109
4,363	Prudential Financial, Inc.	402,007
15,787	The Travelers Cos., Inc.	1,981,900
	TOTAL	11,922,455
Health Care—7.0%		
764	¹ Alexion Pharmaceuticals, Inc.	93,941
1,776	Allergan PLC	255,709
1,629	¹ Amedisys, Inc.	213,660
260	¹ Biogen, Inc.	86,783
1,474	Bristol-Myers Squibb Co.	72,771
15,524	¹ Community Health Systems, Inc.	61,165
12,685	Eli Lilly & Co.	1,520,424
13,835	HCA Healthcare, Inc.	1,929,014
3,200	Humana, Inc.	988,768
1,226	¹ Intuitive Surgical, Inc.	641,983
2,416	¹ Ionis Pharmaceuticals, Inc.	140,128

**Shares or
Principal
Amount**
Value

COMMON STOCKS—continued		
Health Care—continued		
1,347	¹ Molina Healthcare, Inc.	\$ 179,124
1,419	¹ Regeneron Pharmaceuticals, Inc.	609,134
12,169	Stryker Corp.	2,160,849
9,339	¹ Veeva Systems, Inc.	1,018,511
3,055	¹ Vertex Pharmaceuticals, Inc.	583,230
	TOTAL	10,555,194
Industrials—5.6%		
2,951	AGCO Corp.	189,454
268	Allegion PLC	23,010
17,260	Allison Transmission Holdings, Inc.	840,044
2,461	Boeing Co.	949,011
20,593	CSX Corp.	1,352,960
5,219	Caterpillar, Inc.	694,962
7,652	¹ Colfax Corp.	189,387
1,162	Deluxe Corp.	54,579
1,032	Ennis, Inc.	20,475
1,718	Fortune Brands Home & Security, Inc.	77,825
769	Grainger (W.W.), Inc.	227,155
3,004	¹ Jet Blue Airways Corp.	54,042
4,888	Lennox International, Inc.	1,120,721
1,348	Lockheed Martin Corp.	390,502
18,099	Paccar, Inc.	1,185,847
10,000	Pitney Bowes, Inc.	72,100
3,514	R.R. Donnelley & Sons Co.	17,921
9,094	¹ SPX Corp.	270,547
3,342	Trinity Industries, Inc.	78,136
6,890	¹ United Continental Holdings, Inc.	601,290
	TOTAL	8,409,968
Information Technology—10.7%		
5,799	¹ Adobe, Inc.	1,437,108
1,333	¹ Advanced Energy Industries, Inc.	68,370
6,503	Apple, Inc.	1,082,359
1,752	¹ Autodesk, Inc.	257,894
8,683	Automatic Data Processing, Inc.	1,214,231
900	¹ Coherent, Inc.	106,380
2,038	DXC Technology Co.	130,677
3,252	¹ Electronic Arts, Inc.	299,964

**Shares or
Principal
Amount**

Value

COMMON STOCKS—continued		
Information Technology—continued		
444	¹ First Solar, Inc.	\$ 22,462
10,495	¹ Fortinet, Inc.	803,602
13,814	Global Payments, Inc.	1,551,036
8,704	Hewlett-Packard Co.	191,749
541	¹ HubSpot, Inc.	85,646
1,900	¹ Insight Enterprises, Inc.	87,248
33,629	Intel Corp.	1,584,598
10,736	Mastercard, Inc.	2,266,692
4,381	Microsoft Corp.	457,508
461	Motorola, Inc.	53,896
1,889	Nvidia Corp.	271,544
7,657	NetApp, Inc.	488,287
7,000	¹ Sanmina Corp.	218,540
1,130	¹ ServiceNow, Inc.	248,623
2,828	¹ Synopsys, Inc.	263,994
1,310	¹ Tableau Software, Inc.	167,470
4,279	Total System Services, Inc.	383,441
749	¹ VMware, Inc., Class A	113,151
22,000	Vishay Intertechnology, Inc.	429,000
325	¹ WEX, Inc.	52,432
3,771	Western Digital Corp.	169,657
10,000	Western Union Co.	182,500
11,639	Xilinx, Inc.	1,302,870
	TOTAL	15,992,929
Materials—1.4%		
1,567	Avery Dennison Corp.	163,673
7,071	Domtar, Corp.	331,630
8,786	Mosaic Co./The	283,612
1,409	Sherwin-Williams Co.	593,922
10,302	Westlake Chemical Corp.	761,318
	TOTAL	2,134,155
Real Estate—2.3%		
800	Alexandria Real Estate Equities, Inc.	105,368
763	^{1,2} Altisource Portfolio Solutions S.A.	18,068
1,650	American Tower Corp.	285,186
950	Avalonbay Communities, Inc.	183,274
2,200	Camden Property Trust	213,290

Shares or Principal Amount		Value
	COMMON STOCKS—continued	
	Real Estate—continued	
1,450	EastGroup Properties, Inc.	\$ 150,017
450	Equinix, Inc.	177,300
680	Essex Property Trust, Inc.	184,416
5,000	Invitation Homes, Inc.	112,450
1,900	Mid-American Apartment Communities, Inc.	192,432
9,400	Pebblebrook Hotel Trust	301,270
2,700	ProLogis, Inc.	186,732
3,400	Realty Income Corp.	233,546
5,100	Rexford Industrial Realty, Inc.	171,360
5,300	STORE Capital Corp.	171,296
2,150	Simon Property Group, Inc.	391,558
1,100	Sun Communities, Inc.	120,901
3,400	Terreno Realty Corp.	137,156
2,800	Ventas, Inc.	180,572
	TOTAL	3,516,192
	Utilities—1.3%	
14,160	AES Corp.	232,082
3,967	Consolidated Edison Co.	308,038
7,333	Entergy Corp.	654,030
8,645	Exelon Corp.	412,885
26,595	¹ P G & E Corp.	345,735
	TOTAL	1,952,770
	TOTAL COMMON STOCKS (IDENTIFIED COST \$77,959,814)	79,364,427
	ASSET-BACKED SECURITIES—0.4%	
	Auto Receivables—0.1%	
\$ 100,000	Santander Drive Auto Receivables Trust 2016-2, Class C, 2.660%, 11/15/2021	99,874
	Credit Card—0.2%	
350,000	³ Capital One Multi-Asset Execution Trust 2004-B3, Class B3, 3.238% (1-month USLIBOR +0.730%), 1/18/2022	350,213
	Other—0.1%	
128,000	PFS Financing Corp. 2016-BA, Class A, 1.870%, 10/15/2021	126,966
	TOTAL ASSET-BACKED SECURITIES (IDENTIFIED COST \$578,603)	577,053

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COLLATERALIZED MORTGAGE OBLIGATIONS—2.1%		
Commercial Mortgage—2.1%		
\$ 170,000	Banc of America Commercial Mortgage Trust 2016-UBS10, Class A4, 3.170%, 7/15/2049	\$ 167,143
220,000	Bank 2018-BN15, Class A4, 4.407%, 11/15/2061	233,808
190,000	Bank, Class A4, 3.488%, 11/15/2050	189,708
373	^b Bear Stearns Mortgage Securities, Inc. 1997-6, Class 1A, 6.200%, 3/25/2031	371
190,000	CD Commercial Mortgage Trust 2016-CD1, Class A4, 2.724%, 8/10/2049	181,673
200,000	Citigroup Commercial Mortgage Trust 2013-GC11, Class B, 3.732%, 4/10/2046	198,830
70,000	Commercial Mortgage Pass-Through Certificates 2012-CR1, Class AM, 3.912%, 5/15/2045	71,279
125,000	Commercial Mortgage Pass-Through Certificates 2012-CR1, Class B, 4.612%, 5/15/2045	127,339
200,000	Commercial Mortgage Trust 2013-CR8, Class B, 3.960%, 6/10/2046	202,817
200,000	Commercial Mortgage Trust 2014-LC17, Class B, 4.490%, 10/10/2047	205,762
300,000	Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048	298,708
200,000	FREMF Mortgage Trust 2013-K25 REMIC, Class B, 3.619%, 11/25/2045	203,070
1,135	Federal Home Loan Mortgage Corp. REMIC, Series 1311, Class K, 7.000%, 7/15/2022	1,185
1,452	Federal Home Loan Mortgage Corp. REMIC, Series 1384, Class D, 7.000%, 9/15/2022	1,514
4,483	Federal Home Loan Mortgage Corp. REMIC, Series 2497, Class JH, 6.000%, 9/15/2032	4,860
71,814	Federal Home Loan Mortgage Corp. REMIC, Series K055, Class A1, 2.263%, 4/25/2025	70,248
297,760	Federal Home Loan Mortgage Corp. REMIC, Series K504, Class A2, 2.566%, 9/25/2020	296,430
4,126	³ 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	4,408
1,023	Federal National Mortgage Association REMIC, Series 2003-35, Class UC, 3.750%, 5/25/2033	1,037
100,000	GS Mortgage Securities Corp. II 2012-GCJ7, Class AS, 4.085%, 5/10/2045	102,303
200,000	JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049	196,116
50,000	JPMDB Commercial Mortgage Securities Trust 2017-C5, Class A5, 3.693%, 3/15/2050	50,779
100,000	Morgan Stanley Capital I 2012-C4, Class AS, 3.773%, 3/15/2045	101,256

Shares or Principal Amount		Value
	COLLATERALIZED MORTGAGE OBLIGATIONS—continued	
	Commercial Mortgage—continued	
\$ 150,000	UBS-Barclays Commercial Mortgage Trust 2013-C6, Class B, 3.875%, 4/10/2046	\$ 149,889
25,000	WF-RBS Commercial Mortgage Trust 2012-C6, Class B, 4.697%, 4/15/2045	25,834
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (IDENTIFIED COST \$3,153,025)	3,086,367
	CORPORATE BONDS—13.4%	
	Basic Industry - Chemicals—0.0%	
35,000	Incitec Pivot Finance LLC, Company Guarantee, 144A, 6.000%, 12/10/2019	35,732
20,000	RPM International, Inc., Sr. Unsecd. Note, 6.125%, 10/15/2019	20,337
	TOTAL	56,069
	Basic Industry - Metals & Mining—0.3%	
15,000	Anglogold Ashanti Holdings PLC, Sr. Note, 6.500%, 4/15/2040	14,719
62,000	Carpenter Technology Corp., Sr. Unsecd. Note, 4.450%, 3/1/2023	61,002
40,000	Carpenter Technology Corp., Sr. Unsecd. Note, 5.200%, 7/15/2021	40,344
20,000	Newcrest Finance Property Ltd., Sr. Unsecd. Note, 144A, 4.200%, 10/1/2022	20,177
100,000	Reliance Steel & Aluminum Co., Sr. Unsecd. Note, 4.500%, 4/15/2023	101,368
20,000	Southern Copper Corp., Sr. Unsecd. Note, 6.750%, 4/16/2040	23,005
160,000	Worthington Industries, Inc., Sr. Unsecd. Note, 6.500%, 4/15/2020	165,013
	TOTAL	425,628
	Basic Industry - Paper—0.0%	
10,000	Weyerhaeuser Co., Sr. Unsecd. Note, 3.250%, 3/15/2023	9,841
20,000	Weyerhaeuser Co., Sr. Unsecd. Note, 4.700%, 3/15/2021	20,557
	TOTAL	30,398
	Capital Goods - Aerospace & Defense—0.2%	
100,000	Arconic, Inc., 5.870%, 2/23/2022	103,750
11,000	Embraer Overseas Ltd., Sr. Unsecd. Note, 144A, 5.696%, 9/16/2023	11,660
20,000	Raytheon Co., Sr. Note, 4.400%, 2/15/2020	20,336
10,000	Rockwell Collins, Inc., Sr. Unsecd. Note, 3.100%, 11/15/2021	9,856
40,000	³ Textron Financial Corp., Jr. Sub. Note, 144A, 4.351% (3-month USLIBOR +1.735%), 2/15/2042	29,681
50,000	Textron, Inc., Sr. Unsecd. Note, 4.000%, 3/15/2026	49,553
50,000	Textron, Inc., Sr. Unsecd. Note, 4.300%, 3/1/2024	51,048
	TOTAL	275,884
	Capital Goods - Building Materials—0.2%	
200,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	188,520

**Shares or
Principal
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	CORPORATE BONDS—continued	
	Capital Goods - Building Materials—continued	
\$ 80,000	Masco Corp., Sr. Unsecd. Note, 4.375%, 4/1/2026	\$ 80,081
	TOTAL	268,601
	Capital Goods - Diversified Manufacturing—0.2%	
15,000	Avery Dennison Corp., Sr. Unsecd. Note, 5.375%, 4/15/2020	15,319
30,000	General Electric Capital Corp., Sr. Unsecd. Note, Series GMTN, 3.100%, 1/9/2023	29,253
15,000	Thomas & Betts Corp., Sr. Unsecd. Note, 5.625%, 11/15/2021	15,898
200,000	Valmont Industries, Inc., 5.250%, 10/1/2054	179,987
	TOTAL	240,457
	Capital Goods - Environmental—0.1%	
85,000	Republic Services, Inc., Company Guarantee, 5.500%, 9/15/2019	86,288
	Capital Goods - Packaging—0.0%	
45,000	Packaging Corp. of America, Sr. Unsecd. Note, 3.900%, 6/15/2022	45,687
10,000	WestRock Co., Sr. Unsecd. Note, 4.450%, 3/1/2019	10,010
	TOTAL	55,697
	Communications - Cable & Satellite—0.2%	
200,000	CCO Safari II LLC, 4.908%, 7/23/2025	205,996
90,000	NBCUniversal, Inc., Sr. Unsecd. Note, 5.150%, 4/30/2020	92,495
30,000	Time Warner Cable, Inc., Company Guarantee, 8.250%, 4/1/2019	30,248
	TOTAL	328,739
	Communications - Media & Entertainment—0.3%	
30,000	Grupo Televisa S.A., Sr. Unsecd. Note, 6.125%, 1/31/2046	32,098
25,000	Moody's Corp., Sr. Unsecd. Note, 5.500%, 9/1/2020	25,914
250,000	Omnicom Group, Inc., Sr. Unsecd. Note, 3.600%, 4/15/2026	243,107
20,000	Omnicom Group, Inc., Sr. Unsecd. Note, 3.625%, 5/1/2022	20,077
150,000	WPP Finance 2010, Sr. Unsecd. Note, 5.625%, 11/15/2043	141,002
	TOTAL	462,198
	Communications - Telecom Wireless—0.2%	
100,000	American Tower Corp., Sr. Unsecd. Note, 3.400%, 2/15/2019	99,996
150,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.700%, 6/15/2026	146,873
	TOTAL	246,869
	Communications - Telecom Wirelines—0.1%	
90,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.150%, 3/15/2024	93,553
	Consumer Cyclical - Automotive—0.4%	
175,000	American Honda Finance Corp., Unsecd. Deb., Series MTN, 2.250%, 8/15/2019	174,513

**Shares or
Principal
Amount**
Value
CORPORATE BONDS—continued
Consumer Cyclical - Automotive—continued

\$ 10,000	DaimlerChrysler North America Holding Corp., Company Guarantee, 8.500%, 1/18/2031	\$ 13,894
100,000	Ford Motor Co., Sr. Unsecd. Note, 4.750%, 1/15/2043	76,097
200,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.336%, 3/18/2021	194,681
160,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 3.200%, 7/6/2021	157,624
	TOTAL	616,809

Consumer Cyclical - Leisure—0.1%

131,736	Football Trust V, Pass Thru Cert., 5.350%, 10/5/2020	136,219
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Consumer Cyclical - Lodging—0.1%

30,000	Hyatt Hotels Corp., Sr. Unsecd. Note, 3.375%, 7/15/2023	29,643
50,000	Marriott International, Inc., Sr. Unsecd. Note, 3.000%, 3/1/2019	49,998
	TOTAL	79,641

Consumer Cyclical - Retailers—0.4%

50,000	Advance Auto Parts, Inc., 4.500%, 12/1/2023	51,267
40,000	AutoZone, Inc., Sr. Unsecd. Note, 3.125%, 4/21/2026	37,785
250,000	AutoZone, Inc., Sr. Unsecd. Note, 3.250%, 4/15/2025	241,812
175,000	CVS Health Corp., Sr. Unsecd. Note, 2.875%, 6/1/2026	164,037
10,000	O'Reilly Automotive, Inc., Company Guarantee, 4.875%, 1/14/2021	10,270
80,000	Under Armour, Inc., Sr. Unsecd. Note, 3.250%, 6/15/2026	70,486
	TOTAL	575,657

Consumer Cyclical - Services—0.3%

200,000	Alibaba Group Holding Ltd., Sr. Unsecd. Note, 2.800%, 6/6/2023	194,749
125,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.800%, 12/5/2024	130,530
65,000	Expedia, Inc., Company Guarantee, 5.950%, 8/15/2020	67,517
10,000	University of Southern California, Sr. Unsecd. Note, 5.250%, 10/1/2111	11,578
70,000	Visa, Inc., Sr. Unsecd. Note, 3.150%, 12/14/2025	70,491
	TOTAL	474,865

Consumer Non-Cyclical - Food/Beverage—1.1%

300,000	Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 5.550%, 1/23/2049	314,193
300,000	Danone SA, Sr. Unsecd. Note, 144A, 2.947%, 11/2/2026	281,711
140,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	131,833
80,000	General Mills, Inc., Sr. Unsecd. Note, 4.700%, 4/17/2048	75,183
270,000	Heineken NV, Sr. Unsecd. Note, 144A, 3.500%, 1/29/2028	262,950
200,000	Kerry Group Financial Services, Sr. Unsecd. Note, 144A, 3.200%, 4/9/2023	195,396
60,000	McCormick & Co., Inc., Sr. Unsecd. Note, 3.400%, 8/15/2027	57,366
50,000	Mead Johnson Nutrition Co., Sr. Unsecd. Note, 4.125%, 11/15/2025	52,117

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Food/Beverage—continued	
\$ 125,000	Tyson Foods, Inc., Sr. Unsecd. Note, 3.550%, 6/2/2027	\$ 120,615
230,000	Tyson Foods, Inc., Sr. Unsecd. Note, 5.100%, 9/28/2048	227,784
	TOTAL	1,719,148
	Consumer Non-Cyclical - Health Care—0.0%	
15,000	Agilent Technologies, Inc., Sr. Unsecd. Note, 3.200%, 10/1/2022	14,885
10,000	Laboratory Corp. of America Holdings, Sr. Unsecd. Note, 3.750%, 8/23/2022	10,087
	TOTAL	24,972
	Consumer Non-Cyclical - Products—0.1%	
200,000	Newell Rubbermaid, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2026	192,048
	Consumer Non-Cyclical - Supermarkets—0.2%	
290,000	Kroger Co., Sr. Unsecd. Note, 5.400%, 1/15/2049	291,278
	Consumer Non-Cyclical - Tobacco—0.0%	
24,000	Altria Group, Inc., 9.250%, 8/6/2019	24,760
	Energy - Independent—0.3%	
250,000	Canadian Natural Resources Ltd., 3.900%, 2/1/2025	252,440
125,000	Cimarex Energy Co., Sr. Unsecd. Note, 3.900%, 5/15/2027	120,890
30,000	EOG Resources, Inc., Note, 5.625%, 6/1/2019	30,243
100,000	Marathon Oil Corp., Sr. Unsecd. Note, 3.850%, 6/1/2025	98,393
	TOTAL	501,966
	Energy - Integrated—0.4%	
300,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.937%, 9/21/2028	307,691
135,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.119%, 5/4/2026	131,511
75,000	Husky Energy, Inc., 4.000%, 4/15/2024	75,521
53,000	Petrobras Global Finance BV, Sr. Unsecd. Note, Series WI, 5.299%, 1/27/2025	53,318
25,000	Petroleos Mexicanos, Sr. Unsecd. Note, 4.875%, 1/18/2024	23,687
	TOTAL	591,728
	Energy - Midstream—0.7%	
100,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.050%, 3/15/2025	98,915
75,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	77,679
170,000	Enterprise Products Operating LLC, Sr. Unsecd. Note, 3.950%, 2/15/2027	172,752
10,000	Florida Gas Transmission Co. LLC, Sr. Unsecd. Note, 144A, 5.450%, 7/15/2020	10,280
150,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 5.000%, 3/1/2043	146,484

**Shares or
Principal
Amount**
Value

CORPORATE BONDS—continued		
Energy - Midstream—continued		
\$ 100,000	Kinder Morgan, Inc., 5.050%, 2/15/2046	\$ 98,673
40,000	MPLX LP, Sr. Unsecd. Note, 4.125%, 3/1/2027	39,187
225,000	MPLX LP, Sr. Unsecd. Note, 5.500%, 2/15/2049	230,097
195,000	ONEOK, Inc., Sr. Unsecd. Note, 4.950%, 7/13/2047	185,098
20,000	Texas Eastern Transmission LP, Sr. Unsecd. Note, 144A, 2.800%, 10/15/2022	19,373
30,000	Williams Partners LP, Sr. Unsecd. Note, 4.125%, 11/15/2020	30,391
	TOTAL	1,108,929
Energy - Oil Field Services—0.1%		
15,000	Nabors Industries, Inc., Company Guarantee, 5.000%, 9/15/2020	14,850
20,000	Nabors Industries, Inc., Sr. Unsecd. Note, 4.625%, 9/15/2021	19,025
50,000	Nabors Industries, Inc., Sr. Unsecd. Note, 5.100%, 9/15/2023	43,625
	TOTAL	77,500
Energy - Refining—0.0%		
10,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 6.500%, 3/1/2041	11,139
Financial Institution - Banking—2.6%		
74,000	American Express Co., 2.650%, 12/2/2022	72,637
250,000	American Express Credit Corp., Sr. Unsecd. Note, Series MTN, 2.250%, 5/5/2021	246,513
50,000	BB&T Corp., Sr. Unsecd. Note, Series MTN, 2.250%, 2/1/2019	50,000
300,000	Bank of America Corp., Sr. Unsecd. Note, Series GMTN, 3.500%, 4/19/2026	297,656
250,000	³ Bank of America Corp., Sr. Unsecd. Note, Series MTN, 3.447% (3-month USLIBOR +0.650%), 10/1/2021	250,820
100,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 5.000%, 5/13/2021	104,172
200,000	Bank of America Corp., Sub. Note, Series L, 3.950%, 4/21/2025	201,007
200,000	Citigroup, Inc., Sr. Unsecd. Note, 2.700%, 3/30/2021	198,706
250,000	Citigroup, Inc., Sr. Unsecd. Note, 3.300%, 4/27/2025	244,372
170,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	166,286
25,000	City National Corp., Sr. Unsecd. Note, 5.250%, 9/15/2020	25,778
30,000	Comerica, Inc., 3.800%, 7/22/2026	29,506
75,000	Fifth Third Bancorp, Sr. Unsecd. Note, 3.650%, 1/25/2024	75,474
275,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.625%, 1/22/2023	278,617
150,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 6.250%, 2/1/2041	181,588
50,000	HSBC Holdings PLC, Sr. Unsecd. Note, 5.100%, 4/5/2021	52,134
250,000	Huntington National Bank, Sr. Unsecd. Note, 2.200%, 4/1/2019	249,772
400,000	JPMorgan Chase & Co., Sub. Note, 3.375%, 5/1/2023	399,616

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

\$ 300,000	Morgan Stanley, 4.300%, 1/27/2045	\$ 299,030
120,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.500%, 4/21/2021	118,499
210,000	Regions Financial Corp., Sr. Unsecd. Note, 3.200%, 2/8/2021	210,075
130,000	SunTrust Banks, Inc., Sr. Unsecd. Note, 2.900%, 3/3/2021	129,654
	TOTAL	3,881,912

Financial Institution - Broker/Asset Mgr/Exchange—0.2%

80,000	Invesco Finance PLC, Sr. Unsecd. Note, 3.750%, 1/15/2026	78,723
125,000	Jefferies Group LLC, Sr. Unsecd. Note, 6.875%, 4/15/2021	132,765
70,000	Nuveen LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/1/2028	73,147
13,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 5.625%, 4/1/2024	14,085
	TOTAL	298,720

Financial Institution - Finance Companies—0.5%

150,000	AerCap Ireland Capital Ltd / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.875%, 1/16/2024	152,643
170,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 3.950%, 2/1/2022	168,931
250,000	Discover Bank, Sr. Unsecd. Note, Series BKNT, 4.650%, 9/13/2028	253,644
250,000	GE Capital International Funding, Inc., Sr. Unsecd. Note, 4.418%, 11/15/2035	223,876
	TOTAL	799,094

Financial Institution - Insurance - Life—0.7%

200,000	Aflac, Inc., Sr. Unsecd. Note, 3.625%, 6/15/2023	202,723
25,000	American International Group, Inc., 4.500%, 7/16/2044	23,734
35,000	American International Group, Inc., Sr. Unsecd. Note, 4.125%, 2/15/2024	35,827
125,000	American International Group, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2028	125,356
10,000	Lincoln National Corp., Sr. Unsecd. Note, 4.200%, 3/15/2022	10,229
275,000	Mass Mutual Global Funding II, 144A, 2.000%, 4/15/2021	268,811
10,000	MetLife, Inc., Jr. Sub. Note, 10.750%, 8/1/2039	15,020
250,000	MetLife, Inc., Sr. Unsecd. Note, 3.600%, 4/10/2024	255,513
15,000	Penn Mutual Life Insurance Co., Sr. Note, 144A, 7.625%, 6/15/2040	19,993
10,000	Principal Financial Group, Inc., Sr. Unsecd. Note, 3.125%, 5/15/2023	9,916
10,000	Principal Financial Group, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2022	9,959
50,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 6.200%, 11/15/2040	60,447
	TOTAL	1,037,528

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Insurance - P&C—0.1%	
\$ 100,000	Liberty Mutual Group, Inc., 144A, 4.850%, 8/1/2044	\$ 98,584
65,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	98,994
	TOTAL	197,578
	Financial Institution - REIT - Apartment—0.1%	
20,000	Post Apartment Homes LP, Sr. Unsecd. Note, 3.375%, 12/1/2022	19,817
10,000	UDR, Inc., Company Guarantee, Series 0001, 4.625%, 1/10/2022	10,309
70,000	UDR, Inc., Sr. Unsecd. Note, Series MTN, 2.950%, 9/1/2026	65,027
	TOTAL	95,153
	Financial Institution - REIT - Healthcare—0.1%	
40,000	Health Care REIT, Inc., Sr. Unsecd. Note, 6.125%, 4/15/2020	41,224
50,000	Healthcare Trust of America, 3.700%, 4/15/2023	49,730
	TOTAL	90,954
	Financial Institution - REIT - Office—0.1%	
50,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 3.900%, 6/15/2023	50,526
70,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 3.950%, 1/15/2028	68,097
50,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2022	51,636
	TOTAL	170,259
	Financial Institution - REIT - Other—0.1%	
75,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	76,792
	Financial Institution - REIT - Retail—0.0%	
50,000	Kimco Realty Corp., Sr. Unsecd. Note, 3.400%, 11/1/2022	49,453
20,000	Regency Centers LP, Company Guarantee, 4.800%, 4/15/2021	20,481
	TOTAL	69,934
	Sovereign—0.0%	
30,000	Corp Andina De Fomento, Sr. Unsecd. Note, 4.375%, 6/15/2022	31,232
	Technology—0.6%	
30,000	Apple, Inc., Sr. Unsecd. Note, 2.400%, 5/3/2023	29,549
20,000	Corning, Inc., Unsecd. Note, 4.750%, 3/15/2042	19,081
240,000	Diamond 1 Finance Corp./Diamond 2 Finance Corp., Sr. Secd. Note, 144A, 6.020%, 6/15/2026	251,179
125,000	Equifax, Inc., Sr. Unsecd. Note, 2.300%, 6/1/2021	121,166
53,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 3.500%, 4/15/2023	52,725
300,000	Fiserv, Inc., Sr. Unsecd. Note, 4.200%, 10/1/2028	299,898

**Shares or
Principal
Amount**
Value
CORPORATE BONDS—continued
Technology—continued

\$ 70,000	Hewlett Packard Enterprise Co., Sr. Unsecd. Note, 3.600%, 10/15/2020	\$ 70,463
20,000	Ingram Micro, Inc., Sr. Unsecd. Note, 5.000%, 8/10/2022	19,606
50,000	Total System Services, Inc., Sr. Unsecd. Note, 4.800%, 4/1/2026	51,133
10,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 9/12/2022	10,206
50,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045	51,223
	TOTAL	976,229

Transportation - Railroads—0.2%

50,000	Burlington Northern Santa Fe Corp., Deb., 5.750%, 5/1/2040	60,384
30,000	Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2023	29,435
225,000	Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.125%, 6/1/2026	211,003
	TOTAL	300,822

Transportation - Services—0.2%

70,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 2.800%, 3/1/2022	68,783
200,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.750%, 6/9/2023	201,105
30,000	United Parcel Service, Inc., Sr. Unsecd. Note, 3.125%, 1/15/2021	30,152
	TOTAL	300,040

Utility - Electric—1.6%

5,000	Consolidated Edison Co., Sr. Unsecd. Note, 6.650%, 4/1/2019	5,029
110,000	Duke Energy Corp., Sr. Unsecd. Note, 2.650%, 9/1/2026	102,583
70,000	Electricite de France SA, Note, 144A, 5.600%, 1/27/2040	71,901
300,000	Electricite de France SA, Sr. Unsecd. Note, 144A, 4.500%, 9/21/2028	300,799
140,000	Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046	136,482
280,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 4.625%, 9/14/2025	276,840
170,000	EverSource Energy, Sr. Unsecd. Note, 3.350%, 3/15/2026	164,479
200,000	Exelon Corp., Sr. Unsecd. Note, 3.400%, 4/15/2026	193,489
100,000	Exelon Generation Co. LLC, Sr. Unsecd. Note, 4.250%, 6/15/2022	102,323
10,000	Great Plains Energy, Inc., Note, 4.850%, 6/1/2021	10,268
300,000	Metropolitan Edison Co., Sr. Unsecd. Note, 144A, 4.300%, 1/15/2029	306,352
110,000	National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046	107,057
25,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, Series MTNC, 8.000%, 3/1/2032	34,524
50,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.700%, 9/15/2019	49,857
250,000	PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026	234,293

**Shares or
Principal
Amount**
Value

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Utility - Electric—continued	
\$ 50,000	Progress Energy, Inc., 7.050%, 3/15/2019	\$ 50,247
175,000	Southern Co., Sr. Unsecd. Note, 3.250%, 7/1/2026	167,504
10,000	TECO Finance, Inc., Company Guarantee, 5.150%, 3/15/2020	10,211
40,000	UIL Holdings Corp., Sr. Unsecd. Note, 4.625%, 10/1/2020	40,782
	TOTAL	2,365,020
	Utility - Natural Gas—0.3%	
20,000	Atmos Energy Corp., 8.500%, 3/15/2019	20,137
50,000	Enbridge Energy Partners LP, Sr. Unsecd. Note, 4.200%, 9/15/2021	50,794
65,000	National Fuel Gas Co., Sr. Unsecd. Note, 3.750%, 3/1/2023	64,350
245,000	TransCanada PipeLines Ltd., Sr. Secd. Note, 5.100%, 3/15/2049	259,391
	TOTAL	394,672
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$20,093,365)	20,082,979
	U.S. TREASURY—0.9%	
167,052	U.S. Treasury Inflation-Protected Notes, 0.125%, 1/15/2022	164,006
106,354	⁵ U.S. Treasury Inflation-Protected Notes, 0.125%, 4/15/2021	104,583
284,460	U.S. Treasury Inflation-Protected Notes, 0.750%, 2/15/2042	265,607
578,933	U.S. Treasury Inflation-Protected Notes, 0.875%, 1/15/2029	583,840
135,194	U.S. Treasury Inflation-Protected Notes, 1.375%, 2/15/2044	143,817
	TOTAL U.S. TREASURY (IDENTIFIED COST \$1,267,386)	1,261,853
	EXCHANGE-TRADED FUNDS—10.2%	
72,775	iShares Core MSCI Emerging Markets ETF	3,761,012
184,500	iShares MSCI EAFE ETF	11,564,460
	TOTAL EXCHANGE-TRADED FUNDS (IDENTIFIED COST \$16,030,099)	15,325,472
	INVESTMENT COMPANIES—19.9%	
206,400	Emerging Markets Core Fund	1,973,181
102,324	Federated Bank Loan Core Fund	1,003,802
99,520	Federated Government Obligations Fund, Premier Shares, 2.30% ⁶	99,520
6,038,980	Federated Institutional Prime Value Obligations Fund, Institutional Shares, 2.57% ⁶	6,040,187
1,461,344	Federated Mortgage Core Portfolio	14,101,974
354,235	Federated Project and Trade Finance Core Fund	3,205,826

Shares or Principal Amount		Value
	INVESTMENT COMPANIES—continued	
559,388	High Yield Bond Portfolio	\$ 3,429,047
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$30,692,200)	29,853,537
	TOTAL INVESTMENT IN SECURITIES—99.8% (IDENTIFIED COST \$149,774,492) ⁷	149,551,688
	OTHER ASSETS AND LIABILITIES - NET—0.2% ⁸	367,858
	TOTAL NET ASSETS—100%	\$149,919,546

At January 31, 2019, 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	47	\$9,979,422	March 2019	\$ 32,173
¹ United States Treasury Note 5-Year Long Futures	21	\$2,412,047	March 2019	\$ 11,057
¹ United States Treasury Long Bond Long Futures	4	\$ 586,750	March 2019	\$ 2,834
¹ United States Treasury Ultra Bond Long Futures	8	\$1,289,000	March 2019	\$ 35,481
¹ United States Treasury Note 10-Year Short Futures	11	\$1,347,156	March 2019	\$ (4,698)
¹ United States Treasury Note 10-Year Ultra Short Futures	30	\$3,920,625	March 2019	\$(39,523)
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$ 37,324

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

Affiliated fund holdings are investment companies which are managed by the Adviser or an affiliate of the Adviser. Transactions involving the affiliated fund holdings during the period ended January 31, 2019, were as follows:

Affiliates	Balance of Shares Held 7/31/2018	Purchases/ Additions	Sales/ Reductions
Emerging Markets Core Fund	235,533	36,683	(65,816)
Federated Bank Loan Core Fund	218,141	84,802	(200,619)
Federated Government Obligations Fund, Premier Shares*	593,845	39,023,528	(39,517,853)
Federated Institutional Prime Value Obligations Fund, Institutional Shares	4,928,376	29,948,480	(28,837,876)
Federated Mortgage Core Portfolio	1,196,190	354,868	(89,714)
Federated Project and Trade Finance Core Fund	335,486	18,749	—
High Yield Bond Portfolio	482,388	127,000	(50,000)
TOTAL OF AFFILIATED TRANSACTIONS	7,989,959	69,594,110	(68,761,878)

Balance of Shares Held 1/31/2019	Value	Change in Unrealized Appreciation/Depreciation	Net Realized Gain/(Loss)	Dividend Income	Gain Distributions Received
206,400	\$ 1,973,181	\$ (6,637)	\$ 5,034	\$ 62,730	\$—
102,324	\$ 1,003,802	\$ (3,395)	\$(70,775)	\$ 54,478	\$—
99,520	\$ 99,520	N/A	N/A	\$ 6,488	\$—
6,038,980	\$ 6,040,187	\$ (94)	\$ 635	\$ 81,396	\$—
1,461,344	\$14,101,974	\$174,783	\$ (8,074)	\$212,019	\$—
354,235	\$ 3,205,826	\$(17,231)	\$ —	\$ 79,337	\$—
559,388	\$ 3,429,047	\$(44,399)	\$ (1,701)	\$ 98,453	\$—
8,822,191	\$29,853,537	\$103,027	\$(74,881)	\$594,901	\$—

* 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 Floating/variable note with current rate and current maturity or next reset date shown.
- 4 JPMorgan Chase & Co. has fully and unconditionally guaranteed Bear Stearns' outstanding registered debt securities.
- 5 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.
- 6 7-day net yield.
- 7 Also represents cost for federal tax purposes.
- 8 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at January 31, 2019.

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

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

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

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

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

The following is a summary of the inputs used, as of January 31, 2019, 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	\$ 78,080,907	\$ —	\$—	\$ 78,080,907
International	1,283,520	—	—	1,283,520
Debt Securities:				
Asset-Backed Securities	—	577,053	—	577,053
Collateralized Mortgage Obligations	—	3,086,367	—	3,086,367
Corporate Bonds	—	20,082,979	—	20,082,979
U.S. Treasury	—	1,261,853	—	1,261,853
Exchange-Traded Funds	15,325,472	—	—	15,325,472
Investment Companies¹	6,139,707	—	—	29,853,537
TOTAL SECURITIES	\$100,829,606	\$25,008,252	\$—	\$149,551,688
Other Financial Instruments²				
Assets	\$ 81,545	\$ —	\$—	\$ 81,545
Liabilities	(44,221)	—	—	(44,221)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ 37,324	\$ —	\$—	\$ 37,324

1 As permitted by U.S. generally accepted accounting principles (GAAP), Investment Companies valued at \$23,713,830 are measured at fair value using the net asset value (NAV) per share practical expedient and have not been categorized in the chart above but are 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 in Emerging Markets Core Fund, Federated Bank Loan Core Fund, Federated Mortgage Core Portfolio and High Yield Bond Portfolio is the next determined NAV after receipt of a shareholder redemption request. 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:

BKNT —Bank Notes
 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) 1/31/2019	Year Ended July 31,				
		2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$19.59	\$17.74	\$16.52	\$16.83	\$16.07	\$14.35
Income From Investment Operations:						
Net investment income ¹	0.12	0.21	0.26	0.24	0.20	0.17
Net realized and unrealized gain (loss)	(0.61)	1.89	1.23	(0.31)	0.74	1.70
TOTAL FROM INVESTMENT OPERATIONS	(0.49)	2.10	1.49	(0.07)	0.94	1.87
Less Distributions:						
Distributions from net investment income	(0.19)	(0.25)	(0.27)	(0.24)	(0.18)	(0.15)
Distributions from net realized gain	(1.51)	—	—	—	—	—
TOTAL DISTRIBUTIONS	(1.70)	(0.25)	(0.27)	(0.24)	(0.18)	(0.15)
Net Asset Value, End of Period	\$17.40	\$19.59	\$17.74	\$16.52	\$16.83	\$16.07
Total Return²	(2.09)%	11.91%	9.11%	(0.37)%	5.89%	13.06%
Ratios to Average Net Assets:						
Net expenses	1.31% ³	1.32%	1.26%	1.30%	1.30%	1.30%
Net investment income	1.31% ³	1.11%	1.51%	1.51%	1.21%	1.10%
Expense waiver/reimbursement ⁴	0.10% ³	0.06%	0.15%	0.10%	0.09%	0.10%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$77,209	\$61,553	\$61,405	\$61,245	\$62,555	\$55,634
Portfolio turnover	71%	89%	82%	98%	89%	34%

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) 1/31/2019	Year Ended July 31,				
		2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$19.31	\$17.49	\$16.30	\$16.59	\$15.84	\$14.16
Income From Investment Operations:						
Net investment income ¹	0.05	0.06	0.13	0.12	0.07	0.05
Net realized and unrealized gain (loss)	(0.58)	1.87	1.20	(0.31)	0.74	1.67
TOTAL FROM INVESTMENT OPERATIONS	(0.53)	1.93	1.33	(0.19)	0.81	1.72
Less Distributions:						
Distributions from net investment income	—	(0.11)	(0.14)	(0.10)	(0.06)	(0.04)
Distributions from net realized gain	(1.51)	—	—	—	—	—
TOTAL DISTRIBUTIONS	(1.51)	(0.11)	(0.14)	(0.10)	(0.06)	(0.04)
Net Asset Value, End of Period	\$17.27	\$19.31	\$17.49	\$16.30	\$16.59	\$15.84
Total Return²	(2.41)%	11.09%	8.23%	(1.10)%	5.12%	12.14%
Ratios to Average Net Assets:						
Net expenses	2.06% ³	2.07%	2.01%	2.05%	2.05%	2.05%
Net investment income	0.56% ³	0.35%	0.75%	0.76%	0.45%	0.34%
Expense waiver/reimbursement ⁴	0.12% ³	0.04%	0.13%	0.08%	0.06%	0.07%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$14,089	\$27,577	\$29,007	\$29,152	\$31,571	\$34,522
Portfolio turnover	71%	89%	82%	98%	89%	34%

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 – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2019	Year Ended July 31,				
		2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$19.64	\$17.79	\$16.57	\$16.87	\$16.11	\$14.39
Income From Investment Operations:						
Net investment income ¹	0.15	0.26	0.30	0.28	0.24	0.21
Net realized and unrealized gain (loss)	(0.61)	1.89	1.23	(0.30)	0.74	1.69
TOTAL FROM INVESTMENT OPERATIONS	(0.46)	2.15	1.53	(0.02)	0.98	1.90
Less Distributions:						
Distributions from net investment income	(0.23)	(0.30)	(0.31)	(0.28)	(0.22)	(0.18)
Distributions from net realized gain	(1.51)	—	—	—	—	—
TOTAL DISTRIBUTIONS	(1.74)	(0.30)	(0.31)	(0.28)	(0.22)	(0.18)
Net Asset Value, End of Period	\$17.44	\$19.64	\$17.79	\$16.57	\$16.87	\$16.11
Total Return²	(1.93)%	12.15%	9.36%	(0.07)%	6.13%	13.30%
Ratios to Average Net Assets:						
Net expenses	1.06% ³	1.07%	1.00%	1.05%	1.05%	1.05%
Net investment income	1.61% ³	1.35%	1.77%	1.76%	1.46%	1.35%
Expense waiver/reimbursement ⁴	0.08% ³	0.02%	0.12%	0.05%	0.04%	0.06%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$55,927	\$54,358	\$39,136	\$47,757	\$53,291	\$49,667
Portfolio turnover	71%	89%	82%	98%	89%	34%

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 Shares¹

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2019	Year Ended July 31,				
		2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$19.62	\$17.76	\$16.49	\$16.80	\$16.05	\$14.33
Income From Investment Operations:						
Net investment income ²	0.13	0.26	0.28	0.20	0.16	0.13
Net realized and unrealized gain (loss)	(0.60)	1.90	1.24	(0.31)	0.74	1.69
TOTAL FROM INVESTMENT OPERATIONS	(0.47)	2.16	1.52	(0.11)	0.90	1.82
Less Distributions:						
Distributions from net investment income	(0.24)	(0.30)	(0.25)	(0.20)	(0.15)	(0.10)
Distributions from net realized gain	(1.51)	—	—	—	—	—
TOTAL DISTRIBUTIONS	(1.75)	(0.30)	(0.25)	(0.20)	(0.15)	(0.10)
Net Asset Value, End of Period	\$17.40	\$19.62	\$17.76	\$16.49	\$16.80	\$16.05
Total Return³	(1.98)%	12.24%	9.32%	(0.59)%	5.61%	12.72%
Ratios to Average Net Assets:						
Net expenses	1.05% ⁴	1.06%	1.05%	1.56%	1.56%	1.57%
Net investment income	1.33% ⁴	1.36%	1.64%	1.27%	0.96%	0.84%
Expense waiver/reimbursement ⁵	0.06% ⁴	0.02%	0.06%	0.04%	0.03%	0.05%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$2,695	\$12,178	\$10,439	\$577	\$532	\$464
Portfolio turnover	71%	89%	82%	98%	89%	34%

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, 2019 (unaudited)

Assets:

Investment in securities, at value including \$95,537 of securities loaned and \$29,853,537 of investment in affiliated holdings (identified cost \$149,774,492)	\$149,551,688
Restricted cash (Note 2)	47,879
Income receivable	249,796
Income receivable from affiliated holdings	119,330
Receivable for investments sold	1,744,565
Receivable for shares sold	187,506
TOTAL ASSETS	151,900,764

Liabilities:

Payable for investments purchased	\$1,601,971
Payable for shares redeemed	101,506
Payable for daily variation margin on futures contracts	40,169
Payable for collateral due to broker for securities lending	99,520
Payable for investment adviser fee (Note 5)	2,740
Payable for administrative fees (Note 5)	325
Payable for Directors'/Trustees' fees (Note 5)	375
Payable for distribution services fee (Note 5)	8,697
Payable for other service fees (Notes 2 and 5)	39,015
Accrued expenses (Note 5)	86,900
TOTAL LIABILITIES	1,981,218
Net assets for 8,614,664 shares outstanding	\$149,919,546

Net Assets Consist of:

Paid-in capital	\$151,516,823
Total distributable earnings (loss)	(1,597,277)
TOTAL NET ASSETS	\$149,919,546

Statement of Assets and Liabilities – continued

Net Asset Value, Offering Price and Redemption Proceeds Per Share

Class A Shares:

Net asset value per share (\$77,208,627 ÷ 4,436,985 shares outstanding), no par value, unlimited shares authorized	\$17.40
Offering price per share (100/94.50 of \$17.40)	\$18.41
Redemption proceeds per share	\$17.40

Class C Shares:

Net asset value per share (\$14,089,216 ÷ 816,015 shares outstanding), no par value, unlimited shares authorized	\$17.27
Offering price per share	\$17.27
Redemption proceeds per share (99.00/100 of \$17.27)	\$17.10

Institutional Shares:

Net asset value per share (\$55,927,084 ÷ 3,206,783 shares outstanding), no par value, unlimited shares authorized	\$17.44
Offering price per share	\$17.44
Redemption proceeds per share	\$17.44

Class R6 Shares:

Net asset value per share (\$2,694,619 ÷ 154,881 shares outstanding), no par value, unlimited shares authorized	\$17.40
Offering price per share	\$17.40
Redemption proceeds per share	\$17.40

See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended January 31, 2019 (unaudited)

Investment Income:

Dividends (including \$588,413 received from affiliated holdings* and net of foreign taxes withheld of \$315)	\$1,551,761
Interest	479,535
Net income on securities loaned (includes \$6,488 received from affiliated holdings related to cash collateral balances*)	3,267
TOTAL INCOME	2,034,563

Expenses:

Investment adviser fee (Note 5)	\$ 580,219
Administrative fee (Note 5)	61,906
Custodian fees	50,112
Transfer agent fee (Note 2)	68,161
Directors'/Trustees' fees (Note 5)	1,376
Auditing fees	16,823
Legal fees	6,152
Portfolio accounting fees	50,029
Distribution services fee (Note 5)	53,511
Other service fees (Notes 2 and 5)	105,008
Share registration costs	33,311
Printing and postage	14,925
Miscellaneous (Note 5)	15,835
TOTAL EXPENSES	1,057,368

Waiver and Reimbursements:

Waiver/reimbursement of investment adviser fee (Note 5)	\$(52,390)
Reimbursement of other operating expenses (Notes 2 and 5)	(19,451)
TOTAL WAIVER AND REIMBURSEMENTS	(71,841)
Net expenses	985,527
Net investment income	\$1,049,036

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 loss of \$(74,881) on sales of investments in affiliated holdings*)	\$ 3,953,505
Net realized gain on foreign currency transactions	77,056
Net realized loss on futures contracts	(20,684)
Net change in unrealized appreciation of investments (including net change in unrealized depreciation of \$103,027 on investments in affiliated holdings*)	(8,547,474)
Net change in unrealized appreciation of futures contracts	16,405
Net realized and unrealized gain (loss) on investments, futures contracts and foreign currency transactions	(4,521,192)
Change in net assets resulting from operations	\$(3,472,156)

* 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) 1/31/2019	Year Ended 7/31/2018
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 1,049,036	\$ 1,482,124
Net realized gain	4,009,877	10,643,426
Net change in unrealized appreciation/depreciation	(8,531,069)	3,826,927
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(3,472,156)	15,952,477
Distributions to Shareholders (Note 2):		
Class A Shares	(6,723,192)	(820,337)
Class C Shares	(1,044,348)	(182,113)
Institutional Shares	(5,847,283)	(590,928)
Class R6 Shares	(242,234)	(175,714)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(13,857,057)	(1,769,092)
Share Transactions:		
Proceeds from sale of shares	49,848,022	34,844,213
Net asset value of shares issued to shareholders in payment of distributions declared	12,933,369	1,616,876
Cost of shares redeemed	(51,198,407)	(34,966,647)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	11,582,984	1,494,442
Change in net assets	(5,746,229)	15,677,827
Net Assets:		
Beginning of period	155,665,775	139,987,948
End of period	\$149,919,546	\$155,665,775

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

January 31, 2019 (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.

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 determine the fair value of equity securities traded principally in foreign markets when the Adviser determines that there has been a significant trend in the U.S. equity markets or in index futures trading. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Fund will determine the fair value of the investment in accordance with the fair valuation procedures approved by the 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 \$71,841 is disclosed in various locations in this Note 2 and Note 5. For the six months ended January 31, 2019, transfer agent fees for the Fund were as follows:

	Transfer Agent Fees Incurred	Transfer Agent Fees Reimbursed
Class A Shares	\$37,774	\$(11,130)
Class C Shares	8,181	(3,917)
Institutional Shares	20,535	(4,404)
Class R6 Shares	1,671	—
TOTAL	\$68,161	\$(19,451)

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. All distributions as indicated on the Statement of Changes in Net Assets for the year ended July 31, 2018, were from net investment income. Undistributed net investment income at July 31, 2018, was \$771,690.

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, 2019, other service fees for the Fund were as follows:

	Other Service Fees Incurred
Class A Shares	\$ 87,493
Class C Shares	17,515
TOTAL	\$105,008

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, 2019, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of January 31, 2019, tax years 2015 through 2018 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

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 in a segregated account, either U.S. government securities or a specified amount of Restricted cash, which is shown in the Statement of Assets and Liabilities. Futures contracts are valued daily and unrealized gains or losses are recorded in a "variation margin" account. Daily, the Fund receives from or pays to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with the changes in the value of the underlying securities. There is minimal counterparty risk to the Fund since futures contracts are exchange traded and the exchange's 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 \$6,617,244 and \$3,078,475, 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 may be invested 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.

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, 2019, securities subject to this type of arrangement and related collateral were as follows:

Market Value of Securities Loaned	Market Value of Collateral
\$95,537	\$99,520

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

	Liabilities	Fair Value
	Statement of Assets and Liabilities Location	
Derivatives not accounted for as hedging instruments under ASC Topic 815		
Interest rate contracts	Payable for daily variation margin on futures contracts	\$(37,324)*

* 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, 2019

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

	Futures Contracts
Interest rate contracts	\$(20,684)

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

	Futures Contracts
Interest rate contracts	\$16,405

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:

Class A Shares:	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
Shares sold	1,235,984	\$23,198,745	616,086	\$ 11,426,201
Shares issued to shareholders in payment of distributions declared	356,509	5,992,522	37,690	704,802
Shares redeemed	(298,274)	(5,386,037)	(973,306)	(17,952,970)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	1,294,219	\$23,805,230	(319,530)	\$ (5,821,967)

Class C Shares:	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
Shares sold	194,495	\$ 3,413,293	94,955	\$ 1,762,067
Shares issued to shareholders in payment of distributions declared	54,548	903,861	9,123	168,962
Shares redeemed	(860,854)	(16,544,384)	(334,347)	(6,217,117)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	(611,811)	\$(12,227,230)	(230,269)	\$(4,286,088)

Institutional Shares:	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
Shares sold	1,120,304	\$ 20,225,785	1,033,047	\$19,682,314
Shares issued to shareholders in payment of distributions declared	344,529	5,809,112	30,373	568,576
Shares redeemed	(1,025,371)	(17,480,866)	(496,465)	(9,266,521)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	439,462	\$ 8,554,031	566,955	\$10,984,369

Class R6 Shares:	Six Months Ended 1/31/2019		Year Ended 7/31/2018	
	Shares	Amount	Shares	Amount
Shares sold	152,897	\$ 3,010,199	104,828	\$ 1,973,631
Shares issued to shareholders in payment of distributions declared	13,548	227,874	9,333	174,536
Shares redeemed	(632,368)	(11,787,120)	(81,103)	(1,530,039)
NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS	(465,923)	\$ (8,549,047)	33,058	\$ 618,128
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	655,947	\$ 11,582,984	50,214	\$ 1,494,442

4. FEDERAL TAX INFORMATION

At January 31, 2019, the cost of investments for federal tax purposes was \$149,774,492. The net unrealized depreciation of investments for federal tax purposes was \$185,480. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$6,927,906 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$7,113,386. The amounts presented are inclusive of derivative contracts.

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, 2019, the Adviser voluntarily waived \$50,545 of its fee and voluntarily reimbursed \$19,451 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, 2019, the Adviser reimbursed \$1,845.

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, 2019, the Sub-Adviser earned a fee of \$65,345.

Administrative Fee

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

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

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

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

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

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

Distribution Services Fee

The Fund has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund’s Class A Shares 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, 2019, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Class C Shares	\$53,511

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended January 31, 2019, FSC retained \$6,463 fees paid by the Fund. For the six months ended January 31, 2019, the Fund’s Class A Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

Sales Charges

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. They are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. For the six months ended January 31, 2019, FSC retained \$6,840 in sales charges from the sale of Class A Shares. FSC also retained \$168 of CDSC relating to redemptions of Class C Shares.

Other Service Fees

For the six months ended January 31, 2019, FSSC received \$6,362 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. Effective October 1, 2018, 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) October 1, 2019; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Directors'/Trustees' and Miscellaneous Fees

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

6. 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, 2019, were as follows:

Purchases	\$101,183,266
Sales	\$ 99,587,768

7. LINE OF CREDIT

The Fund participates with certain other Federated Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement. The LOC was made available to finance temporarily the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to the highest, on any day, of (a) (i) the federal funds effective rate, (ii) the one month London Interbank Offered Rate (LIBOR), and (iii) 0.0%, plus (b) a margin. The LOC also requires the Fund to pay, quarterly in arrears and at maturity, its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized. As of January 31, 2019, the Fund had no outstanding loans. During the six months ended January 31, 2019, 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 Investors, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of January 31, 2019, there were no outstanding loans. During the six months ended January 31, 2019, the program was not utilized.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur 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, 2018 to January 31, 2019.

ACTUAL EXPENSES

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

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only 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 8/1/2018	Ending Account Value 1/31/2019	Expenses Paid During Period ¹
Actual:			
Class A Shares	\$1,000	\$ 979.10	\$ 6.53
Class C Shares	\$1,000	\$ 975.90	\$10.26
Institutional Shares	\$1,000	\$ 980.70	\$ 5.29
Class R6 Shares	\$1,000	\$ 980.20	\$ 5.24
Hypothetical (assuming a 5% return before expenses):			
Class A Shares	\$1,000	\$1,018.60	\$ 6.67
Class C Shares	\$1,000	\$1,014.80	\$10.46
Institutional Shares	\$1,000	\$1,019.90	\$ 5.40
Class R6 Shares	\$1,000	\$1,019.90	\$ 5.35

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

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

Evaluation and Approval of Advisory Contract – May 2018

FEDERATED MDT BALANCED FUND (THE “FUND”)

At its meetings in May 2018, the Fund’s Board of Trustees (the “Board”), including a majority of those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”) reviewed and unanimously approved the continuation of the Fund’s investment advisory 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.

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

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

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

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

Following such evaluation, and full deliberations, the Board concluded that the fees and expenses of the Fund are reasonable and supported renewal of the Fund's investment advisory 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, overall reputation and willingness to invest in personnel and infrastructure that benefit the Fund. In

addition, the Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and the Adviser's ability and experience in attracting and retaining qualified personnel to service the Fund. The Board noted the compliance program of the Adviser and the compliance-related resources provided to the Fund by the Adviser, including the Adviser's commitment to respond to rulemaking initiatives of the SEC. The Fund's ability to deliver competitive performance when compared to its Peer Group was also deemed to be relevant by the Board as a useful indicator of how the Adviser is executing the Fund's investment program. The Adviser's ability to execute this program was one of the Board's considerations in reaching a conclusion that the nature, extent and quality of the Adviser's investment management services warrant the continuation of the investment advisory 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 individual funds may exhibit significant and unique differences in their objectives and management techniques when compared to other funds within a Peer Group, and that the CCO had specifically noted that the Fund's quantitative focus makes fee and expense comparisons particularly difficult as the Peer Group of funds varied widely in their complexity, and the management of the Fund is among the more complex relative to its Peer Group.

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

Following such evaluation, and full deliberations, the Board 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.

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. In this regard, the Board considered that the Adviser has made significant and long-term investments in areas that support all of the Federated funds, such as personnel and processes for the portfolio management, shareholder services, compliance, internal audit and risk management functions, as well as, systems technology (including technology relating to cybersecurity,) and that the benefits of these efforts (as well as any economies of scale, should they exist) were likely to be shared with the Federated fund family as a whole. The Board noted that the Adviser's investments in these areas are extensive. In addition, the Board considered that the Adviser and its affiliates have frequently waived fees and/or reimbursed expenses and that this has allowed fund shareholders to share potential economies of scale with shareholders. The Board also considered that

such waivers and reimbursements can provide protection from an increase in expenses if a Federated fund's assets decline. Federated, as it does throughout the year, and specifically in connection with the Board's review of the advisory and subadvisory contracts, furnished information relative to revenue sharing or adviser-paid fees. Federated and the CCO noted that this information should be viewed to determine if there was an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, and should not be viewed to determine the appropriateness of advisory fees because it would represent marketing and distribution expenses. The Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which (as discussed in the CCO Fee Evaluation Report) is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with "breakpoints" that serve to reduce the fee as a fund attains a certain size.

The CCO stated that his observations and the information accompanying the CCO Fee Evaluation Report supported a finding by the Board that the management fee for the Fund was reasonable. Under these circumstances, no changes were recommended to, and no objection was raised to, the continuation of the Fund's investment advisory 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 www.sec.gov.

Quarterly Portfolio Schedule

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

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.

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Federated®

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

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

Federated Securities Corp., Distributor

CUSIP 31421R841

CUSIP 31421R833

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