

# Portfolio Manager Review and Annual Shareholder Report

March 31, 2019

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## Federated Project and Trade Finance Tender Fund

*Fund Established 2016*

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### IMPORTANT NOTICE REGARDING REPORT DELIVERY

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

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

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

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**Not FDIC Insured • May Lose Value • No Bank Guarantee**



**J. Christopher  
Donahue**

*President*

Federated Project and  
Trade Finance  
Tender Fund

## Letter from the President

Dear Valued Shareholder,

I am pleased to present the Annual Shareholder Report and Portfolio Manager Review for Federated Project Trade and Finance Tender Fund covering the period from April 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](http://FederatedInvestors.com), offers easy access to Federated resources that include timely fund updates, economic and market insights from our investment strategists, and financial planning tools.

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

Sincerely,

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

J. Christopher Donahue, President



**Ihab Salib**

*Senior Vice President*  
Federated Investment  
Management Co.



**Christopher McGinley**

*Vice President*  
Federated Investment  
Management Co.

## Portfolio Manager Review (unaudited)

### **Market Overview**

The World Trade Organization's trade indicator at the end of 2019's first quarter was its weakest since March of 2010. At 96.3, it was significantly below the baseline value of 100 and represents a fall from the previous reading of 98.6 in November of 2018. The overall weakness was driven by steep declines in five of the seven component indices, with the weakest readings in the Automobile Production and Sales and Agriculture Raw Materials indices. Temporary factors may have had some influence. Container port throughput was reportedly affected by front-loading ahead of anticipated U.S.-China tariffs and, in Germany, by specific problems affecting the automotive industry. In particular, trade growth in Europe has stalled.

The weakening trade outlook is consistent with a weakening global economic outlook from the International Monetary Fund and the Organization for Economic Co-operation and Development, both lowering growth projections for 2019 and 2020. The most recent data from developed economies points to further downgrades. Indeed, at its March 2019 meeting, the Federal Open Market Committee offered a more dovish outlook for interest rates, and the U.S. yield curve rallied.

Trade tensions between the U.S. and China had receded as of quarter end, and recent talks in Washington resulted in President Trump delaying the deadline for a deal. China has increased purchases of U.S. agricultural products, including soy and pork. This is seen as encouraging and we believe an interim trade agreement looks likely. A full agreement would be subject to continued actions of good faith and continued negotiations.

**Past performance is no guarantee of future results. Fund performance changes over time and current performance may be lower or higher than what is stated. Current performance information is updated monthly at [FederatedInvestors.com](http://FederatedInvestors.com) and is also available by calling 1-800-341-7400.**

The wider markets across the globe performed well during the first three months of the year. The S&P 500 Index<sup>1</sup> rose by 13% and European equity markets rose between 10% and 15% over the quarter. The rise in volatility seen at the end of the fourth quarter of 2018 has not been sustained but is yet to fall to the stable levels seen in the third quarter of 2018. This performance represents a reversal of previous declines and was helped by moderation in trade tensions between the U.S. and China. Bond markets have also experienced a solid quarter. The 10-year Treasury yield was initially contained in a 2.6% to 2.8% range at the start of the year but rallied to 2.4% at the end of March, prompted by a more cautious Federal Reserve.

## Looking Back

Over the first quarter of 2019, the Fund<sup>2</sup> increased its regional allocations to sub-Saharan Africa, Eastern Europe and Latin America. The Fund's Eastern Europe exposure remained its highest-yielding exposure followed by sub-Saharan Africa. The largest contribution, however, continued to come from sub-Saharan Africa, where the portfolio has the largest exposure. Other contributions came from Asia and Western Europe.

Within sectors, the Fund added exposure to the Energy, Consumer Non-Cyclical and Basic Industry sectors. Exposure to the Banking and Foreign Sovereign sectors declined as assets matured. Cash was reduced to 3.42%. The largest contribution to returns came from the Consumer Non-Cyclical, Services and Basic Industry sectors in which the Fund has its largest exposures and coupons are attractive.

- 1 *S&P 500 Index: An unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Indexes are unmanaged and investments cannot be made in an index.*
- 2 *The Fund is a continuously-offered, non-diversified, closed-end management company. The Fund will not list shares on any securities exchange, and it is not expected that any secondary market will develop for the shares. Shareholders will not be able to tender their shares for repurchase on a daily basis. At the discretion of the Fund's board of trustees, and provided that it is in the best interests of the Fund and shareholders to do so, the Fund intends to provide a limited degree of liquidity to shareholders by conducting repurchase offers, generally quarterly.*

*The Fund pursues its investment objective primarily by investing in trade finance, structured trade, export finance, import finance, supply chain financing and project finance assets of entities, including sovereign entities. Trade finance-related securities will be located primarily in, or have exposure to, global emerging markets. As such, the Fund is subject to all of the risks typical to investments generally made in emerging markets, in addition to risks specific to the trade finance asset class. Investing in the fund involves special risks including risks associated with non-investment grade securities, interest rate risk, prepayment risk, call risk, credit risk, liquidity risk, risks of investing in derivative contracts and hybrid instruments.*

## **How We Are Positioned**

The Fund has added to positions in Turkey, Pakistan, South Africa and Nigeria and extended country exposure to Oman, Cameroon, Burkina Faso, Senegal and Qatar. Exposure to Brazil, Kenya and Tunisia has been reduced and the Fund has withdrawn from Ghana, Morocco and Croatia as assets matured. We continue to seek opportunities in assets that offer an attractive risk/reward profile.



**Annual Shareholder Report**

*March 31, 2019*

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# Portfolio of Investments Summary Table (unaudited)

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

<b>Security Type</b>	<b>Percentage of Total Net Assets</b>
Trade Finance Agreements	94.6%
Cash Equivalents <sup>2</sup>	3.4%
Other Assets and Liabilities—Net <sup>3</sup>	2.0%
<b>TOTAL</b>	<b>100.0%</b>

- 1 See the Fund's Prospectus for a description of the principal types of securities in which the Fund invests.
- 2 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.
- 3 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.



# Portfolio of Investments

March 31, 2019

Principal Amount or Shares		Acquisition Date <sup>1</sup>	Cost <sup>1</sup>	Value in U.S. Dollars
	<sup>1</sup> TRADE FINANCE AGREEMENTS—94.6%			
	<b>Basic Industry - Chemicals—2.9%</b>			
\$1,500,000	<sup>2</sup> Sasol Chemicals, 4.860% (3-month USLIBOR +2.250%), 12/22/2021	2/6/2019	\$ 1,500,000	\$ 1,491,000
	<b>Basic Industry - Forestry/Paper—2.6%</b>			
1,350,000	<sup>2</sup> Bahia Cellulose, 5.481% (1-month USLIBOR +3.000%), 7/18/2023	11/20/2017	1,352,025	1,355,400
	<b>Basic Industry - Metals/Mining Excluding Steel—3.9%</b>			
1,000,000	<sup>2</sup> Harmony Gold Mining Co. Ltd., 5.801% (3-month USLIBOR +3.150%), 8/17/2020	7/31/2018	1,000,000	997,000
1,000,000	<sup>2</sup> Suek Tranche B, 5.490% (1-month USLIBOR +3.000%), 5/17/2022	10/10/2017 - 11/24/2017	1,002,000	997,000
	TOTAL			1,994,000
	<b>Capital Goods - Aerospace &amp; Defense—1.2%</b>			
629,630	<sup>2</sup> Gulf Air BSC, 5.731% (1-month USLIBOR +3.250%), 1/19/2022	3/27/2017	630,574	629,945
	<b>Consumer Cyclical - Apparel/Textiles—1.9%</b>			
993,906	PT Pan Brothers TBK, 4.043%-4.571%, 7/10/2019	1/23/2019 - 3/11/2019	993,906	992,416
	<b>Consumer Non-Cyclical/Food-Wholesale—10.1%</b>			
500,000	Agrofertil, 4.242%, 4/30/2019	5/18/2018	480,310	482,500
945,652	<sup>2</sup> ETG Agri Inputs FZE Dubai, 5.738% (1-month USLIBOR +3.250%), 5/16/2019	6/27/2018	945,652	944,234
406,740	Gambia, Government of, 5.607%-5.820%, 10/11/2019	4/12/2018 - 10/15/2018	406,740	406,537
900,000	Gambia, Government of, 5.745%, 3/2/2020	2/26/2019 - 3/6/2019	900,000	900,450
1,000,000	<sup>2</sup> Olam Nigeria, 3.676% (3-month USLIBOR +1.050%), 5/30/2019	2/28/2019	1,000,000	1,000,000
500,000	<sup>2</sup> PT Pacific Indopalm Industries, 3.660% (3-month USLIBOR +2.500%), 6/5/2019	3/5/2019 - 3/14/2019	500,000	499,250
1,000,000	<sup>2</sup> Vicentin SIAC, 7.667% (3-month USLIBOR +6.000%), 1/15/2024	1/8/2018 - 2/21/2018	1,000,000	1,004,500
	TOTAL			5,237,471

Principal Amount or Shares		Acquisition Date <sup>1</sup>	Cost <sup>1</sup>	Value in U.S. Dollars
	<sup>1</sup> TRADE FINANCE AGREEMENTS—continued			
	<b>Consumer Products—2.5%</b>			
EUR 600,000	Burkina Faso, Government of, 3.330%, 11/8/2019	2/7/2019	\$ 681,450	\$ 674,396
\$ 619,931	<sup>2</sup> Burkina Faso, Government of, 4.938% (3-month USLIBOR +2.800%), 9/18/2019	2/28/2019 - 3/21/2019	619,931	620,241
	TOTAL			1,294,637
	<b>Energy - Exploration &amp; Production—10.7%</b>			
500,000	<sup>2</sup> EGPC African Export-Import Bank (Afreximbank), 8.207% (3-month USLIBOR +5.600%), 12/6/2019	6/20/2017	500,000	497,750
1,000,000	<sup>2</sup> Golar Hilli Corp., 4.439% (12-month USLIBOR +1.600%), 1/15/2020	2/27/2019	1,000,000	1,000,000
307,133	<sup>2</sup> KMG Vitol, 4.348% (1-month USLIBOR +1.850%), 3/31/2020	3/16/2017	306,365	306,212
1,167,180	<sup>2</sup> LTE, 5.159% (1-month USLIBOR +2.750%), 12/30/2021	9/12/2017 - 2/28/2019	1,147,246	1,151,423
261,364	<sup>2</sup> Rosneft Oil Co., 4.498% (1-month USLIBOR +2.000%), 6/27/2019	9/28/2017	261,773	259,665
794,118	<sup>2</sup> Sonangol, 6.001% (3-month USLIBOR +3.400%), 7/30/2021	4/3/2017	765,993	792,132
1,500,000	<sup>2</sup> Yibal Export Pdo, 4.382% (1-month USLIBOR +1.600%), 6/30/2023	3/20/2019	1,495,750	1,494,000
	TOTAL			5,501,182
	<b>Energy - Integrated Energy—1.9%</b>			
751,193	<sup>2</sup> Puma International Financing SA, 3.202% (1-month USLIBOR +1.500%), 5/3/2019	6/29/2018	751,193	748,564
248,807	<sup>2</sup> Puma International Financing SA, 1.500% (1-month USLIBOR +1.500%), 5/3/2019	6/29/2018	248,807	247,936
	TOTAL			996,500
	<b>Energy - Oil Refining and Marketing—12.3%</b>			
941,379	<sup>2</sup> Dangote, 9.187% (6-month USLIBOR +6.500%), 8/31/2023	2/6/2017 - 10/22/2018	932,637	945,145
1,488,403	Egypt, Government of, 4.846%–5.106%, 3/12/2020	11/14/2018 - 3/15/2019	1,488,403	1,484,682

Principal Amount or Shares		Acquisition Date <sup>1</sup>	Cost <sup>1</sup>	Value in U.S. Dollars
	<sup>1</sup> TRADE FINANCE AGREEMENTS—continued			
	<b>Energy - Oil Refining and Marketing—continued</b>			
\$ 2,183,199	Pakistan, Government of, 4.962%-5.029%, 3/16/2020	2/21/2019 - 3/21/2019	\$ 2,183,199	\$ 2,187,565
1,000,000	<sup>2</sup> Reliance Industries Ltd., 3.393% (3-month USLIBOR +0.550%), 5/21/2019	12/20/2018	1,000,000	1,000,000
750,000	<sup>2</sup> SOCAR Energy, 5.262% (6-month USLIBOR +2.400%), 5/22/2020	11/30/2018	750,000	748,125
	TOTAL			6,365,517
	<b>Finance/Banks/Brokers—10.4%</b>			
388,889	<sup>2</sup> Banco Supervielle SA, 5.533% (3-month USLIBOR +2.850%), 11/15/2020	6/28/2018	386,361	389,083
1,000,000	<sup>2</sup> Doha Bank, 3.480% (3-month USLIBOR +0.700%), 10/19/2019	1/17/2019	1,000,000	1,000,500
1,000,000	<sup>2</sup> Eastern and Southern African Trade and Development Bank, 3.995% (3-month USLIBOR +1.200%), 10/3/2020	10/4/2018	1,000,000	1,001,000
1,000,000	Turk Exim Bank, 4.625%, 11/26/2019	2/28/2019	1,000,000	995,500
1,000,000	Vakif Bank, 5.672%, 5/23/2019	1/28/2019	982,353	983,500
1,000,000	Ziraat Bankasi, 5.677%, 5/28/2019	1/28/2019	981,579	982,500
	TOTAL			5,352,083
	<b>Foreign Sovereign—19.7%</b>			
852,564	<sup>2</sup> Armenia International Airports CJSC, 8.407% (6-month USLIBOR +5.500%), 12/23/2022	12/28/2017	861,090	859,385
1,000,000	<sup>2</sup> Bank of Kigali Ltd., 8.986% (3-month USLIBOR +6.250%), 10/19/2021	6/19/2017	1,000,000	995,000
EUR 429,359	Cameroon, Government of, 3.612%, 7/31/2019	2/12/2019 - 3/13/2019	486,082	481,874
\$ 224,285	<sup>2</sup> Djibouti, Government of, 5.648% (1-month USLIBOR +3.800%), 4/16/2019	2/5/2019 - 2/14/2019	224,285	223,500
666,667	<sup>2</sup> JSC Partnership, 6.966% (12-month USLIBOR +4.000%), 9/22/2020	9/22/2017	675,800	679,000
1,000,000	<sup>2</sup> Kenya, Government of, 8.057% (6-month USLIBOR +5.400%), 3/9/2020	5/30/2018	1,006,500	1,004,000
461,060	Maldives, Government of, 4.738%-5.059%, 6/20/2019	1/4/2019 - 2/22/2019	461,060	461,060
206,689	Maldives, Government of, 4.926%-5.153%, 7/11/2019	2/6/2019 - 3/28/2019	206,689	206,379
1,000,000	<sup>2</sup> Ministry of Finance Tanzania, 8.105% (6-month USLIBOR +5.200%), 6/23/2022	6/26/2017	994,000	1,000,500
600,000	<sup>2</sup> Ministry of Finance Zambia, 8.869% (6-month USLIBOR +6.000%), 7/13/2020	7/17/2017	600,000	596,700

Principal Amount or Shares		Acquisition Date <sup>1</sup>	Cost <sup>1</sup>	Value in U.S. Dollars
<sup>1</sup> TRADE FINANCE AGREEMENTS—continued				
<b>Foreign Sovereign—continued</b>				
\$ 999,604	Pakistan, Government of, 4.733%-4.776%, 7/18/2019	6/15/2018 - 7/20/2018	\$ 999,604	\$ 999,604
EUR 1,000,000	Senegal, Government of, 4.800%, 6/10/2020	2/4/2019	1,165,481	1,141,381
\$ 1,500,000	Tunisia, Government of, 2.418%, 8/26/2019	9/27/2018 - 2/25/2019	1,500,000	1,500,000
TOTAL				10,148,383
<b>Metals &amp; Mining—4.6%</b>				
1,425,000	<sup>2</sup> Ferrexpo AG, 7.067%-7.234% (3-month USLIBOR +4.500%), 11/6/2022	3/7/2018 - 3/1/2019	1,416,773	1,425,000
1,000,367	<sup>2</sup> Metinvest BV, 7.231% (1-month USLIBOR +4.750%), 10/18/2022	11/19/2018	973,356	970,356
TOTAL				2,395,356
<b>Services - Airlines—1.1%</b>				
589,744	<sup>2</sup> Pakistan International Airlines, 5.635% (1-month USLIBOR +3.150%), 2/24/2021	9/27/2017	583,846	587,385
<b>Services - Railroads—2.8%</b>				
621,097	<sup>2</sup> Autopistas Urbanas SA (AUSA), 6.183% (3-month USLIBOR +3.500%), 11/15/2022	5/19/2017 - 11/13/2017	611,780	617,991
833,333	<sup>2</sup> Ethiopian Railway Corp., 6.561% (6-month USLIBOR +3.750%), 7/8/2021	5/4/2017	833,333	828,750
TOTAL				1,446,741
<b>Services - Transportation Excluding Air/Rail—1.5%</b>				
774,869	<sup>2</sup> Asyaport, 7.252% (6-month USLIBOR +4.400%), 1/10/2024	1/31/2017	774,869	776,031
<b>Supranational—1.9%</b>				
1,000,000	<sup>2</sup> Africa Finance Corp., 3.608% (3-month USLIBOR +1.000%), 12/27/2021	1/28/2019	991,500	988,000
<b>Telecommunications - Wireless—0.5%</b>				
233,333	<sup>2</sup> MTN Group Ltd., 4.778% (3-month USLIBOR +2.150%), 8/25/2021	7/12/2018	232,167	231,583
<b>Utility - Electric-Generation—2.1%</b>				
614,388	<sup>2</sup> Casablanca & Giacote Solar PV Project, 5.480% (6-month USLIBOR +2.625%), 5/15/2020	5/15/2017	602,100	613,159

Principal Amount or Shares		Acquisition Date <sup>1</sup>	Cost <sup>1</sup>	Value in U.S. Dollars
	<sup>1</sup> TRADE FINANCE AGREEMENTS—continued			
	<b>Utility - Electric-Generation—continued</b>			
\$ 134,624	<sup>2</sup> Egypt Electric AfreximBK, 7.876% (3-month USLIBOR +5.250%), 4/10/2020	8/3/2017	\$ 134,624	\$ 134,086
357,190	<sup>2</sup> Egypt Electric, 6.982% (3-month USLIBOR +4.250%), 5/5/2020	1/31/2017	356,654	350,403
	TOTAL			1,097,648
	TOTAL TRADE FINANCE AGREEMENTS (IDENTIFIED COST \$48,958,280)			
				48,881,278
	INVESTMENT COMPANY—3.4%			
1,739,470	Federated Institutional Prime Value Obligations Fund, Institutional Shares, 2.55% <sup>3</sup> (IDENTIFIED COST \$1,739,845)			1,739,818
	TOTAL INVESTMENT IN SECURITIES—98.0% (IDENTIFIED COST \$50,698,125) <sup>4</sup>			
				50,621,096
	OTHER ASSETS AND LIABILITIES - NET—2.0% <sup>5</sup>			
				1,058,627
	TOTAL NET ASSETS—100%			
				\$ 51,679,723

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

	<b>Federated Institutional Prime Value Obligations Fund, Institutional Shares</b>
Balance of Shares Held 3/31/2018	1,949,742
Purchases/Additions	45,794,409
Sales/Reductions	(46,004,681)
Balance of Shares Held 3/31/2019	1,739,470
Value	\$ 1,739,818
Change in Unrealized Appreciation/Depreciation	\$ 168
Net Realized Gain/(Loss)	\$ 1,743
Dividend Income	\$ 74,236

At March 31, 2019, the Fund had the following outstanding foreign exchange contracts:

Settlement Date	Counterparty	Foreign Currency Units to Deliver/Receive	In Exchange For	Unrealized Appreciation
<b>Contracts Sold:</b>				
5/31/2019	Citibank N.A.	228,382 EUR	\$ 261,736	\$ 4,276
6/14/2019	Citibank N.A.	1,020,000 EUR	\$1,181,932	\$30,698
7/9/2019	Citibank N.A.	183,000 EUR	\$ 210,768	\$ 3,787
8/2/2019	State Street Bank & Trust Co.	205,505 EUR	\$ 234,549	\$ 1,658
9/10/2019	Citibank N.A.	246,000 EUR	\$ 284,824	\$ 5,152
10/9/2019	Citibank N.A.	61,000 EUR	\$ 70,804	\$ 1,289
11/8/2019	Citibank N.A.	123,000 EUR	\$ 143,123	\$ 2,608
NET UNREALIZED APPRECIATION ON FOREIGN EXCHANGE CONTRACTS				\$49,468

Net Unrealized Appreciation on Foreign Exchange Contracts is included in "Other Assets and Liabilities—Net."

- 1 *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 \$48,881,278, which represented 94.6% of total net assets.*
- 2 *Floating/variable note with current rate and current maturity or next reset date shown.*
- 3 *7-day net yield.*
- 4 *The cost of investments for federal tax purposes amounts to \$50,698,125.*
- 5 *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.

The following is a summary of the inputs used, as of March 31, 2019, in valuing the Fund's assets carried at fair value:

### Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
<b>Debt Securities:</b>				
Trade Finance Agreements	\$ —	\$ —	\$48,881,278	\$48,881,278
<b>Investment Company</b>	1,739,818	—	—	1,739,818
TOTAL SECURITIES	\$1,739,818	\$ —	\$48,881,278	\$50,621,096
<b>Other Financial Instruments<sup>1</sup></b>				
Assets	\$ —	\$49,468	\$ —	\$ 49,468
Liabilities	—	—	—	—
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ —	\$49,468	\$ —	\$ 49,468

1 Other financial instruments are foreign exchange contracts.

The Fund uses a pricing service to provide price evaluations for Level 3 asset-backed securities, trade finance agreements and foreign government/agencies. The majority of price evaluations provided by the pricing service are based on market quotes provided by market specialists which are unobservable, and a portion of the evaluations are extrapolated from quotes for similar credits in similar regions. Due to specialists' inputs being proprietary and unobservable in the market place, these investments are determined to be Level 3 securities. Periodic reviews of third-party pricing services', including this particular pricing service's policies, procedures and valuation methods are conducted in accordance with procedures adopted by the Fund's Board of Trustees (the "Trustees"). See the Fair Valuation and Significant Events Procedures section of the accompanying Notes to Financial Statements for more information.

Following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

	Investments in Trade Finance Agreements
Balance as of 3/31/2018	\$ 45,797,733
Accrued discount/premiums	\$ 107,221
Realized gain (loss)	\$ 46,239
Change in unrealized appreciation (depreciation)	\$ (145,980)
Purchases	\$ 60,774,043
(Sales)	\$(57,697,978)
Balance as of 3/31/2019	\$ 48,881,278
The total change in unrealized appreciation (depreciation) attributable to investments still held at 3/31/2019	\$ (27,393)

The following acronyms are used throughout this portfolio:

CJSC —Closed Joint-Stock Company

EUR —Euro Currency

LIBOR—London Interbank Offered Rate

See Notes which are an integral part of the Financial Statements



# Financial Highlights

(For a Share Outstanding Throughout Each Period)

	Year Ended March 31,		Period
	2019	2018	Ended 3/31/2017 <sup>1</sup>
<b>Net Asset Value, Beginning of Period</b>	<b>\$10.00</b>	<b>\$10.02</b>	<b>\$10.01</b>
<b>Income From Investment Operations:</b>			
Net investment income (loss)	0.45	0.28 <sup>2</sup>	0.02
Net realized and unrealized gain (loss)	(0.01)	0.02	0.00 <sup>3</sup>
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.44</b>	<b>0.30</b>	<b>0.02</b>
<b>Less Distributions:</b>			
Distributions from net investment income	(0.45)	(0.32)	(0.01)
Distributions from net realized gain	(0.01)	(0.00) <sup>3</sup>	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.46)</b>	<b>(0.32)</b>	<b>(0.01)</b>
<b>Net Asset Value, End of Period</b>	<b>\$9.98</b>	<b>\$10.00</b>	<b>\$10.02</b>
<b>Total Return<sup>4</sup></b>	<b>4.42%</b>	<b>3.04%</b>	<b>0.22%</b>
<b>Ratios to Average Net Assets:</b>			
Net expenses	0.70%	0.67%	0.34% <sup>5</sup>
Net investment income	4.44%	2.74%	1.37% <sup>5</sup>
Expense waiver/reimbursement <sup>6</sup>	0.29%	0.34%	1.72% <sup>5</sup>
<b>Supplemental Data:</b>			
Net assets, end of period (000 omitted)	\$51,680	\$49,484	\$70,873
Portfolio turnover	57%	39%	4%

1 Reflects operations for the period from January 31, 2017 (date of initial public investment) to March 31, 2017. During the period prior to date of initial public investment, a distribution of \$0.012 per share was made to the Adviser.

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

3 Represents less than \$0.01.

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

5 Computed on an annualized basis.

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

See Notes which are an integral part of the Financial Statements

# Statement of Assets and Liabilities

March 31, 2019

## Assets:

Investment in securities, at value including \$1,739,818 of investment in an affiliated holding (identified cost \$50,698,125)	\$50,621,096
Cash denominated in foreign currencies (identified cost \$5,093)	5,052
Income receivable	473,787
Income receivable from an affiliated holding	6,616
Receivable for investments sold	592,208
Unrealized appreciation on foreign exchange contracts	49,468
<b>TOTAL ASSETS</b>	<b>51,748,227</b>

## Liabilities:

Due to broker	\$ 5,126
Payable for investment adviser fee (Note 5)	1,061
Payable for custodian fees	2,029
Payable for transfer agent fee	1,898
Payable for Directors'/Trustees' fees (Note 5)	554
Payable for auditing fees	27,420
Payable for legal fees	3,295
Payable for portfolio accounting fees	23,022
Payable for share registration costs	2,522
Accrued expenses (Note 5)	1,577
<b>TOTAL LIABILITIES</b>	<b>68,504</b>

Net assets for 5,180,419 shares outstanding \$51,679,723

## Net Assets Consist of:

Paid-in capital	\$51,640,647
Total distributable earnings	39,076
<b>TOTAL NET ASSETS</b>	<b>\$51,679,723</b>

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

\$51,679,723 ÷ 5,180,419 shares outstanding, no par value,  
unlimited shares authorized \$9.98

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Year Ended March 31, 2019

## Investment Income:

Interest	\$2,528,971
Dividends received from an affiliated holding*	74,236
<b>TOTAL INCOME</b>	<b>2,603,207</b>

## Expenses:

Investment adviser fee (Note 5)	\$ 252,843
Custodian fees	6,203
Transfer agent fee	28,414
Directors'/Trustees' fees (Note 5)	7,135
Auditing fees	11,289
Legal fees	13,642
Portfolio accounting fees	124,033
Share registration costs	28,696
Printing and postage	16,283
Miscellaneous (Note 5)	14,218
<b>TOTAL EXPENSES</b>	<b>502,756</b>
Waiver/reimbursement of investment adviser fee (Note 5)	(146,264)
Net expenses	356,492
Net investment income	2,246,715

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

Net realized gain on investments (including net realized gain of \$1,743 on sales of investments in an affiliated holding*)	47,982
Net realized loss on foreign currency transactions	(2,852)
Net change in unrealized appreciation of investments (including net change in unrealized depreciation of \$168 on investments in an affiliated holding*)	(145,813)
Net change in unrealized appreciation/depreciation of translation of assets and liabilities in foreign currency	(41)
Net change in unrealized appreciation of foreign exchange contracts	49,468
Net realized and unrealized gain (loss) on investments, foreign exchange contracts and foreign currency transactions	(51,256)
Change in net assets resulting from operations	\$2,195,459

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

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

Year Ended March 31	2019	2018
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 2,246,715	\$ 1,849,773
Net realized gain	45,130	23,467
Net change in unrealized appreciation/depreciation	(96,386)	53,332
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	2,195,459	1,926,572
<b>Distributions to Shareholders (Note 2)</b>		
	(2,290,522)	(1,888,326)
<b>Share Transactions:</b>		
Net asset value of shares issued to shareholders in payment of distributions declared	2,290,522	1,888,326
Cost of shares redeemed	—	(23,315,156)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	2,290,522	(21,426,830)
Change in net assets	2,195,459	(21,388,584)
<b>Net Assets:</b>		
Beginning of period	49,484,264	70,872,848
End of period	\$51,679,723	\$ 49,484,264

See Notes which are an integral part of the Financial Statements

# Statement of Cash Flows

Year Ended March 31, 2019

## Operating Activities:

Change in net assets resulting from operations	\$ 2,195,459
<b>Adjustments to Reconcile Change in Net Assets Resulting From Operations to Net Cash Used By Operating Activities:</b>	
Purchases of investment securities	(60,774,043)
Proceeds from disposition of investment securities	57,697,978
Sale of short-term investments, net	211,446
Amortization/accretion of premium/discount, net	(110,116)
Increase in income receivable	(23,523)
Decrease in receivable for investments sold	632,196
Decrease in accrued expenses	(94,085)
Net realized gain on investments	(47,982)
Net realized loss on foreign currency transactions	2,852
Net change in unrealized appreciation/depreciation of investments	145,813
Net change in unrealized appreciation/depreciation of translation of assets and liabilities in foreign currency	41
Net change in unrealized appreciation of foreign exchange contracts	(49,468)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(213,432)</b>
Net decrease in cash	(213,432)
Cash at beginning period	218,484
Cash at end of period	\$ 5,052

*Non-cash financing activities not included herein consist of reinvestments of dividends and distributions of \$2,290,522.*

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

March 31, 2019

## 1. ORGANIZATION

Federated Project and Trade Finance Tender Fund (the "Fund") was organized as a Delaware statutory trust on June 30, 2016, as a continuously offered, non-diversified, closed-end management investment company. The Fund is registered under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended. The Fund's investment objective is to provide total return primarily from income.

The Fund received its initial capital from Federated Investment Management Company (the "Adviser"), a wholly owned subsidiary of Federated Investors, Inc., on October 12, 2016, in which the sale and issuance was made of 10,000 common shares of beneficial interest, at an aggregate purchase price of \$100,000. The Fund became effective on December 7, 2016, and the first public shares were sold on January 31, 2017. Distributions of \$120 were made to the Adviser prior to the date of initial public investment.

## 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 Trustees.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.
- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and asked quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Trustees, certain factors may be considered, such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer's financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Fund's valuation policies and procedures, or if information furnished by a pricing service, in the opinion of the valuation committee ("Valuation Committee"), is deemed not

representative of the fair value of such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share.

### **Fair Valuation and Significant Events Procedures**

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

The pricing service bases their evaluations for the majority of Fund investments on indications of values from banks that make project and trade finance loans, weighted based on the accuracy of their historical indications and other factors to arrive at a price evaluation. 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. The Fund may hold securities that are valued on the basis of prices provided by a single pricing source, including dealers from whom the securities were purchased. These securities may be less liquid and the price realized upon a sale may be different than the price used to value the security.

Although the factors on which pricing services base their evaluations generally consist of observable inputs, certain fixed-income securities, such as trade finance agreements, are typically held to maturity by investors and therefore do not trade on a consistent basis. Accordingly, pricing services frequently cannot rely on executed trade prices to support their evaluations of these securities and must necessarily rely more heavily on unobservable inputs. In such circumstances, the Fund may classify securities as having a Level 3 valuation due to a lack of observable market transactions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

The Trustees also have adopted procedures requiring an investment to be priced at its fair value whenever the Adviser determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities traded principally in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures contracts;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded;
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, or a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Trustees have adopted procedures whereby the Valuation Committee uses a pricing service to provide factors to update the fair value of equity securities traded principally in foreign markets from the time of the close of their respective foreign stock exchanges to the pricing time of the Fund. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Fund will determine the fair value of the investment in accordance with the fair valuation procedures approved by the Trustees. The Trustees have ultimate responsibility for any fair valuations made in response to a significant event.

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

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid quarterly. 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. The detail of the total fund expense waiver and reimbursement of \$146,264 is disclosed in various locations in Note 5.

The distributions disclosed on the Statement of Changes in Net Assets for the year ended March 31, 2018, were from the following sources:

Net investment income	\$1,869,310
Net realized gain	\$ 19,016

Undistributed net investment income at March 31, 2018, was \$57,847.



## **Federal Taxes**

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year 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 2016 through 2019 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the State of Delaware.

## **Foreign Exchange Contracts**

The Fund may enter into foreign exchange contracts to seek to increase returns and to manage currency risk. Purchased contracts are used to acquire exposure to foreign currencies, whereas, contracts to sell are used to hedge the Fund's securities against currency fluctuations. Risks may arise upon entering into these transactions from the potential inability of counterparties to meet the terms of their commitments and from unanticipated movements in security prices or foreign exchange rates. The foreign exchange contracts are adjusted by the daily exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the settlement date.

Foreign exchange contracts are subject to Master Netting Agreements which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross.

Foreign exchange contracts outstanding at period end, including net unrealized appreciation/depreciation or net settlement amount, are listed after the Fund's Portfolio of Investments.

The average value at settlement date payable of foreign exchange contracts purchased by the Fund throughout the period was \$4,818. This is based on the contracts held as of each month-end throughout the fiscal period.

## **Foreign Currency Translation**

The accounting records of the Fund are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the rates of exchange of such currencies against U.S. dollars on the date of valuation. Purchases and sales of securities, income and expenses are translated at the rate of exchange quoted on the respective date that such transactions are recorded. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at period end, resulting from changes in the exchange rate.

## Restricted Securities

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

## Additional Disclosure Related to Derivative Instruments

### Fair Value of Derivative Instruments

	Assets	
	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815		
	Unrealized appreciation on foreign exchange contracts	
Foreign exchange contracts		\$49,468

## The Effect of Derivative Instruments on the Statement of Operations for the Year Ended March 31, 2019

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

	Foreign Exchange Contracts
Foreign Exchange Contracts	\$49,468

## Other

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

### 3. SHARES OF BENEFICIAL INTEREST

The following table summarizes share activity:

<b>Year Ended March 31</b>	<b>2019</b>	<b>2018</b>
Shares issued to shareholders in payment of distributions declared	229,523	188,700
Shares redeemed	—	(2,308,431)
<b>NET CHANGE RESULTING FROM FUND SHARE TRANSACTIONS</b>	<b>229,523</b>	<b>(2,119,731)</b>

Each Shareholder will automatically be a participant under the Fund's Dividend Reinvestment Plan (DRP) and have all income dividends and/or capital gains distributions automatically reinvested in Shares. Election not to participate in the DRP and to receive all income dividends and/or capital gains distributions, if any, in cash may be made by notice to the Fund or, if applicable, to a Shareholder's broker or other intermediary (who should be directed to inform the Fund).

### 4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended March 31, 2019 and 2018, was as follows:

	<b>2019</b>	<b>2018</b>
Ordinary income <sup>1</sup>	\$2,288,208	\$1,888,326
Long-term capital gains	\$ 2,314	\$ —

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

As of March 31, 2019, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income <sup>2</sup>	\$100,823
Net unrealized depreciation	\$(77,070)
Undistributed long-term capital gains	\$ 15,323

2 For tax purposes, short-term capital gains are considered ordinary income in determining distributable earnings.

The difference between book-basis and tax-basis net unrealized appreciation/depreciation is attributable to differing treatments for mark-to-market on foreign exchange contracts.

At March 31, 2019, the cost of investments for federal tax purposes was \$50,698,125. The net unrealized depreciation of investments for federal tax purposes was \$77,029. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$65,932 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$142,961.

## **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 0.50% of the Fund's average daily net assets. The Adviser and certain of its affiliates on their own initiative have agreed to waive their fees (if any), and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses, proxy-related expenses, premiums for risk insurance policies on portfolio securities and certain legal fees related to specific investments paid by the Fund, if any) paid by the Fund (after the voluntary waivers and reimbursements) will not exceed 0.70% of the Fund's average daily net assets (the "Fee Limit"), up to but not including the later of (the "Termination Date"): (a) August 1, 2019; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees. Effective from January 31, 2017 through April 30, 2017, the Adviser and certain of its affiliates on their own initiative had agreed to waive certain amounts of their respective fees and/or reimburse expenses such that total annual operating expenses as described above would not exceed 0.34%. For the year ended March 31, 2019, the Adviser voluntarily waived \$144,289 of its fee.

The Adviser has agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the year ended March 31, 2019, the Adviser reimbursed \$1,975.

Certain of the Fund's assets are managed by Federated Investors (UK) LLP (the "Sub-Adviser") an affiliate of the Adviser. Under the terms of a sub-advisory agreement between the Adviser and the Sub-Adviser, the Sub-Adviser receives an annual fee equal to 0.39% of the daily net assets of the Fund. The fee is paid by the Adviser out of its resources and is not an incremental Fund expense. For the year ended March 31, 2019, the Sub-Adviser earned a fee of \$197,217.

### **Administrative Services**

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. FAS receives no compensation for providing administrative services to the Fund.

### **Directors'/Trustees' and Miscellaneous Fees**

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

## 6. INVESTMENT TRANSACTIONS

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

Purchases	\$19,162,760
Sales	\$26,228,132

## 7. CONCENTRATION OF RISK

The Fund invests in securities of non-U.S. issuers. Political or economic developments may have an effect on the liquidity and volatility of portfolio securities and currency holdings.

At March 31, 2019, the diversification of countries was as follows:

Country	Percentage of Total Net Assets
Pakistan	7.3
Turkey	7.2
South Africa	5.3
Egypt	4.8
Ukrainian Ssr	4.6
Argentina	3.9
Kenya	3.9
Nigeria	3.8
Tunisia	2.9
Oman	2.9
Indonesia	2.9
Cameroon, United Republic Of	2.9
Brazil	2.6
Gambia	2.5
Burkina Faso	2.5
Russia	2.4
Germany, Federal Republic Of	2.2
Senegal	2.2
Qatar	2.0
Tanzania, United Republic Of	1.9
India	1.9
Singapore	1.9
Luxembourg	1.9
Rwanda	1.9
United Arab Emirates	1.8
Armenia	1.7
Ethiopia	1.6
Angola	1.5
Azerbaijan	1.5

<b>Country</b>	<b>Percentage of Total Net Assets</b>
Georgia	1.3
Maldives	1.3
Bahrain	1.2
Uruguay	1.2
Zambia	1.2
Paraguay	0.9
Kazakhstan	0.6
Djibouti	0.4

## **8. FEDERAL TAX INFORMATION (UNAUDITED)**

For the year ended March 31, 2019, the amount of long-term capital gains designated by the Fund was \$2,314.

# Report of Independent Registered Public Accounting Firm

## **TO THE BOARD OF TRUSTEES AND SHAREHOLDERS OF FEDERATED PROJECT AND TRADE FINANCE TENDER FUND:**

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the Federated Project and Trade Finance Tender Fund (the “Fund”), as of March 31, 2019, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the “financial statements”) and the financial highlights for each of the years or periods in the three-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of March 31, 2019, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the three-year period then ended, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of March 31, 2019, by correspondence with custodians and brokers, or by other appropriate auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

**KPMG LLP**

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

Boston, Massachusetts  
May 28, 2019



## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from 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. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	Beginning Account Value 10/1/2018	Ending Account Value 3/31/2019	Expenses Paid During Period <sup>1</sup>
<b>Actual</b>	\$1,000	\$1,021.80	\$3.53
<b>Hypothetical (assuming a 5% return before expenses)</b>	\$1,000	\$1,021.40	\$3.53

<sup>1</sup> Expenses are equal to the Fund’s annualized net expense ratio of 0.70%, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half-year period).

## Board of Trustees and Fund Officers

The Board of Trustees is responsible for managing the Fund's business affairs and for exercising all the Fund's powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are "interested persons" of the Fund (i.e., "Interested" Trustees) and those who are not (i.e., "Independent" Trustees). Unless otherwise noted, the address of each person listed is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2018, the Fund comprised one portfolio(s), and the Federated Fund Family consisted of 40 investment companies (comprising 102 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Trustee oversees all portfolios in the Federated Fund Family and serves for an indefinite term. The Fund's Statement of Additional Information includes additional information about Fund Trustees and is available, without charge and upon request, by calling 1-800-341-7400.

### INTERESTED TRUSTEES BACKGROUND

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

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**J. Christopher Donahue\***

Birth Date: April 11, 1949  
PRESIDENT AND TRUSTEE  
Indefinite Term  
Began serving: August 2016

**Principal Occupations:** Principal Executive Officer and President of certain of the Funds in the Federated Fund Family; Director or Trustee of the Funds in the Federated Fund Family; President, Chief Executive Officer and Director, Federated Investors, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company.

**Previous Positions:** President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.

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Name	Birth Date	Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
<b>Thomas R. Donahue*</b>	Birth Date: October 20, 1958	TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee of certain of the funds in the Federated Fund Family; Chief Financial Officer, Treasurer, Vice President and Assistant Secretary, Federated Investors, Inc.; Chairman and Trustee, Federated Administrative Services; Chairman and Director, Federated Administrative Services, Inc.; Trustee and Treasurer, Federated Advisory Services Company; Director or Trustee and Treasurer, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, and Federated Investment Management Company; Director, MDTA LLC; Director, Executive Vice President and Assistant Secretary, Federated Securities Corp.; Director or Trustee and Chairman, Federated Services Company and Federated Shareholder Services Company; and Director and President, FII Holdings, Inc.</p> <p><b>Previous Positions:</b> Director, Federated Investors, Inc.; Assistant Secretary, Federated Investment Management Company, Federated Global Investment Management Company and Passport Research, LTD; Treasurer, Passport Research, LTD; Executive Vice President, Federated Securities Corp.; and Treasurer, FII Holdings, Inc.</p>

\* Family relationships and reasons for "interested" status: J. Christopher Donahue and Thomas R. Donahue are brothers. Both are "interested" due to their beneficial ownership of shares of Federated Investors, Inc. and the positions they hold with Federated and its subsidiaries.

## INDEPENDENT TRUSTEES BACKGROUND

Name	Birth Date	Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>John T. Collins</b>	Birth Date: January 24, 1947	TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired).</p> <p><b>Other Directorships Held:</b> Director, Chairman of the Compensation Committee, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace).</p> <p><b>Qualifications:</b> Mr. Collins has served in several business and financial management roles and directorship positions throughout his career. Mr. Collins previously served as Chairman and CEO of The Collins Group, Inc. (a private equity firm) and as a Director of KLX Corp. Mr. Collins serves as Chairman Emeriti, Bentley University. Mr. Collins previously served as Director and Audit Committee Member, Bank of America Corp.; Director, FleetBoston Financial Corp.; and Director, Beth Israel Deaconess Medical Center (Harvard University Affiliate Hospital).</p>

Name	Birth Date	Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>G. Thomas Hough</b>	Birth Date: February 28, 1955	TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; formerly, Vice Chair, Ernst &amp; Young LLP (public accounting firm) (Retired).</p> <p><b>Other Directorships Held:</b> Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.; Director, Chair of the Audit Committee, Equifax, Inc.; Director, Member of the Audit Committee, Haverly Furniture Companies, Inc.</p> <p><b>Qualifications:</b> Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst &amp; Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama and is on the Business School Board of Visitors for Wake Forest University. Mr. Hough previously served as an Executive Committee member of the United States Golf Association.</p>
<b>Maureen Lally-Green</b>	Birth Date: July 5, 1949	TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; Dean of the Duquesne University School of Law; Professor and Adjunct Professor of Law, Duquesne University School of Law; formerly, Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p><b>Other Directorships Held:</b> Director, CNX Resources Corporation (formerly known as CONSOL Energy Inc.).</p> <p><b>Qualifications:</b> Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career and currently serves as the Dean of the School of Law of Duquesne University. Judge Lally-Green previously served as a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Director and Vice Chair, Our Campaign for the Church Alive!, Inc.; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); and Director CNX Resources Corporation (formerly known as CONSOL Energy Inc.). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; and Director and Chair, North Catholic High School, Inc.</p>
<b>Charles F. Mansfield, Jr.</b>	Birth Date: April 10, 1945	TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; Management Consultant and Author.</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Mansfield has served as a Marine Corps officer and in several banking, business management, educational roles and directorship positions throughout his long career. He remains active as a Management Consultant and Author.</p>

<b>Name</b> <b>Birth Date</b> <b>Positions Held with Fund</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years,</b> <b>Other Directorships Held, Previous Position(s) and Qualifications</b>
<b>Thomas M. O'Neill</b> Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee, Chair of the Audit Committee of the Federated Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity and Director, The Golisano Children's Museum of Naples, Florida. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); and Director, Midway Pacific (lumber).</p>
<b>P. Jerome Richey</b> Birth Date: February 23, 1949 TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Family; Management Consultant; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CNX Resources Corporation (formerly known as CONSOL Energy Inc.).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CNX Resources Corporation (formerly known as CONSOL Energy Inc.); and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll &amp; Rooney PC (a law firm).</p>
<b>John S. Walsh</b> Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: August 2016	<p><b>Principal Occupations:</b> Director or Trustee, and Chair of the Board of Directors or Trustees, of the Federated Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh &amp; Kelly, Inc. (paving contractors).</p>

## OFFICERS

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**Name**

**Birth Date**

**Positions Held with Fund  
Date Service Began**

**Principal Occupation(s) for Past Five Years  
and Previous Position(s)**

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**Lori A. Hensler**

Birth Date: January 6, 1967  
TREASURER

Officer since: June 2016

**Principal Occupations:** Principal Financial Officer and Treasurer of the Federated Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp. and Edgewood Services, Inc.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation.

**Previous Positions:** Controller of Federated Investors, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.

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**Peter J. Germain**

Birth Date: September 3, 1959  
CHIEF LEGAL OFFICER,  
SECRETARY AND EXECUTIVE  
VICE PRESIDENT

Officer since: November 2016

**Principal Occupations:** Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Investors, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated in 1984 and is a member of the Pennsylvania Bar Association.

**Previous Positions:** Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Investors, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Investors, Inc.

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**Stephen Van Meter**

Birth Date: June 5, 1975  
CHIEF COMPLIANCE OFFICER  
AND SENIOR VICE PRESIDENT

Officer since: June 2016

**Principal Occupations:** Senior Vice President and Chief Compliance Officer of the Federated Fund Family; Vice President and Chief Compliance Officer of Federated Investors, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66.

**Previous Positions:** Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Investors, Inc. Prior to joining Federated, Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.

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<b>Name</b> <b>Birth Date</b> <b>Positions Held with Fund</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years</b> <b>and Previous Position(s)</b>
<b>Robert J. Ostrowski</b> Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: November 2016	<b>Principal Occupations:</b> Robert J. Ostrowski joined Federated in 1987 as an Investment Analyst and became a Portfolio Manager in 1990. He was named Chief Investment Officer of Federated's taxable fixed-income products in 2004 and also serves as a Senior Portfolio Manager. Mr. Ostrowski became an Executive Vice President of the Fund's Adviser in 2009 and served as a Senior Vice President of the Fund's Adviser from 1997 to 2009. Mr. Ostrowski has received the Chartered Financial Analyst designation. He received his M.S. in Industrial Administration from Carnegie Mellon University.
<b>Ihab Salib</b> Birth Date: December 14, 1964 VICE PRESIDENT Officer since: November 2016 Portfolio Manager since: December 2016	<b>Principal Occupations:</b> Ihab Salib has been a Portfolio Manager of the Fund since December 2016. He is Vice President of the Fund. Mr. Salib joined Federated in April 1999 as a Senior Fixed-Income Trader/Assistant Vice President of the Fund's Adviser. In July 2000, he was named a Vice President of the Fund's Adviser and in January 2007 he was named a Senior Vice President of the Fund's Adviser. He has served as a Portfolio Manager since January 2002. From January 1994 through March 1999, Mr. Salib was employed as a Senior Global Fixed-Income Analyst with UBS Brinson, Inc. Mr. Salib received his B.A. with a major in Economics from Stony Brook University.
<b>Chris McGinley</b> Birth Date: July 28, 1978 VICE PRESIDENT Officer since: November 2016 Portfolio Manager since: December 2016	<b>Principal Occupations:</b> Chris McGinley has been the Fund's Portfolio Manager since December 2016. He is Vice President of the Fund. Mr. McGinley joined Federated in 2004 as an associate research analyst in the international fixed-income department. He became an Assistant Vice President of the Fund's Adviser in 2005 and Vice President in 2013. Mr. McGinley joined the Sub-Adviser in 2013. Mr. McGinley worked in Senator Rick Santorum's office in 2001 and from 2002 to 2004 he served as Legislative Correspondent for Senator Santorum. Mr. McGinley earned his B.S. and received his M.P.I.A. from the University of Pittsburgh.
<b>Dalia Kay</b> Birth Date: March 13, 1970 VICE PRESIDENT Officer since: November 2016 Portfolio Manager since: December 2016	<b>Principal Occupations:</b> Dalia Kay has been the Fund's Portfolio Manager since December 2016. She is Vice President of the Fund. Ms. Kay joined the Sub-Adviser in October 2013. From 1994 until September 30, 2013, Ms. Kay was a member of GML Capital LLP and its Trade Finance Portfolio Team. From December 2006 to September 30, 2013, Ms. Kay was an Investment Portfolio Adviser for GML Capital LLP's investment funds. From 1994 to December 2006, Ms. Kay was Associate Director of Trade Finance and Forfeiting with GML International Limited, where she coordinated origination, structuring, documentation and distribution of short- and medium-term trade finance transactions focusing on Turkey, Kazakhstan, Romania, Ukraine and the former Yugoslavia. Ms. Kay received a Diploma in Law and a BA in Economics from the University of Geneva. She is fluent in French.

# Evaluation and Approval of Advisory Contract – May 2018

## **FEDERATED PROJECT AND TRADE FINANCE TENDER FUND (THE “FUND”)**

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

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

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



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

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

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

The Board's consideration of the investment advisory and subadvisory contracts included review of the CCO Fee Evaluation Report, accompanying data and additional information covering the following matters, as among others: the Adviser's and sub-adviser's investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund's short-term 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, sub-adviser and their 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 fund industry and market practices; the range of comparable fees for similar funds in the fund industry; the Fund’s relationship to the Federated funds which include a comprehensive array of funds with different investment objectives, policies and strategies; 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 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 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 funds more heavily than non-fund products or services because it is believed that they are more relevant. For example, other closed-end 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 that 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., applicable institutional and separate accounts and third-party unaffiliated mutual funds for which Federated serves as sub-adviser) (referenced to as "Comparable Funds/Accounts"). With respect to Comparable Funds/Accounts other than third-party mutual funds, the CCO concluded that they are inherently different products. Those differences include, but are not limited to, different types of targeted investors; different applicable laws and regulations; different legal structures; different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; and the time spent by portfolio managers and their teams, as well as personnel in the Funds Financial Services, Legal, Compliance and Risk Management departments, in reviewing securities pricing, addressing different administrative responsibilities, addressing different degrees of risk associated with management and a variety of different costs. The CCO also reviewed the differences in the nature of the services required for Federated to manage its proprietary mutual fund business versus managing a discrete pool of assets as a sub-adviser to another institution's mutual fund, and that Federated generally performs significant additional services and assumes substantially greater risk in managing the Fund and other Federated funds than in its role as sub-adviser to an unaffiliated third-party mutual fund. The CCO did not consider the fees for providing advisory services to Comparable Funds/Accounts to be determinative in judging the appropriateness of the Federated funds' advisory fees.

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

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

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

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

The Fund's performance fell below the median of the relevant Peer Group for the one-year period covered by the CCO Fee Evaluation Report. The Board discussed the Fund's performance with the Adviser and recognized the efforts being taken by the Adviser 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 and subadvisory contracts.

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

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

Federated furnished information, requested by the CCO, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the CCO. The CCO noted that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs continues to cause the 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 and subadvisory contracts. The CCO also recognized that the Board’s evaluation of the Federated funds’ advisory and subadvisory arrangements is a continuing and on-going process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its on-going oversight of the Federated funds.

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

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

## Voting Proxies on Fund Portfolio Securities

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

## Quarterly Portfolio Schedule

For 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](http://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](http://www.FederatedInvestors.com).

### **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 1-800-730-6001 or email [CEinfo@federatedinvestors.com](mailto:CEinfo@federatedinvestors.com).

*Closed-end 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 closed-end funds involves investment risk, including the possible loss of principal.*

This Overview and Report is for shareholder information. This is not a Prospectus intended for use in the sale of Fund Shares. Statements and other information contained in this Overview and Report are as dated and subject to change.



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Federated Investors Funds  
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