

Semi-Annual Shareholder Report

March 31, 2019

Share Class | Ticker

A | FMUUX

Institutional | FMUSX

Federated Municipal Ultrashort Fund

Fund Established 2000

A Portfolio of Federated Fixed Income Securities, Inc.

IMPORTANT NOTICE REGARDING REPORT DELIVERY

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

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

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

Not FDIC Insured • May Lose Value • No Bank Guarantee



**J. Christopher
Donahue**

President

Federated Municipal
Ultrashort 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 October 1, 2018 through March 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 dark ink that reads "J. Christopher Donahue". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

J. Christopher Donahue, President

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At March 31, 2019, the Fund's sector composition¹ was as follows:

Sector Composition	Percentage of Total Net Assets
Industrial Development Bond/Pollution Control Revenue	18.5%
Hospital	15.5%
Prepaid Gas Utility	7.6%
Electric & Gas	7.1%
Toll Road	7.0%
General Obligation—Local	6.1%
Higher Education	5.1%
General Obligation—State	3.6%
Water & Sewer	3.5%
Public Power	3.3%
Other ²	24.5%
Other Assets and Liabilities—Net ³	(1.8)%
TOTAL	100.0%

- 1 Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying obligor, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party guarantor, such as bond insurers and banks, sector classifications are based upon the economic sector and/or revenue source of the underlying obligor, as determined by the Fund's Adviser.*
- 2 For purposes of this table, sector classifications constitute 77.3% of the Fund's total net assets. Remaining sectors have been aggregated under the designation "Other."*
- 3 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*

Portfolio of Investments

March 31, 2019 (unaudited)

Principal Amount		Value
	MUNICIPAL BONDS—74.0%	
	Alabama—3.8%	
\$22,500,000	¹ Black Belt Energy Gas District, AL, Gas Prepay Revenue Bonds Project No.3 (Series 2018B-1) FRNs, (Goldman Sachs Group, Inc. GTD), 2.568% (1-month USLIBOR x 0.67 + 0.900%), Mandatory Tender 12/1/2023	\$ 22,023,450
15,500,000	Black Belt Energy Gas District, AL, Gas Supply Revenue Bonds (Series 2016A) TOBs, (Royal Bank of Canada GTD), 4.000%, Mandatory Tender 6/1/2021	16,133,950
30,325,000	Health Care Authority for Baptist Health, AL, Affiliate of UAB Health (Montgomery) (Series B) ARNs, (Assured Guaranty Corp. INS), 1.830%, 4/5/2019	30,325,000
30,000,000	¹ Southeast Alabama Gas Supply District, Gas Supply Revenue Bonds Project No. 2 (Series 2018B) FRNs, (Morgan Stanley GTD), 2.518% (1-month USLIBOR x 0.67 + 0.850%), Mandatory Tender 6/1/2024	29,394,900
	TOTAL	97,877,300
	Alaska—1.0%	
24,175,000	Alaska Industrial Development and Export Authority (Yukon-Kuskokwim Health Corp.), Loan Anticipation Revenue Notes (Series 2017), 3.500%, 12/1/2020	24,351,719
	Arizona—2.0%	
7,000,000	¹ Arizona Health Facilities Authority (Phoenix Children’s Hospital), Variable Rate Revenue Refunding Bonds (Series 2013A-1) FRNs, 3.350% (SIFMA 7-day + 1.850%), Mandatory Tender 2/5/2020	7,036,750
7,000,000	Coconino County, AZ Pollution Control Corp. (Nevada Power Co.), Pollution Control Refunding Revenue Bonds (Series 2017A) TOBs, 1.800%, Mandatory Tender 5/21/2020	6,981,940
1,100,000	Coconino County, AZ Pollution Control Corp. (Nevada Power Co.), Pollution Control Refunding Revenue Bonds (Series 2017B) TOBs, 1.600%, Mandatory Tender 5/21/2020	1,094,709
25,700,000	Phoenix, AZ IDA (Republic Services, Inc.), (Series 2013) TOBs, 2.300%, Mandatory Tender 5/1/2019	25,702,056
5,000,000	Tempe, AZ IDA (Mirabella at ASU), Revenue Bonds (Series 2017B), 4.000%, 10/1/2023	5,036,150
4,000,000	² Yavapai County, AZ IDA Solid Waste Disposal (Waste Management, Inc.), Solid Waste Disposal Revenue Bonds (Series 2002) TOBs, 2.800%, Mandatory Tender 6/1/2021	4,048,560
	TOTAL	49,900,165
	California—6.7%	
9,350,000	¹ Bay Area Toll Authority, CA, San Francisco Bay Area Toll Bridge Revenue Bonds (Index Rate Bonds Series 2017D) FRNs, 2.508% (3-month USLIBOR x 0.70 + 0.550%), Mandatory Tender 4/1/2021	9,365,240

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	California—continued	
\$15,000,000	¹ Bay Area Toll Authority, CA, San Francisco Bay Area Toll Bridge Revenue Bonds (SIFMA Index Rate Bonds Series 2007A-1) FRNs, 2.200% (SIFMA 7-day +0.700%), Mandatory Tender 10/1/2019	\$ 15,000,000
10,000,000	¹ California Infrastructure & Economic Development Bank (California Academy of Sciences), Revenue Bonds (Series 2018B) FRNs, 2.123% (1-month USLIBOR x 0.70 +0.380%), Mandatory Tender 8/1/2021	10,000,800
15,000,000	¹ California Infrastructure & Economic Development Bank (J Paul Getty Trust), Variable Rate Refunding Revenue Bonds (Series 2011A-1) FRNs, 1.942% (1-month USLIBOR x 0.70 +0.200%), Mandatory Tender 4/1/2021	14,995,050
10,000,000	¹ California Infrastructure & Economic Development Bank (J Paul Getty Trust), Variable Rate Refunding Revenue Bonds (Series 2011A-3) FRNs, 2.208% (3-month USLIBOR x 0.70 +0.370%), Mandatory Tender 4/1/2020	10,011,900
50,000,000	¹ California Infrastructure & Economic Development Bank (Los Angeles County Museum of Art), Revenue Refunding Bonds (Series 2017B) FRNs, 2.399% (1-month USLIBOR x 0.70 +0.650%), Mandatory Tender 2/1/2021	50,164,500
8,000,000	California PCFA (Republic Services, Inc.), (Series A-1) TOBs, 2.300%, Mandatory Tender 4/15/2019	8,000,480
7,000,000	² California PCFA (Republic Services, Inc.), Solid Waste Revenue Refunding Bonds (Series 2010A) TOBs, 2.300%, Mandatory Tender 5/1/2019	7,000,630
7,500,000	¹ California State, UT GO Bonds (Index Floating Rate Bonds Series 2013D) FRNs, 1.790% (SIFMA 7-day +0.290%), Mandatory Tender 12/1/2020	7,497,450
25,000,000	¹ California State, UT GO Bonds (Series 2013B) FRNs, 1.880% (SIFMA 7-day +0.380%), Mandatory Tender 12/1/2022	25,006,500
2,500,000	Foothill/Eastern Transportation Corridor Agency, CA, Toll Road Refunding Revenue Bonds (Series 2013B-2) TOBs, 5.000%, Mandatory Tender 1/15/2020	2,522,550
5,050,000	¹ Riverside, CA Water Revenue, (Series 2011A) FRNs, 2.130% (SIFMA 7-day +0.630%), Mandatory Tender 1/15/2020	5,053,232
7,250,000	Southern California Public Power Authority (Power Projects) (Magnolia Power Project A), Refunding Revenue Bonds (Series 2017-1) TOBs, 2.000%, Mandatory Tender 7/1/2020	7,263,558
	TOTAL	171,881,890
	Colorado—1.4%	
5,915,000	¹ Colorado School of Mines Board of Trustees (Colorado School of Mines, CO), Institutional Enterprise Revenue Refunding Bonds (Series 2018A) FRNs, 2.168% (1-month USLIBOR x 0.67 +0.500%), 2/1/2023	5,920,560
8,495,000	¹ Denver (City & County), CO (Denver, CO City & County Airport Authority), Airport System Revenue Refunding Bonds (Series 2016B) Index Rate Notes FRNs, 2.602% (1-month USLIBOR x 0.70 +0.860%), Mandatory Tender 11/15/2019	8,501,796

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Colorado—continued	
\$ 6,000,000	¹ E-470 Public Highway Authority, CO, Senior Revenue Bonds (LIBOR Index Series 2017B) FRNs, 2.722% (1-month USLIBOR x 0.67 + 1.050%), Mandatory Tender 9/1/2021	\$ 6,052,800
8,000,000	¹ E-470 Public Highway Authority, CO, Senior Revenue Bonds (LIBOR Index Series 2019A) FRNs, 2.086% (1-month USLIBOR x 0.67 + 0.420%), Mandatory Tender 9/1/2021	8,001,280
8,500,000	University of Colorado Hospital Authority, Revenue Bonds (Series 2017 C-1) TOBs, 4.000%, Mandatory Tender 3/1/2020	8,571,995
	TOTAL	37,048,431
	Connecticut—1.8%	
15,000,000	¹ Connecticut State HEFA (Yale-New Haven Hospital), Revenue Bonds (Series 2014B Floating Rate Note) FRNs, 2.218% (1-month USLIBOR x 0.67 + 0.550%), Mandatory Tender 7/1/2019	15,000,600
6,355,000	¹ Connecticut State, UT GO SIFMA Index Bonds (Series 2013A) FRNs, 2.150% (SIFMA 7-day + 0.650%), 3/1/2020	6,376,098
4,000,000	¹ Connecticut State, UT GO SIFMA Index Bonds (Series 2013A) FRNs, 2.250% (SIFMA 7-day + 0.750%), 3/1/2021	4,018,960
3,065,000	¹ Connecticut State, UT GO SIFMA Index Bonds (Series 2013A) FRNs, 2.350% (SIFMA 7-day + 0.850%), 3/1/2022	3,088,478
1,500,000	¹ Connecticut State, UT GO SIFMA Index Bonds (Series 2013A) FRNs, 2.400% (SIFMA 7-day + 0.900%), 3/1/2023	1,507,470
15,000,000	¹ Connecticut State, UT GO SIFMA Index Bonds (Series 2013D) FRNs, 2.380% (SIFMA 7-day + 0.880%), 8/15/2019	15,031,650
	TOTAL	45,023,256
	Florida—1.5%	
9,965,000	Jacksonville, FL EDC (JEA, FL Electric System), (Series 2000-A), CP, (U.S. Bank, N.A. LIQ), 1.820%, Mandatory Tender 4/18/2019	9,965,199
11,800,000	Jacksonville, FL EDC (JEA, FL Electric System), (Series 2000 F-2), CP, (U.S. Bank, N.A. LIQ), 1.820%, Mandatory Tender 4/18/2019	11,800,236
5,000,000	Orlando, FL Utilities Commission, Utility System Revenue Refunding Bonds (Series 2017A) TOBs, 3.000%, Mandatory Tender 10/1/2020	5,085,250
10,000,000	Orlando, FL Utilities Commission, Utility System Revenue Refunding Bonds (Series 2017A) TOBs, 5.000%, Mandatory Tender 10/1/2020	10,464,600
	TOTAL	37,315,285
	Georgia—3.0%	
1,100,000	Atlanta, GA (Atlantic Station Project), Tax Allocation Refunding Bonds (Series 2017), 5.000%, 12/1/2019	1,123,023
1,000,000	Atlanta, GA (Atlantic Station Project), Tax Allocation Refunding Bonds (Series 2017), 5.000%, 12/1/2020	1,049,500
1,125,000	Atlanta, GA (Atlantic Station Project), Tax Allocation Refunding Bonds (Series 2017), 5.000%, 12/1/2021	1,213,436

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Georgia—continued	
\$ 4,100,000	Bartow County, GA Development Authority (Georgia Power Co.), Bowen Project Pollution Control Revenue Bonds (First Series 1997) TOBs, 2.050%, Mandatory Tender 11/19/2021	\$ 4,069,209
20,000,000	Burke County, GA Development Authority (Georgia Power Co.), Vogtle Project Revenue Refunding Bonds TOBs, 1.850%, Mandatory Tender 8/22/2019	19,982,600
22,500,000	¹ Gainesville & Hall County, GA Hospital Authority (Northeast Georgia Health System, Inc.), Revenue Anticipation Certificates (Series 2014B) FRNs, 2.450% (SIFMA 7-day +0.950%), Mandatory Tender 2/18/2020	22,512,600
22,000,000	¹ Main Street Natural Gas, Inc., GA, Gas Supply Revenue Bonds (Series 2018B) FRNs, (Royal Bank of Canada GTD), 2.418% (1-month USLIBOR x 0.67 +0.750%), Mandatory Tender 9/1/2023	21,830,380
2,500,000	Monroe County, GA Development Authority Pollution Control (Georgia Power Co.), Scherer Project Pollution Control Revenue Bonds (First Series 2009) TOBs, 2.050%, Mandatory Tender 11/19/2021	2,481,225
3,750,000	Monroe County, GA Development Authority Pollution Control (Gulf Power Co.), Pollution Control Revenue Bonds (Plant Scherer First Series 2010) TOBs, 1.400%, Mandatory Tender 9/19/2019	3,738,450
	TOTAL	78,000,423
	Hawaii—0.9%	
7,500,000	¹ Honolulu, HI City & County, Honolulu Rail Transit Project GO Bonds (Series 2017H) FRNs, 1.820% (SIFMA 7-day +0.320%), Mandatory Tender 9/1/2020	7,497,150
8,000,000	¹ Honolulu, HI City & County, Honolulu Rail Transit Project GO Bonds (Series 2017H) FRNs, 1.820% (SIFMA 7-day +0.320%), Mandatory Tender 9/1/2020	7,996,960
6,500,000	¹ Honolulu, HI City & County, Honolulu Rail Transit Project GO Bonds (Series 2017H) FRNs, 1.820% (SIFMA 7-day +0.320%), Mandatory Tender 9/1/2020	6,497,530
	TOTAL	21,991,640
	Illinois—1.5%	
3,250,000	Chicago, IL Water Revenue, Second Lien Water Revenue Refunding Bonds (Series 2004), 5.000%, 11/1/2019	3,308,987
4,000,000	Chicago, IL Water Revenue, Second Lien Water Revenue Refunding Bonds (Series 2004), 5.000%, 11/1/2020	4,188,280
4,000,000	Chicago, IL Water Revenue, Second Lien Water Revenue Refunding Bonds (Series 2004), 5.000%, 11/1/2021	4,302,960
1,375,000	Illinois Finance Authority (Admiral at the Lake), Revenue Refunding Bonds (Series 2017), 5.000%, 5/15/2020	1,394,828
1,705,000	Illinois Finance Authority (Admiral at the Lake), Revenue Refunding Bonds (Series 2017), 5.000%, 5/15/2021	1,746,210
10,000,000	Illinois State, GO Bonds (Series 2017D), 5.000%, 11/1/2020	10,399,100
5,000,000	Illinois State, GO Bonds (Series 2017D), 5.000%, 11/1/2021	5,307,250
3,000,000	Illinois State, GO Bonds (Series 2017D), 5.000%, 11/1/2022	3,234,390

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Illinois—continued	
\$ 2,000,000	Illinois State, UT GO Refunding Bonds (Series 2018A), 5.000%, 10/1/2021	\$ 2,119,200
3,000,000	Illinois State, UT GO Refunding Bonds (Series 2018A), 5.000%, 10/1/2022	3,229,440
	TOTAL	39,230,645
	Indiana—3.8%	
6,000,000	Indiana Health Facility Financing Authority (Ascension Health Alliance Senior Credit Group), Revenue Bonds (Series 2001 A-2) TOBs, 2.000%, Mandatory Tender 2/1/2023	6,028,500
6,655,000	Indiana Health Facility Financing Authority (Ascension Health Alliance Subordinate Credit Group), Revenue Bonds (Series 2005 A-3) TOBs, 1.350%, Mandatory Tender 8/4/2020	6,616,401
1,685,000	Indiana Health Facility Financing Authority (Ascension Health Alliance Subordinate Credit Group), Revenue Bonds (Series 2005 A-5) TOBs, 1.350%, Mandatory Tender 8/4/2020	1,675,227
5,000,000	Indiana State EDA (Republic Services, Inc.), (Series 2012) TOBs, 2.100%, Optional Tender 6/3/2019	5,000,550
9,000,000	Indiana State EDA (Republic Services, Inc.), (Series A) TOBs, 2.100%, Optional Tender 6/3/2019	9,000,990
70,000,000	¹ Whiting, IN Environmental Facilities (BP PLC), Environmental Facilities Revenue Bonds (Series 2014) FRNs, (Original Issue Yield: 0.850%), 2.250% (SIFMA 7-day +0.750%), Mandatory Tender 12/2/2019	70,035,700
	TOTAL	98,357,368
	Iowa—0.3%	
2,530,000	Iowa Finance Authority (Iowa Fertilizer Co. LLC), Midwestern Disaster Area Revenue Bonds (Series 2019), 3.125%, 12/1/2022	2,545,484
4,000,000	¹ Iowa Finance Authority, Single Family Mortgage Bonds (Series 2018B) FRNs, 1.800% (SIFMA 7-day +0.300%), Mandatory Tender 5/3/2021	3,992,480
	TOTAL	6,537,964
	Kentucky—1.5%	
8,000,000	Carroll County, KY (Kentucky Utilities Company), PCR Revenue Refunding Bonds (Series 2016A) TOBs, 1.050%, Mandatory Tender 9/1/2019	7,972,000
6,500,000	Louisville & Jefferson County, KY Metropolitan Government (Louisville Gas & Electric Co.), Environmental Facilities Revenue Refunding Bonds (Series 2017A) TOBs, 1.250%, Mandatory Tender 6/3/2019	6,492,915
9,600,000	Louisville & Jefferson County, KY Metropolitan Government (Louisville Gas & Electric Co.), Revenue Refunding Bonds Series 2013A (Remarketing 4/1/19) TOBs, 1.850%, Mandatory Tender 4/1/2021	9,613,152
8,000,000	Public Energy Authority of Kentucky, Gas Supply Revenue Bonds (Series 2018B) TOBs, (BP PLC GTD), 4.000%, Mandatory Tender 1/1/2025	8,692,800

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Kentucky—continued	
\$ 5,000,000	Public Energy Authority of Kentucky, Gas Supply Revenue Bonds (Series 2019A-1) TOBs, (Morgan Stanley GTD), 4.000%, Mandatory Tender 6/1/2025	\$ 5,419,400
	TOTAL	38,190,267
	Maryland—0.2%	
6,000,000	Rockville, MD Mayor & City Council Econ Dev Revenue (Ingleside at King Farm), Paydown Securities TEMPS-45 (Series 2017C-3), 2.500%, 11/1/2024	6,000,060
	Massachusetts—2.2%	
1,420,000	Leicester, MA BANS, 2.350%, 2/14/2020	1,425,595
3,500,000	Massachusetts Department of Transportation, Subordinated Metropolitan Highway System Revenue Refunding Bonds (Series 2019A) TOBs, 5.000%, Mandatory Tender 1/1/2023	3,908,170
11,000,000	¹ Massachusetts Development Finance Agency (Partners Healthcare Systems), Index Floating Rate Bonds (Series 2017S) FRNs, 1.920% (SIFMA 7-day +0.420%), Mandatory Tender 1/27/2022	10,955,340
12,000,000	¹ Massachusetts Development Finance Agency (Partners Healthcare Systems), Index Floating Rate Bonds (Series 2017S) FRNs, 2.000% (SIFMA 7-day +0.500%), Mandatory Tender 1/26/2023	11,962,080
7,650,000	¹ Massachusetts Development Finance Agency (Partners Healthcare Systems), Revenue Bonds (Series 2015O-3) FRNs, 1.980% (SIFMA 7-day +0.480%), Mandatory Tender 1/29/2020	7,656,273
5,700,000	Massachusetts Development Finance Agency (Partners Healthcare Systems), Revenue Bonds (Series 2017 S-4) TOBs, 5.000%, Mandatory Tender 1/25/2024	6,512,706
6,250,000	Massachusetts HEFA (University of Massachusetts), Revenue Bonds (Series A) TOBs, 1.850%, Mandatory Tender 4/1/2022	6,250,000
4,000,000	¹ Massachusetts State HFA (Massachusetts State HFA SFH Revenue), Single Family Housing Revenue Bonds (Series 196) FRNs, 2.092% (1-month USLIBOR x 0.70 +0.350%), Mandatory Tender 6/1/2021	4,002,280
3,015,000	Seekonk, MA BANS, 2.290%, 2/15/2020	3,025,341
	TOTAL	55,697,785
	Michigan—2.5%	
10,000,000	Michigan State Hospital Finance Authority (Ascension Health Alliance Senior Credit Group), Refunding and Project Revenue Bonds (Series 2010F-2) TOBs, 1.900%, Mandatory Tender 4/1/2021	10,032,300
13,535,000	¹ Michigan State Hospital Finance Authority (McLaren Health Care Corp.), Hospital Revenue Refunding Floating Rate Bonds (Series 2015D-1) FRNs, 2.097% (1-month USLIBOR x 0.68 +0.400%), Mandatory Tender 10/15/2021	13,525,661
20,000,000	¹ Michigan State Hospital Finance Authority (Trinity Healthcare Credit Group), Hospital Revenue Bonds, (Series 2015MI) FRNs, 2.212% (1-month USLIBOR x 0.67 +0.540%), Mandatory Tender 12/1/2020	20,043,200

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Michigan—continued	
\$12,140,000	¹ Michigan State Housing Development Authority, Rental Housing Revenue Bonds (Series 2016E) FRNs, 2.958% (3-month USLIBOR x 0.70 + 1.000%), Mandatory Tender 10/1/2021	\$ 12,257,637
6,225,000	University of Michigan (The Regents of), General Revenue Bonds (Series 2019C) TOBs, 4.000%, Mandatory Tender 4/1/2024	6,936,455
	TOTAL	62,795,253
	Minnesota—0.9%	
7,000,000	Kanabec Co., MN Healthcare (FirstLight Health System), Healthcare Revenue Bond Anticipation Notes (Series 2018), 2.750%, 12/1/2019	7,001,120
9,000,000	Minnesota Rural Water Finance Authority, Public Projects Construction Notes (Series 2019), 2.000%, 8/1/2020	9,014,670
7,000,000	¹ Minnesota State HFA, Residential Housing Finance Bonds (Series 2018D) FRNs, 1.930% (SIFMA 7-day + 0.430%), Mandatory Tender 7/3/2023	6,969,060
	TOTAL	22,984,850
	Mississippi—1.1%	
7,750,000	Mississippi Business Finance Corp. (Mississippi Power Co.), Revenue Bonds (First Series 2010) TOBs, 2.750%, Mandatory Tender 12/9/2021	7,799,910
15,000,000	South Central Regional Medical Center, MS Hospital Revenue, Facilities Improvement and Refinancing Hospital Revenue Notes (Series 2017), 1.700%, 3/1/2020	14,806,500
5,765,000	Southwest Mississippi Regional Medical Center, Hospital Revenue Notes (Series 2018A), 2.100%, 6/1/2019	5,763,847
	TOTAL	28,370,257
	Montana—0.6%	
13,000,000	¹ Montana Facility Finance Authority (Billings Clinic Obligated Group), Variable Rate Revenue Bonds (Series 2018C) FRNs, 2.050% (SIFMA 7-day + 0.550%), Mandatory Tender 8/15/2023	12,981,670
3,400,000	¹ Montana State University (The Board of Regents of), Facilities Refunding Revenue Bonds (Series 2018F) FRNs, 1.950% (SIFMA 7-day + 0.450%), Mandatory Tender 9/1/2023	3,400,374
	TOTAL	16,382,044
	Multi State—1.7%	
13,081	¹ BB&T Muni Trust, Tax-Exempt Pool Certificates (Series 2014 Class D) FRNs, (Cooperatieve Rabobank UA LOC), 2.300% (SIFMA 7-day + 0.800%), 11/15/2019	13,081
7,429,530	¹ BB&T Muni Trust, Tax-Exempt Pool Certificates (Series 2016 Class C) FRNs, (Cooperatieve Rabobank UA LOC), 2.550% (SIFMA 7-day + 1.050%), 12/31/2019	7,429,530
7,935,000	¹ BB&T Muni Trust, Tax-Exempt Pool Certificates (Series 2016 Class D) FRNs, (Cooperatieve Rabobank UA LOC), 2.750% (SIFMA 7-day + 1.250%), 12/31/2021	7,935,000

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Multi State—continued	
\$28,185,000	¹ BB&T Muni Trust, Tax-Exempt Pool Certificates (Series 2018 Class C) FRNs, (Cooperative Rabobank UA LOC), 2.300% (SIFMA 7-day +0.800%), 11/30/2021	\$ 28,185,000
	TOTAL	43,562,611
	Nevada—1.3%	
27,000,000	Clark County, NV Airport System, Airport System Junior Subordinate Lien Revenue Notes (Series 2017C), 5.000%, 7/1/2021	28,784,700
5,000,000	Washoe County, NV Gas Facilities Revenue (Sierra Pacific Power Co.), Refunding Revenue Bonds (Series 2016A) TOBs, 1.500%, Mandatory Tender 6/3/2019	4,995,450
	TOTAL	33,780,150
	New Hampshire—0.4%	
10,000,000	¹ National Finance Authority, NH (Waste Management, Inc.), Solid Waste Disposal Refunding Revenue Bonds (Series 2018A) FRNs, 2.250% (SIFMA 7-day +0.750%), Mandatory Tender 10/1/2021	9,972,600
	New Jersey—6.0%	
14,119,074	Asbury Park, NJ BANs, 3.250%, 1/24/2020	14,269,725
10,000,000	New Jersey EDA (New Jersey State), School Facilities Construction Refunding Bonds (Series 2015 XX), 5.000%, 6/15/2019	10,066,200
25,000,000	¹ New Jersey State Transportation Trust Fund Authority (New Jersey State), Transportation Program Notes (SIFMA Index Multimodal Notes) (Series 2014BB) FRNs, 2.500% (SIFMA 7-day +1.000%), Mandatory Tender 12/15/2019	25,022,250
7,000,000	¹ New Jersey Turnpike Authority, Revenue Refunding Bonds (Series 2017 C-2) FRNs, 2.223% (1-month USLIBOR x 0.70 +0.480%), 1/1/2022	7,019,040
30,000,000	¹ New Jersey Turnpike Authority, Revenue Refunding Bonds (Series 2017 C-5) FRNs, 2.203% (1-month USLIBOR x 0.70 +0.460%), Mandatory Tender 1/1/2021	30,056,700
20,000,000	¹ New Jersey Turnpike Authority, Revenue Refunding Bonds (Series 2017 C-6) FRNs, 2.493% (1-month USLIBOR x 0.70 +0.750%), Mandatory Tender 1/1/2023	20,174,200
20,582,031	Newark, NJ, (Series 2018A) BANs, 3.000%, 7/31/2019	20,644,600
3,077,200	Roxbury Township, NJ BANs, 3.000%, 3/6/2020	3,109,111
3,500,000	Tobacco Settlement Financing Corp., NJ, Tobacco Settlement Asset-Backed Refunding Bonds (Series 2018A), 5.000%, 6/1/2019	3,516,905
3,000,000	Tobacco Settlement Financing Corp., NJ, Tobacco Settlement Asset-Backed Refunding Bonds (Series 2018A), 5.000%, 6/1/2020	3,102,600
3,500,000	Tobacco Settlement Financing Corp., NJ, Tobacco Settlement Asset-Backed Refunding Bonds (Series 2018A), 5.000%, 6/1/2021	3,714,305
2,000,000	Tobacco Settlement Financing Corp., NJ, Tobacco Settlement Asset-Backed Refunding Bonds (Series 2018A), 5.000%, 6/1/2022	2,174,020
6,610,850	Union Beach, NJ BANs, 3.250%, 2/21/2020	6,690,841

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	New Jersey—continued	
\$ 2,714,222	West Wildwood, NJ BANS, 3.000%, 3/20/2020	\$ 2,740,930
	TOTAL	152,301,427
	New Mexico—1.0%	
5,000,000	Farmington, NM (Public Service Co., NM), Pollution Control Revenue Refunding Bonds (Series 2016B) TOBs, 1.875%, Mandatory Tender 10/1/2021	4,942,700
19,350,000	¹ New Mexico Municipal Energy Acquisition Authority, Gas Supply Revenue Refunding Bonds (Series 2014B) FRNs, (Royal Bank of Canada GTD), 2.418% (1-month USLIBOR x 0.67 + 0.750%), Mandatory Tender 8/1/2019	19,354,064
	TOTAL	24,296,764
	New York—4.2%	
12,000,000	¹ Long Island Power Authority, NY, Electric System General Revenue Bonds (Series 2014C) (LIBOR Floating Rate Tender Notes) FRNs, 2.493% (1-month USLIBOR x 0.70 + 0.750%), Mandatory Tender 10/1/2023	12,024,120
3,000,000	¹ Metropolitan Transportation Authority, NY (MTA Dedicated Tax Fund), Dedicated Tax Fund Refunding Bonds (Series 2008B-3c) (Floating Rate Tender Notes) FRNs, 1.950% (SIFMA 7-day + 0.450%), Mandatory Tender 11/1/2019	3,000,150
3,470,000	¹ Metropolitan Transportation Authority, NY (MTA Dedicated Tax Fund), Dedicated Tax Fund Variable Rate Bonds (Series 2008A-2A) FRNs, 1.950% (SIFMA 7-day + 0.450%), Mandatory Tender 6/1/2022	3,462,678
15,000,000	¹ Metropolitan Transportation Authority, NY (MTA Dedicated Tax Fund), Dedicated Tax Fund Variable Rate Bonds (Subseries 2002B-3c) FRNs, 2.450% (SIFMA 7-day + 0.950%), 11/1/2019	15,051,300
7,000,000	¹ Metropolitan Transportation Authority, NY (MTA Transportation Revenue), Transportation Revenue Variable Rate Refunding Bonds (Series 2002D-2A) FRNs, (Assured Guaranty Municipal Corp. INS), 2.288% (1-month USLIBOR x 0.69 + 0.570%), Mandatory Tender 4/6/2020	7,011,830
9,000,000	¹ Metropolitan Transportation Authority, NY (MTA Transportation Revenue), Transportation Revenue Variable Rate Refunding Bonds (Series 2002D-A2) FRNs, (Assured Guaranty Municipal Corp. INS), 2.398% (1-month USLIBOR x 0.69 + 0.680%), Mandatory Tender 4/6/2021	9,044,820
10,000,000	¹ Metropolitan Transportation Authority, NY (MTA Transportation Revenue), Transportation Revenue Variable Rate Refunding Bonds (Series 2002G-3) FRNs, 2.368% (1-month USLIBOR x 0.67 + 0.700%), Mandatory Tender 2/1/2020	10,017,900
28,000,000	¹ Metropolitan Transportation Authority, NY (MTA Transportation Revenue), Transportation Revenue Variable Rate Refunding Bonds (Series 2011B) FRNs, 2.218% (1-month USLIBOR x 0.67 + 0.550%), Mandatory Tender 11/1/2022	27,936,720

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	New York—continued	
\$ 4,250,000	New York State HFA, Affordable Housing Revenue Bonds (Series 2019F Group 2) TOBs, (New York State Mortgage Agency GTD), 1.800%, Mandatory Tender 5/1/2020	\$ 4,250,127
5,675,000	¹ Triborough Bridge & Tunnel Authority, NY, General Revenue Variable Rate Bonds (Series 2001B) FRNs, 2.038% (SOFR x 0.67 +0.430%), Mandatory Tender 9/26/2019	5,680,505
9,810,000	¹ Triborough Bridge & Tunnel Authority, NY, Subordinate Revenue Variable Rate Refunding Bond (Series 2016 4A) FRNs, 2.368% (1-month USLIBOR x 0.67 +0.700%), Mandatory Tender 12/1/2021	9,886,224
	TOTAL	107,366,374
	North Carolina—1.3%	
6,250,000	North Carolina Capital Facilities Finance Agency (Republic Services, Inc.), (Series 2013) TOBs, 2.100%, Mandatory Tender 6/14/2019	6,250,875
8,000,000	North Carolina Capital Facilities Finance Agency (Republic Services, Inc.), (Series B) TOBs, 2.100%, Optional Tender 6/3/2019	8,000,880
20,000,000	¹ University of North Carolina at Chapel Hill, General Revenue Refunding Bonds (Series 2019A) FRNs, 2.018% (1-month USLIBOR x 0.67 +0.350%), Mandatory Tender 12/1/2021	20,012,200
	TOTAL	34,263,955
	Ohio—2.8%	
6,205,000	¹ Allen County, OH (Mercy Health), Adjustable Rate Hospital Facilities Revenue Bonds (Series 2015B) FRNs, 2.250% (SIFMA 7-day +0.750%), Mandatory Tender 5/1/2020	6,210,709
1,000,000	Coshocton, OH BANS, 3.000%, 2/20/2020	1,008,810
3,500,000	Indian Valley Local School District (Tuscarawas County) OH BANS, 2.500%, 2/11/2020	3,518,725
1,270,000	Lake County, OH BANS, 3.000%, 4/2/2020	1,285,456
40,000,000	¹ Lancaster, OH Port Authority, Gas Supply Revenue Refunding Bonds (Series 2014) FRNs, (Royal Bank of Canada GTD), 2.388% (1-month USLIBOR x 0.67 +0.720%), Mandatory Tender 8/1/2019	40,006,800
2,255,000	North Olmsted, OH BANS, 3.000%, 4/9/2020	2,281,248
13,000,000	¹ Ohio State Higher Educational Facility Commission (Case Western Reserve University, OH), Revenue Refunding Bonds (Series 2019A) FRNs, 2.158% (1-month USLIBOR x 0.70 +0.420%), Mandatory Tender 4/1/2022	12,994,020
1,000,000	Ohio Waste Development Authority Solid Waste (Waste Management, Inc.), Revenue Bonds (Series 2002), 3.250%, 11/1/2022	1,024,640
2,550,000	Twinsburg, OH BANS, 3.000%, 2/27/2020	2,575,729
	TOTAL	70,906,137
	Pennsylvania—8.9%	
8,145,000	¹ Bethlehem, PA Area School District Authority, Revenue Refunding Bonds (Series 2018) FRNs, 2.227% (1-month USLIBOR x 0.70 +0.480%), Mandatory Tender 11/1/2021	8,134,167

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Pennsylvania—continued	
\$ 9,995,000	¹ Bethlehem, PA Area School District Authority, Revenue Refunding Bonds (Series 2018A) FRNs, 2.227% (1-month USLIBOR x 0.70 +0.480%), Mandatory Tender 11/1/2021	\$ 9,981,707
12,000,000	¹ Lehigh County, PA General Purpose Authority (Muhlenberg College), College Revenue Bonds (Series 2019) FRNs, 2.080% (SIFMA 7-day +0.580%), Mandatory Tender 11/1/2024	12,002,400
5,450,000	Lehigh County, PA IDA (PPL Electric Utilities Corp.), Pollution Control Revenue Refunding Bonds (Series 2016B) TOBs, 1.800%, Mandatory Tender 8/15/2022	5,391,576
1,250,000	¹ Manheim Township, PA School District, GO LIBOR Notes (Series 2017A) FRNs, 1.913% (1-month USLIBOR x 0.68 +0.220%), 5/1/2019	1,250,025
1,320,000	¹ Manheim Township, PA School District, GO LIBOR Notes (Series 2017A) FRNs, 1.963% (1-month USLIBOR x 0.68 +0.270%), 5/1/2020	1,321,940
1,500,000	¹ Manheim Township, PA School District, GO LIBOR Notes (Series 2017A) FRNs, 2.013% (1-month USLIBOR x 0.68 +0.320%), 5/3/2021	1,504,845
1,850,000	¹ Manheim Township, PA School District, GO LIBOR Notes (Series 2017A) FRNs, 2.113% (1-month USLIBOR x 0.68 +0.420%), 11/1/2021	1,859,565
3,400,000	¹ Manheim Township, PA School District, GO LIBOR Notes (Series 2017A) FRNs, 2.163% (1-month USLIBOR x 0.68 +0.470%), Mandatory Tender 11/1/2021	3,417,748
5,000,000	¹ Montgomery County, PA Higher Education & Health Authority Hospital (Thomas Jefferson University), Revenue Bonds (Series 2018C) FRNs, 2.220% (SIFMA 7-day +0.720%), Mandatory Tender 9/1/2023	5,002,500
4,000,000	Montgomery County, PA IDA (Exelon Generation Co. LLC), PCR Refunding Bonds (Series 2002A) TOBs, 2.550%, Mandatory Tender 6/1/2020	4,006,760
1,000,000	¹ North Penn, PA Water Authority, Variable Rate Water Revenue Refunding Bonds (Series 2014) FRNs, 2.078% (1-month USLIBOR x 0.67 +0.410%), 11/1/2019	999,820
4,000,000	¹ North Penn, PA Water Authority, Variable Rate Water Revenue Refunding Bonds (Series 2014) FRNs, 2.168% (1-month USLIBOR x 0.67 +0.500%), Mandatory Tender 11/1/2019	4,000,520
8,000,000	¹ Northampton County, PA General Purpose Authority (St. Luke's University Health Network), Variable Rate Hospital Revenue Bonds (Series 2013B) FRNs, 2.900% (SIFMA 7-day +1.400%), Mandatory Tender 8/15/2020	8,053,920
4,000,000	¹ Northampton County, PA General Purpose Authority (St. Luke's University Health Network), Variable Rate Hospital Revenue Bonds (Series 2018B) FRNs, 2.783% (1-month USLIBOR x 0.70 +1.040%), Mandatory Tender 8/15/2024	4,012,440
50,000,000	Pennsylvania Economic Development Financing Authority (Republic Services, Inc.), (Series 2014) TOBs, 2.400%, Mandatory Tender 4/1/2019	50,000,000

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Pennsylvania—continued	
\$ 6,500,000	Pennsylvania Economic Development Financing Authority (Republic Services, Inc.), (Series A) TOBs, 1.950%, Mandatory Tender 7/15/2019	\$ 6,500,000
4,000,000	Pennsylvania Economic Development Financing Authority (Republic Services, Inc.), (Series B-1) TOBs, 1.950%, Mandatory Tender 7/15/2019	4,000,000
5,500,000	Pennsylvania Economic Development Financing Authority (Republic Services, Inc.), Revenue Bonds (Series 2010A) TOBs, 2.400%, Mandatory Tender 4/1/2019	5,500,000
10,150,000	Pennsylvania Economic Development Financing Authority (Waste Management, Inc.), Solid Waste Disposal Revenue Bonds (Series 2017A) TOBs, 1.700%, Mandatory Tender 8/3/2020	10,085,446
6,000,000	¹ Pennsylvania HFA, SFM Revenue Bonds (Series 2018-127C) FRNs, 2.317% (1-month USLIBOR x 0.70 +0.570%), Mandatory Tender 10/1/2023	6,009,120
4,000,000	¹ Pennsylvania State Turnpike Commission, Variable Rate Turnpike Revenue Bonds (Series 2018B) FRNs, 2.000% (SIFMA 7-day +0.500%), 12/1/2021	3,998,240
5,000,000	¹ Pennsylvania State Turnpike Commission, Variable Rate Turnpike Revenue Bonds (Series 2018B) FRNs, 2.200% (SIFMA 7-day +0.700%), 12/1/2023	4,990,650
4,000,000	¹ Pennsylvania State Turnpike Commission, Variable Rate Turnpike Revenue Bonds (SIFMA Index Bonds)(Series 2014B) FRNs, 2.380% (SIFMA 7-day +0.880%), 12/1/2020	4,020,640
10,000,000	¹ Pennsylvania State Turnpike Commission, Variable Rate Turnpike Revenue Bonds (SIFMA Index Bonds)(Series 2018A-1) FRNs, 2.100% (SIFMA 7-day +0.600%), 12/1/2023	9,969,700
40,000,000	¹ Pittsburgh, PA Water & Sewer Authority, First Lien Revenue Refunding Bonds (Series 2018C) FRNs, (Assured Guaranty Municipal Corp. INS), 2.390% (1-month USLIBOR x 0.70 +0.640%), Mandatory Tender 12/1/2020	40,017,200
4,220,000	¹ Scranton, PA School District, GO Notes (Series 2014) (LIBOR Floating Rate Tender Notes) FRNs, (Pennsylvania School District Intercept Program GTD), 2.543% (1-month USLIBOR x 0.68 +0.850%), Mandatory Tender 4/1/2021	4,225,950
6,750,000	¹ Southcentral PA, General Authority (Wellspring Health Obligated Group), Revenue Bonds (Series 2019A) FRNs, 2.140% (SIFMA 7-day +0.600%), Mandatory Tender 6/1/2024	6,750,000
	TOTAL	227,006,879
	South Carolina—1.2%	
2,500,000	¹ Charleston, SC Waterworks and Sewer System, Capital Improvement Revenue Bonds (Series 2006B) FRNs, 2.119% (3-month USLIBOR x 0.70 +0.370%), Mandatory Tender 1/1/2022	2,499,450
25,000,000	¹ Patriots Energy Group Financing Agency, Gas Supply Revenue Bonds (Series 2018B) FRNs, (Royal Bank of Canada GTD), 2.528% (1-month USLIBOR x 0.67 +0.860%), Mandatory Tender 2/1/2024	24,858,000

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	South Carolina—continued	
\$ 4,500,000	² South Carolina Jobs-EDA (Royal Live Oaks Academy), Economic Development Revenue Notes (Series 2018A), 3.000%, 8/1/2020	\$ 4,513,500
	TOTAL	31,870,950
	Tennessee—0.4%	
5,000,000	Monroe County, TN, UT GO BANs, 1.200%, 6/15/2019	4,995,950
4,500,000	Tennergy Corp., TN Gas Revenue, Gas Supply Revenue Bonds (Series 2019A) TOBs, (Royal Bank of Canada GTD), 5.000%, Mandatory Tender 10/1/2024	5,124,285
	TOTAL	10,120,235
	Texas—5.2%	
5,000,000	Central Texas Regional Mobility Authority, Senior Lien Revenue & Refunding Bonds (Series 2015B) TOBs, 5.000%, Mandatory Tender 1/7/2021	5,185,050
4,500,000	Georgetown, TX Independent School District, Variable Rate Unlimited Tax School Building Bonds (Series 2019B) TOBs, (PSFG GTD), 2.750%, Mandatory Tender 8/1/2022	4,634,505
10,000,000	¹ Harris County, TX Cultural Education Facilities Finance Corp. (Memorial Hermann Health System), Hospital Revenue Bonds (Series 2014B) FRNs, 2.080% (SIFMA 7-day +0.580%), Mandatory Tender 12/1/2019	10,007,000
2,250,000	¹ Harris County, TX Cultural Education Facilities Finance Corp. (Memorial Hermann Health System), Hospital Revenue Refunding Bonds (Series 2013B) FRNs, 2.200% (SIFMA 7-day +0.700%), 6/1/2019	2,252,002
2,000,000	¹ Harris County, TX Cultural Education Facilities Finance Corp. (Memorial Hermann Health System), Hospital Revenue Refunding Bonds (Series 2013B) FRNs, 2.250% (SIFMA 7-day +0.750%), 6/1/2020	2,009,120
3,710,000	¹ Harris County, TX Cultural Education Facilities Finance Corp. (Memorial Hermann Health System), Hospital Revenue Refunding Bonds (Series 2013B) FRNs, 2.330% (SIFMA 7-day +0.830%), 6/1/2021	3,735,822
8,000,000	¹ Harris County, TX Cultural Education Facilities Finance Corp. (Texas Children's Hospital), Hospital Revenue Bonds (Series 2015-3) FRNs, 2.549% (1-month USLIBOR x 0.68 +0.850%), Mandatory Tender 6/1/2020	8,033,520
5,000,000	¹ Houston, TX Combined Utility System, First Lien Revenue Refunding Bonds (Series 2012A) FRNs, 2.400% (SIFMA 7-day +0.900%), Mandatory Tender 5/1/2020	5,014,100
5,000,000	¹ Houston, TX Combined Utility System, First Lien Revenue Refunding Bonds (Series 2018C) FRNs, 2.107% (1-month USLIBOR x 0.70 +0.360%), Mandatory Tender 8/1/2021	4,992,450
5,000,000	¹ Katy, TX Independent School District, Variable Rate UT GO Refunding Bonds (Series 2015C) FRNs, (Texas Permanent School Fund Guarantee Program GTD), 2.214% (1-month USLIBOR x 0.67 +0.550%), Mandatory Tender 8/15/2019	5,000,250

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Texas—continued	
\$ 5,500,000	Mansfield, TX ISD, UT GO School Building Bonds (Series 2012) TOBs, (Texas Permanent School Fund Guarantee Program GTD), 2.500%, Mandatory Tender 8/1/2021	\$ 5,577,495
7,000,000	Matagorda County, TX Navigation District No. 1 (AEP Texas, Inc.), Pollution Control Revenue Refunding Bonds (Series 1996) TOBs, 1.750%, Mandatory Tender 9/1/2020	6,939,940
5,000,000	Mission, TX Economic Development Corp. (Republic Services, Inc.) TOBs, 1.250%, Mandatory Tender 5/1/2019	5,000,450
10,000,000	¹ Mission, TX Economic Development Corp. (Waste Management, Inc.), Solid Waste Disposal Revenue Bonds (Series 2018) FRNs, 2.300% (SIFMA 7-day +0.800%), Mandatory Tender 11/1/2021	9,997,400
31,665,000	¹ North Texas Tollway Authority, System First Tier Variable Rate Revenue Refunding Bonds (Series 2014C) (SIFMA Index Floating Rate Bonds) FRNs, 2.170% (SIFMA 7-day +0.670%), Mandatory Tender 1/1/2020	31,648,851
13,750,000	Port of Port Arthur Navigation District of Jefferson County, TX (Emerald Renewable Diesel LLC), (Series 2018) TOBs, (United States Treasury GTD), 2.400%, Mandatory Tender 5/31/2019	13,754,675
4,000,000	San Antonio, TX Water System, Water System Variable Rate Junior Lien Revenue Bonds (Series 2019A) TOBs, 2.625%, Mandatory Tender 5/1/2024	4,130,160
5,000,000	Texas State Transportation Commission (Central Texas Turnpike System), First Tier Revenue Refunding Put Bonds (Series 2015-A) TOBs, 5.000%, Mandatory Tender 4/1/2020	5,152,900
	TOTAL	133,065,690
	Vermont—0.6%	
16,000,000	Vermont EDA (B.C. Campus Holdings LLC), Bennington College Real Estate Project (Series 2017) BANs, 2.000%, 7/1/2020	15,844,160
	Virginia—0.2%	
5,000,000	Louisa, VA IDA (Virginia Electric & Power Co.), Pollution Control Refunding Revenue Bonds (Series 2008C) TOBs, 1.850%, Mandatory Tender 5/16/2019	4,999,700
	Washington—1.5%	
6,700,000	¹ Everett, WA, LT Tax GO Refunding Bonds (SIFMA Index Floating) (Series 2014) FRNs, 1.900% (SIFMA 7-day +0.400%), Mandatory Tender 12/1/2019	6,700,201
5,000,000	Grant County, WA Public Utilities District NO. 2: Electric System, Electric System Revenue Refunding Bonds (Series 2017N) TOBs, 2.000%, Mandatory Tender 12/2/2020	5,005,500
5,725,000	Grays Harbor County, WA Public Hospital District No.1 (Summit Pacific Medical Center), Hospital Revenue Bond Anticipation Notes (Series 2017), 3.000%, 8/1/2019	5,725,057
5,000,000	¹ Seattle, WA Municipal Light & Power, Revenue Refunding Bonds—SIFMA Index (Series 2018C) FRNs, 1.990% (SIFMA 7-day +0.490%), Mandatory Tender 11/1/2023	4,999,800

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Washington—continued	
\$10,000,000	¹ Washington State Health Care Facilities Authority (Fred Hutchinson Cancer Research Center), Variable Rate LIBOR Index Revenue Bonds (Series 2017B) FRNs, 2.772% (1-month USLIBOR x 0.67 + 1.100%), Mandatory Tender 7/1/2022	\$ 10,110,800
7,000,000	¹ Washington State Health Care Facilities Authority (Fred Hutchinson Cancer Research Center), Variable Rate SIFMA Index Revenue Bonds (Series 2017C) FRNs, 2.550% (SIFMA 7-day + 1.050%), Mandatory Tender 7/3/2023	7,110,180
	TOTAL	39,651,538
	West Virginia—0.3%	
7,000,000	¹ West Virginia University Board of Governors (West Virginia University), Variable Rate Refunding Revenue Bonds (Series 2014C) FRNs, 2.030% (SIFMA 7-day + 0.530%), Mandatory Tender 10/1/2019	7,000,560
	Wisconsin—0.3%	
4,000,000	Public Finance Authority, WI Revenue (Lake Oconee Academy Foundation, Inc.), Loan Anticipation Notes (Series 2017), 2.300%, 10/1/2019	3,993,320
4,500,000	Wisconsin State HEFA (Tomah Memorial Hospital, Inc.), Revenue and Bond Anticipation Notes (Series 2017A), 2.650%, 11/1/2020	4,506,210
	TOTAL	8,499,530
	TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$1,891,783,125)	1,892,445,862
	SHORT-TERM MUNICIPALS—27.8%	
	Alabama—0.0%	
150,000	Bessemer, AL IDB (Hardwick Co., Inc.), (Series 2002) Weekly VRDNs, (Compass Bank, Birmingham LOC), 2.000%, 4/4/2019	150,000
	California—2.9%	
7,500,000	California Statewide Communities Development Authority Multi-Family Housing (ERP Operating LP), (Series 2013B) Weekly VRDNs, 1.830%, 4/3/2019	7,500,000
62,900,000	Nuveen California AMT-Free Quality Municipal Income Fund, (Series A) Weekly VRDNs, 1.800%, 4/1/2019	62,900,000
4,000,000	Sweetwater, CA Union High School District, Tender Option Bond Trust Receipts (2018-XF0704) Weekly VRDNs, (Toronto Dominion Bank LIQ), 1.850%, 4/4/2019	4,000,000
	TOTAL	74,400,000
	Georgia—2.8%	
1,900,000	Appling County, GA Development Authority (Georgia Power Co.), (1st Series 1997) Daily VRDNs, 1.600%, 4/1/2019	1,900,000
7,800,000	Appling County, GA Development Authority (Georgia Power Co.), (First Series 2011) Daily VRDNs, 1.600%, 4/1/2019	7,800,000
5,440,000	Bartow County, GA Development Authority (Somerset Cove Apartments, LP), (Series 2002) Weekly VRDNs, (Compass Bank, Birmingham LOC), 2.240%, 4/4/2019	5,440,000

Principal Amount		Value
	SHORT-TERM MUNICIPALS—continued	
	Georgia—continued	
\$ 1,675,000	Effingham County, GA Development Authority (Georgia Power Co.), (Series 2003) Daily VRDNs, 1.620%, 4/1/2019	\$ 1,675,000
36,500,000	Gainesville & Hall County, GA Hospital Authority (Northeast Georgia Health System, Inc.), R-Float (Series 2017C) Weekly VRENS, 1.730%, 4/4/2019	36,500,000
19,100,000	Monroe County, GA Development Authority (Florida Power & Light Co.), (Series 2017) Daily VRDNs, 1.560%, 4/1/2019	19,100,000
	TOTAL	72,415,000
	Illinois—2.2%	
36,650,000	Illinois Finance Authority (Roosevelt University), Tender Option Bond Certificates (Series 2018-XF1077) Weekly VRDNs, (Deutsche Bank AG LIQ)/(Deutsche Bank AG LOC), 1.900%, 4/4/2019	36,650,000
19,505,000	Illinois Housing Development Authority, Tender Option Bond Trust Certificates (2016-XG0093) Weekly VRDNs, (Deutsche Bank AG GTD)/(Deutsche Bank AG LIQ)/(GNMA COL), 1.760%, 4/4/2019	19,505,000
	TOTAL	56,155,000
	Indiana—0.1%	
3,000,000	Indiana State Finance Authority Environmental (Mittal Steel USA, Inc.), (Series 2006) Weekly VRDNs, (Banco Bilbao Vizcaya Argentaria SA LOC), 1.780%, 4/3/2019	3,000,000
	Kansas—1.4%	
15,000,000	Burlington, KS (Kansas City Power And Light Co.), (Series 2007A) Weekly VRDNs, 1.820%, 4/3/2019	15,000,000
15,600,000	Burlington, KS (Kansas City Power And Light Co.), (Series 2007B) Weekly VRDNs, 1.820%, 4/3/2019	15,600,000
5,000,000	Wamego, KS (Kansas Gas and Electric Co.), (Series 1994) Weekly VRDNs, 1.790%, 4/3/2019	5,000,000
	TOTAL	35,600,000
	Michigan—0.7%	
7,575,000	Detroit, MI City School District, Tender Option Bond Trust Receipts (2015-XF0241) Weekly VRDNs, (Assured Guaranty Municipal Corp. GTD)/(TD Bank, N.A. LIQ), 1.750%, 4/4/2019	7,575,000
11,500,000	Michigan State Housing Development Authority, (Series 2008A) Daily VRDNs, (JPMorgan Chase Bank, N.A. LIQ), 1.600%, 4/1/2019	11,500,000
	TOTAL	19,075,000
	Multi State—1.2%	
15,000,000	Nuveen AMT-Free Municipal Credit Income Fund, Series B Weekly VRDPs, 1.850%, 4/1/2019	15,000,000
15,000,000	Nuveen AMT-Free Quality Municipal Income Fund, Series D Weekly VRDPs, 1.850%, 4/1/2019	15,000,000
	TOTAL	30,000,000

Principal Amount		Value
	SHORT-TERM MUNICIPALS—continued	
	Nebraska—0.1%	
\$ 2,825,000	Stanton County, NE (Nucor Corp.), (Series 1998) Weekly VRDNs, 1.720%, 4/3/2019	\$ 2,825,000
	New Jersey—1.0%	
11,515,000	New Jersey EDA (Jewish Community Center on the Palisades), (Series 2016) Weekly VRDNs, (Valley National Bank, Passaic, NJ LOC), 1.800%, 4/5/2019	11,515,000
6,835,000	New Jersey EDA (Jewish Home at Rockleigh), (Series 1998A) Weekly VRDNs, (Valley National Bank, Passaic, NJ LOC), 1.800%, 4/5/2019	6,835,000
6,835,000	New Jersey EDA (Jewish Home at Rockleigh), (Series 1998B) Weekly VRDNs, (Valley National Bank, Passaic, NJ LOC), 1.800%, 4/5/2019	6,835,000
	TOTAL	25,185,000
	New York—1.2%	
31,500,000	Nuveen New York AMT-Free Quality Municipal Income Fund, 800 (Series A) Munifund Preferred Shares Weekly VRDNs, 1.800%, 4/1/2019	31,500,000
	North Carolina—0.3%	
7,725,000	North Carolina Eastern Municipal Power Agency, Tender Option Bond Trust Certificates (Series 2017-XG0135) Weekly VRDNs, (Deutsche Bank AG GTD)/(Deutsche Bank AG LIQ), 1.670%, 4/4/2019	7,725,000
	Ohio—0.5%	
11,790,000	Ohio State Higher Educational Facility Commission (University Hospitals Health System, Inc.), (Series 2015-B) Weekly VRENs, 1.730%, 4/4/2019	11,790,000
500,000	Ohio State Hospital Revenue (University Hospitals Health System, Inc.), Hospital Revenue Bonds (Series 2014B) VRENs, 1.750%, 4/4/2019	500,000
	TOTAL	12,290,000
	Pennsylvania—1.4%	
34,795,000	Pennsylvania State Higher Education Facilities Authority (Thomas Jefferson University), Variable Rate Remarketed Obligations (Series 2015B) Weekly VRENs, 1.730%, 4/4/2019	34,795,000
	South Carolina—0.1%	
2,750,000	Berkeley County, SC IDB (Nucor Corp.), (Series 1996A) Weekly VRDNs, 1.690%, 4/3/2019	2,750,000
	Tennessee—0.0%	
100,000	Jackson, TN IDB (Bobrick Washroom Equipment), (Series 1999) Weekly VRDNs, (Regions Bank, Alabama LOC), 1.750%, 4/4/2019	100,000
	Texas—9.6%	
16,925,000	Port of Corpus Christi Authority of Nueces County, TX (Flint Hills Resources LLC), (Series 2002A) Weekly VRDNs, 1.610%, 4/3/2019	16,925,000
69,200,000	Port of Port Arthur Navigation District of Jefferson County, TX (Motiva Enterprises LLC), (Series 2002) Weekly VRDNs, 1.830%, 4/3/2019	69,200,000

Principal Amount		Value
	SHORT-TERM MUNICIPALS—continued	
	Texas—continued	
\$27,190,000	Port of Port Arthur Navigation District of Jefferson County, TX (Motiva Enterprises LLC), (Series 2010A) Daily VRDNs, 1.650%, 4/1/2019	\$ 27,190,000
16,100,000	Port of Port Arthur Navigation District of Jefferson County, TX (Motiva Enterprises LLC), (Series 2010B) Daily VRDNs, 1.650%, 4/1/2019	16,100,000
37,075,000	Port of Port Arthur Navigation District of Jefferson County, TX (Motiva Enterprises LLC), (Series 2010C) Daily VRDNs, 1.640%, 4/1/2019	37,075,000
43,525,000	Port of Port Arthur Navigation District of Jefferson County, TX (Motiva Enterprises LLC), (Series 2010D) Weekly VRDNs, 1.750%, 4/3/2019	43,525,000
35,000,000	Port of Port Arthur Navigation District of Jefferson County, TX (Motiva Enterprises LLC), (Series 2010E) Weekly VRDNs, 1.760%, 4/3/2019	35,000,000
	TOTAL	245,015,000
	Wisconsin—2.3%	
21,300,000	Public Finance Authority Housing Revenue, WI (Paces St Mary, LLC), Tender Option Bond Certificates (Series 2018-XF1079) Weekly VRDNs, (Deutsche Bank AG LIQ)/(Deutsche Bank AG LOC), 1.900%, 4/4/2019	21,300,000
38,030,000	Public Finance Authority, WI Special Facilities (Austin FBO LLC), Golden Blue 3a7 (Series 2018-015) VRENS, (Barclays Bank plc LIQ)/(Barclays Bank plc LOC), 2.000%, 4/4/2019	38,030,000
	TOTAL	59,330,000
	TOTAL SHORT-TERM MUNICIPALS (IDENTIFIED COST \$712,310,000)	712,310,000
	TOTAL INVESTMENT IN SECURITIES—101.8% (IDENTIFIED COST \$2,604,093,125) ³	2,604,755,862
	OTHER ASSETS AND LIABILITIES - NET—(1.8)% ⁴	(45,249,401)
	TOTAL NET ASSETS—100%	\$2,559,506,461

Securities that are subject to the federal alternative minimum tax (AMT) represent 19.8% of the Fund's portfolio as calculated based upon total market value.

- Current rate and current maturity or next reset date shown for floating rate notes and variable rate notes/demand instruments. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.*
- Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or availing of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At March 31, 2019, these restricted securities amounted to \$15,562,690, which represented 0.6% of total net assets.*
- The cost of investments for federal tax purposes amounts to \$2,604,046,720.*
- 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 March 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.

As of March 31, 2019, all investments of the Fund utilized Level 2 inputs in valuing the Fund's assets carried at fair value.

The following acronyms are used throughout this portfolio:

AMT —Alternative Minimum Tax
ARNs —Auction Rate Notes
BANs —Bond Anticipation Notes
COL —Collateralized
CP —Commercial Paper
EDA —Economic Development Authority
EDC —Economic Development Corporation
FRNs —Floating Rate Notes
GNMA —Government National Mortgage Association
GO —General Obligation
GTD —Guaranteed
HEFA —Health and Education Facilities Authority
HFA —Housing Finance Authority
IDA —Industrial Development Authority
IDB —Industrial Development Bond
INS —Insured
ISD —Independent School District
LIBOR —London Interbank Offered Rates
LIQ —Liquidity Agreement
LOC —Letter of Credit
LT —Limited Tax
PCFA —Pollution Control Finance Authority
PCR —Pollution Control Revenue
PSFG —Public School Fund Guarantee
SFH —Single Family Housing
SFM —Single Family Mortgage
SIFMA —Securities Industry and Financial Markets Association
SOFR —Secured Overnight Financing Rate
TEMPS —Tax Exempt Mandatory Paydown Securities
TOBs —Tender Option Bonds
UT —Unlimited Tax
VRDNs —Variable Rate Demand Notes
VRDPs —Variable Rate Demand Preferreds
VRENS —Variable Rate Extendible Notes

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) 3/31/2019	Year Ended September 30,				
		2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$9.98	\$10.01	\$9.99	\$10.00	\$10.05	\$10.02
Income From Investment Operations:						
Net investment income	0.07	0.10	0.05	0.03	0.01	0.03
Net realized and unrealized gain (loss)	0.01	(0.03)	0.02	(0.01)	(0.05)	0.03
TOTAL FROM INVESTMENT OPERATIONS	0.08	0.07	0.07	0.02	(0.04)	0.06
Less Distributions:						
Distributions from net investment income	(0.07)	(0.10)	(0.05)	(0.03)	(0.01)	(0.03)
Net Asset Value, End of Period	\$9.99	\$9.98	\$10.01	\$9.99	\$10.00	\$10.05
Total Return¹	0.76%	0.65%	0.74%	0.21%	(0.35)%	0.56%

Ratios to Average

Net Assets:

Net expenses	0.81% ^{2,3}	0.81% ³	0.81% ³	0.81%	0.80%	0.80% ³
Net investment income	1.33% ²	0.94%	0.54%	0.30%	0.14%	0.26%
Expense waiver/reimbursement ⁴	0.13% ²	0.17%	0.17%	0.21%	0.23%	0.22%

Supplemental Data:

Net assets, end of period (000 omitted)	\$618,361	\$661,860	\$799,292	\$785,216	\$1,021,204	\$1,362,615
Portfolio turnover	48%	87%	88%	29%	46%	62%

- ¹ 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.
- ² Computed on an annualized basis.
- ³ The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios are 0.81% for the six months ended March 31, 2019, and 0.81%, 0.81% and 0.80% for the years ended September 30, 2018, 2017 and 2014, respectively, after taking into account these expense reduction.
- ⁴ This expense decrease is reflected in both the net expense and net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 3/31/2019	Year Ended September 30,				
		2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$9.98	\$10.01	\$9.99	\$10.00	\$10.05	\$10.02
Income From Investment Operations:						
Net investment income	0.09	0.14	0.10	0.08	0.06	0.07
Net realized and unrealized gain (loss)	0.02	(0.03)	0.02	(0.01)	(0.05)	0.03
TOTAL FROM INVESTMENT OPERATIONS	0.11	0.11	0.12	0.07	0.01	0.10
Less Distributions:						
Distributions from net investment income	(0.09)	(0.14)	(0.10)	(0.08)	(0.06)	(0.07)
Net Asset Value, End of Period	\$10.00	\$9.98	\$10.01	\$9.99	\$10.00	\$10.05
Total Return¹	1.09%	1.11%	1.19%	0.66%	0.10%	1.01%

Ratios to Average

Net Assets:

Net expenses	0.36% ^{2,3}	0.36% ³	0.36% ³	0.35%	0.35%	0.35% ³
Net investment income	1.78% ²	1.39%	0.99%	0.75%	0.59%	0.71%
Expense waiver/ reimbursement ⁴	0.07% ²	0.12%	0.12%	0.16%	0.18%	0.17%

Supplemental Data:

Net assets, end of period (000 omitted)	\$1,941,146	\$1,711,181	\$1,864,456	\$1,518,382	\$1,912,653	\$2,198,711
Portfolio turnover	48%	87%	88%	29%	46%	62%

- ¹ Based on net asset value. Total returns for periods of less than one year are not annualized.
- ² Computed on an annualized basis.
- ³ The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios are 0.36% for the six months ended March 31, 2019, and 0.36%, 0.36% and 0.35% for the years ended September 30, 2018, 2017 and 2014, respectively, after taking into account these expense reduction.
- ⁴ This expense decrease is reflected in both the net expense and net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

March 31, 2019 (unaudited)

Assets:

Investment in securities, at value (identified cost \$2,604,093,125)	\$2,604,755,862
Cash	191,162
Receivable for shares sold	9,439,021
Income receivable	9,389,132
Receivable for investments sold	6,486,598
TOTAL ASSETS	2,630,261,775

Liabilities:

Payable for investments purchased	\$64,193,708
Payable for shares redeemed	5,090,075
Income distribution payable	830,058
Payable for other service fees (Notes 2 and 5)	132,137
Payable for distribution services fee (Note 5)	104,602
Payable for investment adviser fee (Note 5)	46,635
Payable for administrative fee (Note 5)	13,140
Payable for Directors'/Trustees' fees (Note 5)	1,564
Accrued expenses (Note 5)	343,395
TOTAL LIABILITIES	70,755,314

Net assets for 256,078,932 shares outstanding \$2,559,506,461

Net Assets Consists of:

Paid-in capital	\$2,560,509,258
Total distributable earnings (loss)	(1,002,797)
TOTAL NET ASSETS	\$2,559,506,461

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

Class A Shares:

Net asset value per share ($\$618,360,859 \div 61,868,479$ shares outstanding)	\$9.99
\$0.001 par value, 500,000,000 shares authorized	\$9.99
Offering price per share (100/98.00 of \$9.99)	\$10.19
Redemption proceeds per share	\$9.99

Institutional Shares:

Net asset value per share ($\$1,941,145,602 \div 194,210,453$ shares outstanding)	\$10.00
\$0.001 par value, 500,000,000 shares authorized	\$10.00
Offering price per share	\$10.00
Redemption proceeds per share	\$10.00

See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended March 31, 2019 (unaudited)

Investment Income:

Interest	\$26,380,442
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Expenses:

Investment adviser fee (Note 5)	\$ 3,696,697
Administrative fee (Note 5)	983,944
Custodian fees	38,763
Transfer agent fees	515,202
Directors'/Trustees' fees (Note 5)	10,962
Auditing fees	17,547
Legal fees	8,680
Distribution services fee (Note 5)	796,268
Other service fees (Notes 2 and 5)	795,378
Portfolio accounting fees	131,155
Share registration costs	48,558
Printing and postage	15,723
Miscellaneous (Note 2 and 5)	(49,345)
TOTAL EXPENSES	7,009,532

Waivers and Reduction:

Waiver of investment adviser fee (Note 5)	\$(921,469)
Waiver of other operating expenses (Notes 5)	(159,214)
Reduction of custodian fees (Note 6)	(3,572)
TOTAL WAIVERS AND REDUCTION	(1,084,255)

Net expenses	5,925,277
Net investment income	20,455,165

Realized and Unrealized Gain (Loss) on Investments:

Net realized loss on investments	(55,747)
Net change in unrealized appreciation of investments	2,693,741
Net realized and unrealized gain (loss) on investments	2,637,994
Change in net assets resulting from operations	\$23,093,159

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

	Six Months Ended (unaudited) 3/31/2019	Year Ended 9/30/2018
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 20,455,165	\$ 31,966,623
Net realized loss	(55,747)	(1,615,624)
Net change in unrealized appreciation/depreciation	2,693,741	(3,940,292)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	23,093,159	26,410,707
Distributions to Shareholders (Note 2):		
Class A Shares	(4,218,435)	(7,043,660)
Institutional Shares	(16,222,442)	(24,972,072)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(20,440,877)	(32,015,732)
Share Transactions:		
Proceeds from sale of shares	1,146,870,847	1,634,848,545
Net asset value of shares issued to shareholders in payment of distributions declared	15,626,648	24,908,702
Cost of shares redeemed	(978,684,052)	(1,944,859,203)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	183,813,443	(285,101,956)
Change in net assets	186,465,725	(290,706,981)
Net Assets:		
Beginning of period	2,373,040,736	2,663,747,717
End of period	\$2,559,506,461	\$ 2,373,040,736

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

March 31, 2019 (unaudited)

1. ORGANIZATION

Federated Fixed Income Securities, Inc. (the “Corporation”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Corporation consists of two portfolios. The financial statements included herein are only those of Federated Municipal Ultrashort Fund (the “Fund”), a diversified portfolio. The financial statements of the other portfolio are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Class A Shares and Institutional Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is to provide current income exempt from federal regular income tax. Interest income from the Fund’s investments may be subject to the federal AMT for individuals and state and local taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation

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

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

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

Fair Valuation Procedures

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

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

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. Distributions of net investment income, if any, are declared daily and paid monthly. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Investment income, realized and unrealized gains and losses and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waivers and reduction of \$1,084,255 is disclosed in various locations in Note 5 and Note 6. Included within Miscellaneous Expenses on the Statement of Operations is a refund of Pennsylvania Franchise Tax relating to prior periods.

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. All distributions as indicated on the Statement of Changes in Net Assets for the year ended September 30, 2018, were from net investment income. Undistributed net investment income at September 30, 2018 was \$23,497.

Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund's Class A Shares to unaffiliated financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees. For the six months ended March 31, 2019, other service fees for the Fund were as follows:

	Other Service Fees Incurred
Class A Shares	\$795,378

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended March 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 March 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, the state of Maryland and the Commonwealth of Pennsylvania.

When-Issued and Delayed-Delivery Transactions

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

Restricted Securities

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

Additional information on restricted securities held at March 31, 2019, is as follows:

Security	Acquisition Date	Acquisition Cost	Market Value
California PCFA (Republic Services, Inc.), Solid Waste Revenue Refunding Bonds (Series 2010A) TOBs, 2.300%, Mandatory Tender 5/1/2019	2/1/2019	\$7,000,000	\$7,000,630
South Carolina Jobs-EDA (Royal Live Oaks Academy), Economic Development Revenue Notes (Series 2018A), 3.000%, 8/1/2020	5/18/2018	\$4,500,000	\$4,513,500
Yavapai County, AZ IDA Solid Waste Disposal (Waste Management, Inc.), Solid Waste Disposal Revenue Bonds (Series 2002) TOBs, 2.800%, Mandatory Tender 6/1/2021	6/1/2018	\$4,000,000	\$4,048,560

Other

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

3. CAPITAL STOCK

The following tables summarize capital stock activity:

Class A Shares:	Six Months Ended 3/31/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Shares sold	12,130,871	\$ 121,100,190	29,264,339	\$ 292,486,310
Shares issued to shareholders in payment of distributions declared	407,225	4,066,100	679,917	6,793,030
Shares redeemed	(16,956,705)	(169,276,756)	(43,544,068)	(435,136,632)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	(4,418,609)	\$ (44,110,466)	(13,599,812)	\$(135,857,292)

Institutional Shares:	Six Months Ended 3/31/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Shares sold	102,745,281	\$ 1,025,770,657	134,312,460	\$ 1,342,362,235
Shares issued to shareholders in payment of distributions declared	1,157,574	11,560,548	1,813,165	18,115,672
Shares redeemed	(81,077,125)	(809,407,296)	(151,082,136)	(1,509,722,571)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	22,825,730	\$ 227,923,909	(14,956,511)	\$ (149,244,664)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	18,407,121	\$ 183,813,443	(28,556,323)	\$ (285,101,956)

4. FEDERAL TAX INFORMATION

At March 31, 2019, the cost of investments for federal tax purposes was \$2,604,046,720. The net unrealized appreciation of investments for federal tax purposes was \$709,142. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$3,707,349 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$2,998,207.

At September 30, 2018, the Fund had a capital loss carryforward of \$1,684,105 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, a net capital loss incurred in taxable years beginning on or before December 22, 2010, is characterized as short-term and may be carried forward for a maximum of eight tax years ("Carryforward Limit"), whereas a net capital loss incurred in taxable years beginning after December 22, 2010, retains its character as either short-term or long-term, does not expire and is required to be utilized prior to the losses which have a Carryforward Limit.

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

Expiration Year	Short-Term	Long-Term	Total
No Expiration	\$956,261	\$721,102	\$1,677,363
2019	\$ 6,742	NA	\$ 6,742

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 0.30% of the Fund's average daily net assets. Prior to June 28, 2018, the Adviser fee was 0.35% 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. For the six months ended March 31, 2019, the Adviser voluntarily waived \$921,469 of its fee.

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. During six months ended March 31, 2019, the annualized fee paid to FAS was 0.080% of average daily net assets of the Fund.

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

Distribution Services Fee

The Fund has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund’s Class A Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at 0.25% of average daily net assets annually to compensate FSC.

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

	Distribution Services Fees Incurred	Distribution Services Fees Waived
Class A Shares	\$796,268	\$(159,214)

For the six months ended March 31, 2019, FSC retained \$318,852 of fees paid by the Fund. When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares.

Sales Charges

Front-end sales charges and contingent deferred sales charges 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 March 31, 2019, FSC did not retain any sales charges from the sale of Class A Shares.

Other Service Fees

For the six months ended March 31, 2019, FSSC received \$469 of the other service fees disclosed in Note 2.

Interfund Transactions

During the six months ended March 31, 2019, the Fund engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These purchase and sale transactions complied with Rule 17a-7 under the Act and amounted to \$206,015,000 and \$289,875,000, respectively.

Expense Limitation

The Adviser and certain of its affiliates (which may include FSC, FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses, paid by the Fund, if any) paid by the Fund’s Class A Shares and Institutional Shares (after the voluntary waivers and reimbursements) will not exceed 0.81% and 0.36% (the “Fee Limit”), respectively, up to but not including the later of (the “Termination Date”): (a) December 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 Directors.

Directors’/Trustees’ and Miscellaneous Fees

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

6. EXPENSE REDUCTION

Through arrangements with the Fund’s custodian, net credits realized as a result of uninvested cash balances were used to reduce custody expenses. For the six months ended March 31, 2019, the Fund’s expenses were reduced by \$3,572 under these arrangements.

7. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the six months ended March 31, 2019, were as follows:

Purchases	\$395,365,479
Sales	\$280,299,535

8. 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 March 31, 2019, the Fund had no outstanding loans. During the six months ended March 31, 2019, the Fund did not utilize the LOC.

9. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Investors, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of March 31, 2019, there were no outstanding loans. During the six months ended March 31, 2019, the program was not utilized.

10. SUBSEQUENT EVENT

An addition of a R6 Share class is expected to become effective in the second quarter of 2019.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase or redemption payments; and (2) ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2018 to March 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 10/1/2018	Ending Account Value 3/31/2019	Expenses Paid During Period ¹
Actual:			
Class A Shares	\$1,000.00	\$1,007.60	\$4.05
Institutional Shares	\$1,000.00	\$1,010.90	\$1.80
Hypothetical (assuming a 5% return before expenses):			
Class A Shares	\$1,000.00	\$1,020.89	\$4.08
Institutional Shares	\$1,000.00	\$1,023.14	\$1.82

¹ Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	0.81%
Institutional Shares	0.36%

Evaluation and Approval of Advisory Contract – May 2018

FEDERATED MUNICIPAL ULTRASHORT FUND (THE “FUND”)

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

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

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

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

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

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

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

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

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

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's fee rates relative to its Peer Group. In this regard, the Board noted that the contractual advisory fee rate was below the median of the relevant Peer Group and the Board was satisfied that the overall expense structure of the Fund remained competitive.

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

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

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

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

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

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

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

The Board also received financial information about Federated, including information regarding the compensation and ancillary (or "fall-out") benefits Federated derived from its relationships with the Federated funds. This information covered not only the fees under the investment advisory contracts, but also fees received by Federated's subsidiaries for providing other services to the Federated funds under separate contracts (e.g., for serving as the Federated funds' administrator and distributor). In this regard, the Board considered that certain Federated subsidiaries provide distribution and shareholder services to the Federated funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The information also detailed any indirect benefit Federated may derive from its receipt of research services from brokers who execute Federated fund trades. In addition, the Board considered the fact that, in order for a Federated fund to be competitive in the marketplace, the Adviser and its affiliates frequently waived fees and/or reimbursed expenses and have disclosed to Federated fund investors and/or indicated to the Board their intention to do so in the future. Moreover,

the Board receives regular reporting as to the institution, adjustment or elimination of these voluntary waivers. The Board considered Federated's previous reductions in contractual management fees to certain Federated funds in response to the CCO's recommendations.

In 2016, the Board approved a reduction of 5 basis points in the contractual advisory fee. In 2018, the Board approved an additional reduction of 5 basis points in the contractual advisory fee.

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

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

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

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

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

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

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

Voting Proxies on Fund Portfolio Securities

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

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.

Notes

Federated®

Federated Municipal Ultrashort 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

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