

# Semi-Annual Shareholder Report

March 31, 2019

Share Class | Ticker

A | FULAX

Institutional | FULIX

Service | FULBX

## Federated Ultrashort Bond Fund

*Fund Established 1997*

A Portfolio of Federated Total Return Series, Inc.

### IMPORTANT NOTICE REGARDING REPORT DELIVERY

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

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

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

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



**J. Christopher  
Donahue**

*President*

Federated Ultrashort  
Bond Fund

## Letter from the President

Dear Valued Shareholder,

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

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

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

Sincerely,

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

J. Christopher Donahue, President

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# Portfolio of Investments Summary Table (unaudited)

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

Security Type	Percentage of Total Net Assets <sup>2</sup>
Asset-Backed Securities	54.6%
Corporate Debt Securities	29.7%
Collateralized Mortgage Obligations	4.8%
Commercial Mortgage-Backed Securities	3.9%
Commercial Paper	1.0%
Municipal Bond	0.3%
Mortgage-Backed Securities <sup>3,4</sup>	0.0%
Adjustable Rate Securities	0.1%
Derivative Contracts <sup>4,5</sup>	0.0%
Federated Bank Loan Core Fund	1.1%
High Yield Bond Portfolio	0.4%
Federated Mortgage Core Portfolio	0.2%
Federated Project and Trade Finance Core Fund	0.2%
Cash Equivalents <sup>6</sup>	3.6%
Other Assets and Liabilities—Net <sup>7</sup>	0.1%
<b>TOTAL</b>	<b>100.0%</b>

- 1 See the Fund's Prospectus and Statement of Additional Information for a description of these security types.
- 2 As of the date specified above, the Fund owned shares of one or more affiliated investment companies. For purposes of this table, the affiliated investment company (other than an affiliated money market mutual fund) in which the Fund invested less than 10% of its net assets is listed individually in the table.
- 3 For purposes of this table, Mortgage-Backed Securities may include mortgage-backed securities guaranteed by Government Sponsored Entities and adjustable rate mortgage-backed securities.
- 4 Represents less than 0.1%.
- 5 Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the table at the end of the Portfolio of Investments included in this Report.
- 6 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.
- 7 Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.

# Portfolio of Investments

March 31, 2019 (unaudited)

Principal Amount or Shares		Value
	<sup>1</sup> ADJUSTABLE RATE MORTGAGES—0.1%	
	<b>Federal National Mortgage Association—0.1%</b>	
\$ 915,552	FNMA ARM, 2.310%, 8/1/2033	\$ 906,759
828,086	FNMA ARM, 3.017%, 7/1/2034	836,467
50,776	FNMA ARM, 3.032%, 4/1/2030	51,410
175,719	FNMA ARM, 3.732%, 5/1/2040	179,085
	TOTAL ADJUSTABLE RATE MORTGAGES (IDENTIFIED COST \$1,995,791)	1,973,721
	ASSET-BACKED SECURITIES—54.6%	
	<b>Auto Receivables—23.0%</b>	
1,816,411	ARI Fleet Lease Trust 2017-A, Class A2, 1.910%, 4/15/2026	1,808,108
3,505,000	ARI Fleet Lease Trust 2017-A, Class A3, 2.280%, 4/15/2026	3,479,555
9,287,704	ARI Fleet Lease Trust 2018-A, Class A2, 2.550%, 10/15/2026	9,272,620
20,000,000	<sup>1</sup> Ally Master Owner Trust 2018-3, Class A, 2.803% (1-month USLIBOR +0.320%), 7/15/2022	19,996,239
12,000,000	AmeriCredit Automobile Receivables Trust 2016-1, Class D, 3.590%, 2/8/2022	12,118,508
15,000,000	AmeriCredit Automobile Receivables Trust 2017-2, Class D, 3.420%, 4/18/2023	15,074,633
13,000,000	AmeriCredit Automobile Receivables Trust 2017-3, Class D, 3.180%, 7/18/2023	13,039,107
5,895,970	<sup>1</sup> AmeriCredit Automobile Receivables Trust 2018-1, Class A2B, 2.711% (1-month USLIBOR +0.230%), 7/19/2021	5,894,927
3,690,000	AmeriCredit Automobile Receivables Trust 2018-1, Class A3, 3.070%, 12/19/2022	3,708,457
10,200,000	<sup>1</sup> BMW Floorplan Master Owner Trust 2018-1, Class A2, 2.803% (1-month USLIBOR +0.320%), 5/15/2023	10,198,526
3,818,624	BMW Vehicle Lease Trust 2016-2, Class A4, 1.570%, 2/20/2020	3,816,107
4,350,000	BMW Vehicle Lease Trust 2017-2, Class A4, 2.190%, 3/22/2021	4,328,498
7,300,000	BMW Vehicle Lease Trust 2019-1, Class A4, 2.920%, 8/22/2022	7,329,566
20,000,000	BMW Vehicle Owner Trust 2018-A, Class A3, 2.350%, 4/25/2022	19,943,647
5,000,000	California Republic Auto Receivables Trust 2016-2, Class B, 2.520%, 5/16/2022	4,961,641
2,400,000	California Republic Auto Receivables Trust 2016-2, Class C, 3.510%, 3/15/2023	2,394,032
10,368,249	Canadian Pacer Auto Receivable 2017-1A, Class A3, 2.050%, 3/19/2021	10,331,628
2,435,000	Canadian Pacer Auto Receivable 2017-1A, Class A4, 2.286%, 1/19/2022	2,420,160

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Auto Receivables—continued</b>	
\$ 3,000,000	Canadian Pacer Auto Receivable 2018-1A, Class A3, 3.000%, 11/19/2021	\$ 3,008,818
6,100,000	Canadian Pacer Auto Receivable 2018-1A, Class B, 3.470%, 2/19/2023	6,165,766
135,807	Capital Auto Receivables Asset Trust 2016-3, Class A3, 1.540%, 8/20/2020	135,738
1,109,316	<sup>1</sup> Chesapeake Funding II LLC 2017-2A, Class A2, 2.933% (1-month USLIBOR +0.450%), 5/15/2029	1,111,385
6,182,377	<sup>1</sup> Chesapeake Funding II LLC 2017-4A, Class A2, 2.823% (1-month USLIBOR +0.340%), 11/15/2029	6,175,646
4,000,000	Chesapeake Funding II LLC 2017-4A, Class B, 2.590%, 11/15/2029	3,966,009
3,660,000	Chesapeake Funding II LLC 2017-4A, Class C, 2.760%, 11/15/2029	3,614,497
2,750,000	Chesapeake Funding II LLC 2017-4A, Class D, 3.260%, 11/15/2029	2,739,686
10,155,171	<sup>1</sup> Chesapeake Funding II LLC 2018-1A, Class A2, 2.933% (1-month USLIBOR +0.450%), 4/15/2030	10,169,644
14,579,735	<sup>1</sup> Chesapeake Funding II LLC 2018-2A, Class A2, 2.853% (1-month USLIBOR +0.370%), 8/15/2030	14,546,162
5,525,000	Chesapeake Funding II LLC 2018-2A, Class B, 3.520%, 8/15/2030	5,615,964
7,000,000	Chesapeake Funding II LLC 2018-2A, Class C, 3.720%, 8/15/2030	7,146,674
4,000,000	Chesapeake Funding II LLC 2018-2A, Class D, 4.060%, 8/15/2030	4,085,634
6,200,000	Chesapeake Funding II LLC 2019-1A, Class B, 3.100%, 4/15/2031	6,244,255
3,800,000	Chesapeake Funding II LLC 2019-1A, Class C, 3.340%, 4/15/2031	3,807,966
4,000,000	Chesapeake Funding II LLC 2019-1A, Class D, 3.780%, 4/15/2031	4,027,345
4,375,580	<sup>1</sup> Chesapeake Funding LLC 2017-3A, Class A2, 2.823% (1-month USLIBOR +0.340%), 8/15/2029	4,375,449
3,900,000	Chesapeake Funding LLC 2017-3A, Class B, 2.570%, 8/15/2029	3,874,979
2,300,000	Chesapeake Funding LLC 2017-3A, Class C, 2.780%, 8/15/2029	2,290,644
2,000,000	Chesapeake Funding LLC 2017-3A, Class D, 3.380%, 8/15/2029	1,997,257
1,001,428	Drive Auto Receivables Trust 2016-BA, Class C, 3.190%, 7/15/2022	1,001,825
4,407,557	Drive Auto Receivables Trust 2016-CA, Class C, 3.020%, 11/15/2021	4,408,694
3,000,000	Drive Auto Receivables Trust 2017-3, Class C, 2.800%, 7/15/2022	3,000,384
6,659,781	Drive Auto Receivables Trust 2017-AA, Class C, 2.980%, 1/18/2022	6,660,122
13,369,619	Drive Auto Receivables Trust 2018-1, Class B, 2.880%, 2/15/2022	13,367,758
9,000,000	Drive Auto Receivables Trust 2018-3, Class B, 3.370%, 9/15/2022	9,023,196
2,054,703	Drive Auto Receivables Trust 2018-4, Class A2A, 2.780%, 10/15/2020	2,054,430
22,350,000	Drive Auto Receivables Trust 2019-1, Class A3, 3.180%, 10/17/2022	22,410,358
9,500,000	Drive Auto Receivables Trust 2019-2, Class B, 3.170%, 11/15/2023	9,548,534
425,361	Enterprise Fleet Financing LLC 2016-2, Class A2, 1.740%, 2/22/2022	424,275
12,766,725	Enterprise Fleet Financing LLC 2018-1, Class A2, 2.870%, 10/20/2023	12,776,258

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Auto Receivables—continued</b>	
\$ 14,500,000	Enterprise Fleet Financing LLC 2018-2 A2, Class A2, 3.140%, 2/20/2024	\$ 14,561,518
7,950,000	Enterprise Fleet Financing LLC 2019-1, Class A2, 2.980%, 10/22/2024	7,978,269
15,000,000	Ford Credit Auto Lease Trust 2018-B, Class B, 3.490%, 3/15/2022	15,166,777
10,000,000	Ford Credit Auto Lease Trust 2019-A, Class B, 3.250%, 7/15/2022	10,056,984
3,750,000	GM Financial Automobile Leasing Trust 2016-3, Class C, 2.380%, 5/20/2020	3,748,908
1,250,000	GM Financial Automobile Leasing Trust 2017-2, Class A4, 2.180%, 6/21/2021	1,244,881
7,300,000	GM Financial Automobile Leasing Trust 2017-3, Class C, 2.730%, 9/20/2021	7,270,125
9,822,588	<sup>1</sup> GM Financial Automobile Leasing Trust 2018-1, Class A2B, 2.687% (1-month USLIBOR +0.200%), 4/20/2020	9,821,550
3,000,000	GM Financial Consumer Automobile Receivables Trust 2017-1A, Class B, 2.300%, 6/16/2023	2,977,495
4,500,000	GM Financial Consumer Automobile Receivables Trust 2017-3A, Class A3, 1.970%, 5/16/2022	4,468,145
4,131,897	<sup>1</sup> GM Financial Consumer Automobile Receivables Trust 2018-1, Class A2B, 2.571% (1-month USLIBOR +0.090%), 1/19/2021	4,130,045
4,250,000	GM Financial Securitized Term 2018-1, Class B, 2.570%, 7/17/2023	4,240,010
5,923,355	<sup>1</sup> GM Financial Securitized Term 2018-3, Class A2B, 2.591% (1-month USLIBOR +0.110%), 7/16/2021	5,923,743
3,275,000	GM Financial Securitized Term 2018-4, Class C, 3.620%, 6/17/2024	3,357,977
8,200,000	GMF Floorplan Owner Revolving Trust 2017-1, Class C, 2.970%, 1/18/2022	8,193,381
3,100,000	General Motors 2016-1, Class C, 2.850%, 5/17/2021	3,099,401
2,000,000	Harley-Davidson Motorcycle Trust 2016-A, Class B, 2.710%, 3/15/2024	1,978,422
7,700,000	Honda Auto Receivables Owner Trust 2018-2, Class A3, 3.010%, 5/18/2022	7,746,481
6,500,000	Honda Auto Receivables Owner Trust 2019-1, Class A4, 2.900%, 6/18/2024	6,549,899
8,000,000	Huntington Auto Trust 2016-1, Class D, 2.960%, 8/15/2023	7,932,691
17,500,000	Hyundai Auto Lease Securitization Trust 2016-C, Class B, 1.860%, 5/17/2021	17,491,723
17,000,000	Hyundai Auto Lease Securitization Trust 2017-A, Class B, 2.390%, 5/17/2021	16,952,399
6,000,000	Hyundai Auto Lease Securitization Trust 2017-B, Class A4, 2.130%, 3/15/2021	5,976,959
6,800,000	Hyundai Auto Lease Securitization Trust 2017-C, Class B, 2.460%, 7/15/2022	6,767,258
12,000,000	Hyundai Auto Lease Securitization Trust 2018-B, Class A3, 3.040%, 10/15/2021	12,059,942

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Auto Receivables—continued</b>	
\$ 10,000,000	Hyundai Auto Lease Securitization Trust 2019-A, Class B, 3.250%, 10/16/2023	\$ 10,066,360
9,500,000	Hyundai Auto Receivables Trust 2017-B, Class C, 2.440%, 5/15/2024	9,400,675
17,000,000	Mercedes-Benz Auto Lease Trust 2017-A, Class A4, 2.010%, 1/17/2023	16,945,695
7,000,000	Mercedes-Benz Auto Lease Trust 2018-A, Class A4, 2.510%, 10/16/2023	6,988,345
6,250,000	Mercedes-Benz Auto Lease Trust 2019-A, Class A3, 3.100%, 11/15/2021	6,294,149
4,300,000	Mercedes-Benz Auto Lease Trust 2019-A, Class A4, 3.250%, 10/15/2024	4,326,918
6,000,000	<sup>1</sup> Mercedes-Benz Master Owner Trust 2016-BA, Class A, 3.183% (1-month USLIBOR +0.700%), 5/17/2021	6,003,034
16,200,000	<sup>1</sup> Mercedes-Benz Master Owner Trust 2018-AA, Class A, 2.743% (1-month USLIBOR +0.260%), 5/16/2022	16,198,093
8,250,000	<sup>1</sup> Motor PLC 2017-1A, Class A1, 3.015% (1-month USLIBOR +0.530%), 9/25/2024	8,241,820
10,100,000	<sup>1</sup> Navistar Financial Dealer Note 2017-1, Class A, 3.265% (1-month USLIBOR +0.780%), 6/27/2022	10,112,997
12,700,000	<sup>1</sup> Navistar Financial Dealer Note Master Trust 2018-1, Class A, 3.115% (1-month USLIBOR +0.630%), 9/25/2023	12,721,370
11,000,000	<sup>1</sup> Nextgear Floorplan Master Owner Trust 2016-1A, Class A1, 4.183% (1-month USLIBOR +1.700%), 4/15/2021	11,005,973
6,300,000	<sup>1</sup> Nextgear Floorplan Master Owner Trust 2016-2A, Class A1, 3.583% (1-month USLIBOR +1.100%), 9/15/2021	6,320,432
10,000,000	<sup>1</sup> Nextgear Floorplan Master Owner Trust 2017-1A, Class A1, 3.333% (1-month USLIBOR +0.850%), 4/18/2022	10,034,574
5,000,000	<sup>1</sup> Nextgear Floorplan Master Owner Trust 2017-2A, Class A1, 3.163% (1-month USLIBOR +0.680%), 10/17/2022	5,017,077
7,000,000	Nextgear Floorplan Master Owner Trust 2017-2A, Class B, 3.020%, 10/17/2022	6,980,003
15,500,000	<sup>1</sup> Nextgear Floorplan Master Owner Trust 2018-1A, Class A1, 3.123% (1-month USLIBOR +0.640%), 2/15/2023	15,538,154
4,000,000	<sup>1</sup> Nextgear Floorplan Master Owner Trust 2018-2A, Class A1, 3.083% (1-month USLIBOR +0.600%), 10/15/2023	4,003,621
33,000,000	Nextgear Floorplan Master Owner Trust 2019-1A, Class B, 3.460%, 2/15/2024	33,260,004
3,400,000	Nissan Auto Lease Trust 2017-B, Class A4, 2.170%, 12/15/2021	3,384,239
3,000,000	Santander Drive Auto Receivables Trust 2015-3, Class D, 3.490%, 5/17/2021	3,009,272
6,000,000	Santander Drive Auto Receivables Trust 2017-3, Class C, 2.760%, 12/15/2022	5,991,876



Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Auto Receivables—continued</b>	
\$ 3,000,000	Securitized Term Auto Receivables Trust 2016-1A, Class A4, 1.794%, 2/25/2021	\$ 2,985,555
7,500,000	Securitized Term Auto Receivables Trust 2017-1A, Class A4, 2.209%, 6/25/2021	7,477,927
7,700,000	Securitized Term Auto Receivables Trust 2017-2A, Class A3, 2.040%, 4/26/2021	7,663,285
14,969,657	<sup>1</sup> Securitized Term Auto Receivables Trust 2018-2A, Class A2B, 2.695% (1-month USLIBOR +0.210%), 2/25/2021	14,953,436
6,500,000	Securitized Term Auto Receivables Trust 2019-1A, Class A3, 2.986%, 2/27/2023	6,526,776
22,000,000	Securitized Term Auto Receivables Trust 2019-1A, Class A4, 3.141%, 11/27/2023	22,167,264
2,800,000	Toyota Auto Receivables Owner Trust 2019-A, Class A2A, 2.830%, 10/15/2021	2,805,713
1,658,644	World Omni Auto Receivables Trust 2017-B, Class A2A, 1.610%, 2/16/2021	1,655,059
2,250,000	World Omni Auto Receivables Trust 2017-B, Class B, 2.370%, 5/15/2024	2,230,501
9,531,325	World Omni Auto Receivables Trust 2018-C, Class A2, 2.800%, 1/18/2022	9,541,186
6,775,000	World Omni Auto Receivables Trust 2019-A, Class A2, 3.020%, 4/15/2022	6,802,055
6,000,000	World Omni Automobile Lease Securitization Trust 2016-A, Class B, 1.850%, 1/15/2022	5,993,805
12,750,000	World Omni Automobile Lease Securitization Trust 2018-A, Class B, 3.060%, 5/15/2023	12,755,288
6,500,000	World Omni Automobile Lease Securitization Trust 2018-B, Class B, 3.430%, 3/15/2024	6,547,948
5,000,000	World Omni Automobile Lease Securitization Trust 2019-A, Class B, 3.240%, 7/15/2024	5,039,751
	<b>TOTAL</b>	<b>846,576,524</b>
	<b>Commercial Mortgage—0.5%</b>	
18,000,000	GM Financial Securitized Term 2019-1, Class A2, 2.990%, 3/16/2022	18,048,382
	<b>Credit Card—18.2%</b>	
8,200,000	<sup>1</sup> American Express Credit Account Master Trust 2017-2, Class A, 2.933% (1-month USLIBOR +0.450%), 9/16/2024	8,237,780
6,679,000	<sup>1</sup> American Express Credit Account Master Trust 2017-5, Class B, 3.063% (1-month USLIBOR +0.580%), 2/18/2025	6,691,368
10,546,000	<sup>1</sup> American Express Credit Account Master Trust 2017-8, Class B, 2.743% (1-month USLIBOR +0.260%), 5/16/2022	10,548,183
12,000,000	<sup>1</sup> American Express Credit Account Master Trust 2018-3, Class A, 2.803% (1-month USLIBOR +0.320%), 10/15/2025	11,972,627

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Credit Card—continued</b>	
\$ 10,000,000	<sup>1</sup> American Express Credit Account Master Trust 2018-5, Class B, 3.033% (1-month USLIBOR +0.550%), 12/15/2025	\$ 10,015,089
16,613,000	<sup>1</sup> American Express Credit Account Master Trust 2018-7, Class B, 3.053% (1-month USLIBOR +0.570%), 2/17/2026	16,646,366
16,286,000	American Express Credit Account Master Trust 2018-8, Class B, 3.350%, 4/15/2024	16,492,772
18,679,000	<sup>1</sup> American Express Credit Account Master Trust 2018-9, Class B, 3.073% (1-month USLIBOR +0.590%), 4/15/2026	18,710,855
23,250,000	<sup>1</sup> Bank of America Credit Card 2016-A1, Class A, 2.873% (1-month USLIBOR +0.390%), 10/15/2021	23,258,443
4,500,000	Bank of America Credit Card Trust 2017-A1, Class A1, 1.950%, 8/15/2022	4,472,828
8,500,000	Bank of America Credit Card Trust 2018-A3, Class A3, 3.100%, 12/15/2023	8,618,074
2,600,000	<sup>1</sup> Barclays Dryrock Issuance Trust 2017-1, Class A, 2.813% (1-month USLIBOR +0.330%), 3/15/2023	2,603,991
13,425,000	<sup>1</sup> Barclays Dryrock Issuance Trust 2017-2, Class A, 2.783% (1-month USLIBOR +0.300%), 5/15/2023	13,441,965
15,000,000	<sup>1</sup> Barclays Dryrock Issuance Trust 2018-1, Class A, 2.813% (1-month USLIBOR +0.330%), 7/15/2024	14,963,872
17,300,000	<sup>1</sup> Capital One Multi Asset Execution Trust 2014-A4, Class A4, 2.843% (1-month USLIBOR +0.360%), 6/15/2022	17,316,793
15,000,000	<sup>1</sup> Capital One Multi-Asset Execution Trust 2016-A7, Class A7, 2.993% (1-month USLIBOR +0.510%), 9/16/2024	15,100,426
9,100,000	<sup>1</sup> Cards II Trust 2017-1A, Class A, 2.853% (1-month USLIBOR +0.370%), 4/18/2022	9,100,561
11,000,000	<sup>1</sup> Cards II Trust 2017-2A, Class A, 2.743% (1-month USLIBOR +0.260%), 10/17/2022	11,001,750
20,300,000	<sup>1</sup> Cards II Trust 2018-1A, Class A, 2.833% (1-month USLIBOR +0.350%), 4/17/2023	20,309,181
15,000,000	<sup>1</sup> Chase Issuance Trust 2014-A5, Class A5, 2.853% (1-month USLIBOR +0.370%), 4/15/2021	15,001,684
15,000,000	<sup>1</sup> Chase Issuance Trust 2017-A1, Class A, 2.783% (1-month USLIBOR +0.300%), 1/15/2022	15,021,297
20,000,000	<sup>1</sup> Chase Issuance Trust 2018-A1, Class A1, 2.683% (1-month USLIBOR +0.200%), 4/17/2023	19,991,833
10,000,000	<sup>1</sup> Citibank Credit Card Issuance Trust 2016-A3, Class A3, 2.970% (1-month USLIBOR +0.490%), 12/7/2023	10,070,680
10,000,000	<sup>1</sup> Citibank Credit Card Issuance Trust 2017-A4, Class A4, 2.700% (1-month USLIBOR +0.220%), 4/7/2022	10,006,054
18,000,000	<sup>1</sup> Citibank Credit Card Issuance Trust 2018-A2, Class A2, 2.817% (1-month USLIBOR +0.330%), 1/20/2025	17,983,271

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Credit Card—continued</b>	
\$ 18,000,000	<sup>1</sup> Citibank Credit Card Issuance Trust 2018-A4, Class A4, 2.820% (1-month USLIBOR +0.340%), 6/7/2025	\$ 17,928,070
6,250,000	<sup>1</sup> Discover Card Execution Note Trust 2017—A1, Class A1, 2.973% (1-month USLIBOR +0.490%), 7/15/2024	6,289,315
14,700,000	<sup>1</sup> Discover Card Execution Note Trust 2017-A7, Class A7, 2.843% (1-month USLIBOR +0.360%), 4/15/2025	14,684,783
6,250,000	<sup>1</sup> Discover Card Execution Note Trust 2018-A6, Class A6, 2.873% (1-month USLIBOR +0.390%), 3/15/2026	6,234,063
15,000,000	<sup>1</sup> Evergreen Credit Card Trust Series 2017-1, Class A, 2.743% (1-month USLIBOR +0.260%), 10/15/2021	15,004,816
17,000,000	<sup>1</sup> Evergreen Credit Card Trust Series 2018-2, Class A, 2.833% (1-month USLIBOR +0.350%), 7/15/2022	17,022,030
14,000,000	<sup>1</sup> Evergreen Credit Card Trust Series 2019-1, Class A, 3.056% (1-month USLIBOR +0.480%), 1/15/2023	14,039,528
5,000,000	Evergreen Credit Card Trust Series 2019-1, Class B, 3.590%, 1/15/2023	5,030,675
4,740,000	Evergreen Credit Card Trust Series 2019-1, Class C, 3.980%, 1/15/2023	4,768,591
12,000,000	<sup>1</sup> First National Master Note Trust 2017-1, Class A, 2.883% (1-month USLIBOR +0.400%), 4/18/2022	12,001,126
8,300,000	<sup>1</sup> First National Master Note Trust 2017-2, Class A, 2.923% (1-month USLIBOR +0.440%), 10/16/2023	8,309,062
5,000,000	<sup>1</sup> First National Master Note Trust 2018-1, Class A, 2.943% (1-month USLIBOR +0.460%), 10/15/2024	4,985,121
5,000,000	Golden Credit Card Trust 2016-5A, Class A, 1.600%, 9/15/2021	4,974,279
3,000,000	Golden Credit Card Trust 2017-2A, Class A, 1.980%, 4/15/2022	2,977,354
21,500,000	<sup>1</sup> Golden Credit Card Trust 2017-4A, Class A, 3.003% (1-month USLIBOR +0.520%), 7/15/2024	21,547,672
4,750,000	Golden Credit Card Trust 2018-1A, Class A, 2.620%, 1/15/2023	4,739,042
20,000,000	<sup>1</sup> Gracechurch Card PLC 2018-1A, Class A, 2.883% (1-month USLIBOR +0.400%), 7/15/2022	19,994,480
3,250,000	Master Credit Card Trust 2017-1A, Class B, 2.560%, 7/21/2021	3,239,404
12,500,000	Master Credit Card Trust 2017-1A, Class C, 3.060%, 7/21/2021	12,466,299
10,350,000	<sup>1</sup> Master Credit Card Trust 2018-1A, Class A, 2.976% (1-month USLIBOR +0.490%), 7/21/2024	10,338,493
28,000,000	<sup>1</sup> Master Credit Card Trust 2018-3A, Class A, 2.826% (1-month USLIBOR +0.340%), 1/21/2022	28,018,845
15,000,000	<sup>1</sup> Master Credit Card Trust 2019-1A, Class A, 3.104% (1-month USLIBOR +0.480%), 7/21/2022	15,032,356
15,000,000	<sup>1</sup> Penarth Master Issuer 2018-1A, Class A1, 2.861% (1-month USLIBOR +0.380%), 3/18/2022	14,967,405
16,000,000	<sup>1</sup> Penarth Master Issuer 2018-2A, Class A1, 2.931% (1-month USLIBOR +0.450%), 9/18/2022	15,960,208

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Credit Card—continued</b>	
\$ 16,000,000	<sup>1</sup> Trillium Credit Card Trust II 2018-1A, Class A, 2.748% (1-month USLIBOR + 0.250%), 2/27/2023	\$ 15,998,383
17,000,000	<sup>1</sup> Trillium Credit Card Trust II 2018-2A, Class A, 2.848% (1-month USLIBOR + 0.350%), 9/26/2023	16,993,395
15,000,000	Trillium Credit Card Trust II 2019-2A, Class B, 3.522%, 1/26/2024	15,063,586
14,457,000	Trillium Credit Card Trust II 2019-2A, Class C, 3.915%, 1/26/2024	14,517,651
	TOTAL	670,703,775
	<b>Equipment Lease—4.2%</b>	
3,641,667	CLI Funding LLC 2013-1A, Note, 2.830%, 3/18/2028	3,604,191
4,000,000	CNH Equipment Trust 2019-A, Class A2, 2.960%, 5/16/2022	4,008,654
1,500,000	CNH Equipment Trust 2019-A, Class B, 3.340%, 7/15/2026	1,521,000
17,954,417	DLL Securitization Trust 2018-1, Class A2, 2.810%, 11/17/2020	17,958,503
2,459,550	Dell Equipment Finance Trust 2016-1, Class D, 3.240%, 7/22/2022	2,459,757
5,656,000	Dell Equipment Finance Trust 2017-1, Class D, 3.440%, 4/24/2023	5,645,595
4,575,000	Dell Equipment Finance Trust 2017-2, Class C, 2.730%, 10/24/2022	4,550,243
3,250,000	Dell Equipment Finance Trust 2017-2, Class D, 3.270%, 10/23/2023	3,242,240
4,500,000	Dell Equipment Finance Trust 2018-2, Class D, 3.970%, 10/22/2024	4,544,258
6,316,000	Great America Leasing Receivables 2017-1, Class B, 2.590%, 1/20/2023	6,292,489
2,850,000	Great America Leasing Receivables 2017-1, Class C, 2.890%, 1/22/2024	2,842,877
13,253,348	Great America Leasing Receivables 2018-1, Class A2, 2.350%, 5/15/2020	13,230,033
3,200,000	Great America Leasing Receivables 2018-1, Class B, 2.990%, 6/17/2024	3,206,409
6,500,000	Great America Leasing Receivables 2019-1, Class A2, 2.970%, 6/15/2021	6,515,463
7,500,000	Great America Leasing Receivables 2019-1, Class B, 3.370%, 2/18/2025	7,602,145
3,728,085	MMAF Equipment Finance LLC 2018-A, Class A2, 2.920%, 7/12/2021	3,731,589
7,750,000	MMAF Equipment Finance LLC 2019-A, Class A2, 2.840%, 1/10/2022	7,767,448
9,000,000	Volvo Financial Equipment LLC 2016-1A, Class C, 2.440%, 2/15/2023	8,954,422
1,750,000	Volvo Financial Equipment LLC 2019-1A, Class A2, 2.900%, 11/15/2021	1,753,606
4,770,000	Volvo Financial Equipment LLC 2019-1A, Class C, 3.480%, 4/15/2026	4,823,670
4,250,000	Volvo Financial Equipment LLC, Series 2017-1A, Class B, 2.400%, 1/18/2022	4,217,107
5,000,000	Volvo Financial Equipment LLC, Series 2017-1A, Class C, 2.600%, 4/15/2024	4,956,036

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Equipment Lease—continued</b>	
\$ 11,750,000	<sup>1</sup> Volvo Financial Equipment Master Series 2017- A, Class A, 2.983% (1-month USLIBOR +0.500%), 11/15/2022	\$ 11,783,862
19,000,000	<sup>1</sup> Volvo Financial Equipment Master Series 2018- A, Class A, 3.003% (1-month USLIBOR +0.520%), 7/17/2023	19,073,100
	TOTAL	154,284,697
	<b>Home Equity Loan—0.0%</b>	
520,496	<sup>1</sup> Carrington Mortgage Loan Trust, Class A3, 2.665% (1-month USLIBOR +0.180%), 2/25/2036	519,632
28,887	<sup>1</sup> Countrywide Asset Backed Certificates 2004-4, Class A, 3.225% (1-month USLIBOR +0.740%), 8/25/2034	26,114
90,450	<sup>1</sup> Morgan Stanley ABS Capital I 2004-OP1, Class M3, 3.505% (1-month USLIBOR +1.020%), 11/25/2034	89,616
109,416	<sup>2</sup> NC Finance Trust 1999-1, Class D, 8.750%, 1/25/2029	6,214
95,154	<sup>1</sup> Option One Mortgage Loan Trust 2005-1, Class A1B, 3.145% (1-month USLIBOR +0.660%), 2/25/2035	94,776
2,532,132	<sup>2</sup> Washington Mutual Asset-Backed Certificates NIM Notes 2007-WM1, Class N1, 6.750%, 1/25/2047	0
	TOTAL	736,352
	<b>Manufactured Housing—0.0%</b>	
12,520	Indymac Manufactured Housing Contract 1997-1, Class A3, 6.610%, 2/25/2028	12,705
	<b>Other—8.6%</b>	
931,532	<sup>1</sup> Bank of America Student Loan Trust 2010-1A, Class A, 3.570% (3-month USLIBOR +0.800%), 2/25/2043	935,558
4,016,641	<sup>1</sup> Mississippi Higher Education Assistance Corp. 2014-1, Class A1, 3.169% (1-month USLIBOR +0.680%), 10/25/2035	4,023,522
1,547,320	<sup>1</sup> Navient Student Loan Trust 2017-3A, Class A1, 2.785% (1-month USLIBOR +0.300%), 7/26/2066	1,547,488
2,037,715	<sup>1</sup> Navient Student Loan Trust 2018-1A, Class A1, 2.675% (1-month USLIBOR +0.190%), 3/25/2067	2,037,366
9,880,460	Navient Student Loan Trust 2018-A, Class A1, 2.530%, 2/18/2042	9,869,041
2,906,587	<sup>1</sup> Navient Student Loan Trust 2018-BA, Class A1, 2.833% (1-month USLIBOR +0.350%), 12/15/2059	2,906,734
10,000,000	<sup>1</sup> Navient Student Loan Trust 2019-BA, Class A1, 2.886% (1-month USLIBOR +0.400%), 12/15/2059	10,011,445
4,989,328	<sup>1</sup> Nelnet Student Loan Trust 2018-1A, Class A1, 2.805% (1-month USLIBOR +0.320%), 5/25/2066	4,990,710
261,628	<sup>1</sup> New Hampshire Higher Education Loan Co. 2011-1, Class A2, 3.620% (3-month USLIBOR +0.850%), 10/25/2025	262,109
7,591,445	<sup>1</sup> New Hampshire Higher Education Loan Co. 2012-1, Class A, 2.985% (1-month USLIBOR +0.500%), 10/25/2028	7,585,144
8,325,000	PFS Financing Corp. 2016-BA, Class A, 1.870%, 10/15/2021	8,281,582

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Other—continued</b>	
\$ 10,000,000	PFS Financing Corp. 2016-BA, Class B, 2.280%, 10/15/2021	\$ 9,923,444
12,350,000	<sup>1</sup> PFS Financing Corp. 2017-BA, Class A1, 3.083% (1-month USLIBOR +0.600%), 7/15/2022	12,388,702
8,000,000	PFS Financing Corp. 2017-BA, Class B, 2.570%, 7/15/2022	7,933,560
4,000,000	<sup>1</sup> PFS Financing Corp. 2017-C, Class A, 2.953% (1-month USLIBOR +0.470%), 10/15/2021	4,000,127
6,450,000	<sup>1</sup> PFS Financing Corp. 2017-C, Class B, 3.283% (1-month USLIBOR +0.800%), 10/15/2021	6,447,139
8,000,000	PFS Financing Corp. 2017-D, Class B, 2.740%, 10/17/2022	7,949,559
21,650,000	<sup>1</sup> PFS Financing Corp. 2018-A, Class A, 2.883% (1-month USLIBOR +0.400%), 2/15/2022	21,658,332
4,000,000	<sup>1</sup> PFS Financing Corp. 2018-A, Class B, 3.083% (1-month USLIBOR +0.600%), 2/15/2022	4,001,322
4,000,000	PFS Financing Corp. 2018-B, Class B, 3.080%, 2/15/2023	4,000,497
8,000,000	<sup>1</sup> PFS Financing Corp. 2018-E, Class B, 3.163% (1-month USLIBOR +0.680%), 10/15/2022	8,001,565
7,392,841	Public Service New Hampshire 2018-1, Class A1, 3.094%, 2/1/2026	7,482,076
2,732,825	<sup>1</sup> SLM Student Loan Trust 2010-A, Class 2A, 5.733% (1-month USLIBOR +3.250%), 5/16/2044	2,761,963
1,246,648	<sup>1</sup> SLM Student Loan Trust 2011-1, Class A1, 3.005% (1-month USLIBOR +0.520%), 3/25/2026	1,248,929
2,864,162	<sup>1</sup> SLM Student Loan Trust 2011-2, Class A1, 3.085% (1-month USLIBOR +0.600%), 11/25/2027	2,876,781
6,955,756	SLM Student Loan Trust 2013-A, Class B, 2.500%, 3/15/2047	6,984,317
12,000,000	SLM Student Loan Trust 2013-B, Class B, 3.000%, 5/16/2044	12,033,494
1,746,301	<sup>1</sup> SLM Student Loan Trust 2013-C, Class A2B, 3.883% (1-month USLIBOR +1.400%), 10/15/2031	1,750,334
1,583,240	<sup>1</sup> SLM Student Loan Trust 2014-A, Class A2B, 3.633% (1-month USLIBOR +1.150%), 1/15/2026	1,585,571
773,419	<sup>1</sup> SLMA 2013-B A2B, Class A2B, 3.583% (1-month USLIBOR +1.100%), 6/17/2030	775,162
6,637,268	<sup>1</sup> SMB Private Education Loan Trust 2018-A, Class A1, 2.833% (1-month USLIBOR +0.350%), 3/16/2026	6,641,726
3,410,528	<sup>1</sup> SMB Private Education Loan Trust 2018-C, Class A1, 2.783% (1-month USLIBOR +0.300%), 9/15/2025	3,414,071
1,783,705	Sierra Receivables Funding Co. LLC 2015-1A, Class A, 2.400%, 3/22/2032	1,773,957
2,934,082	Sierra Receivables Funding Co. LLC, Class A, 2.300%, 10/20/2031	2,934,457
116,905	<sup>1</sup> Social Professional Loan Program LLC 2014-A, Class A1, 4.085% (1-month USLIBOR +1.600%), 6/25/2025	117,137
628,197	<sup>1</sup> Social Professional Loan Program LLC 2014-B, Class A1, 3.735% (1-month USLIBOR +1.250%), 8/25/2032	631,152

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Other—continued</b>	
\$ 1,438,966	<sup>1</sup> Social Professional Loan Program LLC 2015-A, Class A1, 3.685% (1-month USLIBOR +1.200%), 3/25/2033	\$ 1,446,258
1,463,567	<sup>1</sup> Social Professional Loan Program LLC 2016-D, Class A1, 3.435% (1-month USLIBOR +0.950%), 1/25/2039	1,468,098
2,345,405	<sup>1</sup> Social Professional Loan Program LLC 2016-E, Class A1, 3.335% (1-month USLIBOR +0.850%), 7/25/2039	2,357,191
3,756,914	<sup>1</sup> Social Professional Loan Program LLC 2017-A, Class A1, 3.185% (1-month USLIBOR +0.700%), 3/26/2040	3,775,742
617,343	Social Professional Loan Program LLC 2017-B, Class A1FX, 1.830%, 5/25/2040	615,486
2,666,042	<sup>1</sup> Social Professional Loan Program LLC 2017-C, Class A1, 3.085% (1-month USLIBOR +0.600%), 7/25/2040	2,667,793
1,123,354	Social Professional Loan Program LLC 2017-D, Class A1FX, 1.720%, 9/25/2040	1,118,247
4,102,920	<sup>1</sup> Social Professional Loan Program LLC 2017-E, Class A1, 2.985% (1-month USLIBOR +0.500%), 11/26/2040	4,112,382
3,961,982	Social Professional Loan Program LLC 2017-F, Class A1FX, 2.050%, 1/25/2041	3,941,717
2,897,984	<sup>1</sup> Social Professional Loan Program LLC 2018-A, Class A1, 2.835% (1-month USLIBOR +0.350%), 2/25/2042	2,894,748
13,086,227	Social Professional Loan Program LLC 2018-C, Class A1FX, 3.080%, 1/25/2048	13,154,301
10,540,624	Social Professional Loan Program LLC 2019-A, Class A1FX, 3.180%, 6/15/2048	10,575,759
6,750,000	Social Professional Loan Program LLC 2019-B, Class A1FX, 2.780%, 8/17/2048	6,757,991
2,825,238	Sofi Consumer Loan Program Trust 2016-1, Class A, 3.260%, 8/25/2025	2,832,348
1,589,243	Sofi Consumer Loan Program Trust 2016-2, Class A, 3.090%, 10/27/2025	1,588,412
1,214,750	Sofi Consumer Loan Program Trust 2016-3, Class A, 3.050%, 12/26/2025	1,215,495
4,706,066	Sofi Consumer Loan Program Trust 2017-1, Class A, 3.280%, 1/26/2026	4,725,207
3,372,005	Sofi Consumer Loan Program Trust 2017-3, Class A, 2.770%, 5/25/2026	3,368,576
1,852,997	Sofi Consumer Loan Program Trust 2017-6, Class A1, 2.200%, 11/25/2026	1,847,950
4,869,291	Sofi Consumer Loan Program Trust 2018-1, Class A1, 2.550%, 2/25/2027	4,853,778
7,812,554	Sofi Consumer Loan Program Trust 2018-3, Class A1, 3.200%, 8/25/2027	7,818,096

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—continued	
	<b>Other—continued</b>	
\$ 4,825,048	<sup>1</sup> State Board of Regents of the State of Utah 2016-1, Class A, 3.235% (1-month USLIBOR +0.750%), 9/25/2056	\$ 4,809,303
21,300,000	<sup>1</sup> Verizon Owner Trust 2018-1A, Class A1B, 2.747% (1-month USLIBOR +0.260%), 9/20/2022	21,320,812
6,000,000	Verizon Owner Trust 2018-1A, Class C, 3.550%, 4/20/2023	6,106,148
9,400,000	Verizon Owner Trust 2019-A, Class C, 3.220%, 9/20/2023	9,493,546
	TOTAL	316,631,457
	<b>Rate Reduction Bond—0.1%</b>	
2,585,090	Atlantic City Electric Transition Funding 2002-1, Class A4, 5.550%, 10/20/2023	2,687,212
	TOTAL ASSET-BACKED SECURITIES (IDENTIFIED COST \$2,009,295,804)	2,009,681,104
	CORPORATE BONDS—29.7%	
	<b>Basic Industry - Chemicals—0.2%</b>	
5,000,000	DuPont (E.I.) de Nemours & Co., Sr. Unsecd. Note, 2.200%, 5/1/2020	4,983,144
3,000,000	<sup>1</sup> DuPont (E.I.) de Nemours & Co., Sr. Unsecd. Note, 3.266% (3-month USLIBOR +0.530%), 5/1/2020	3,009,065
	TOTAL	7,992,209
	<b>Capital Goods - Aerospace &amp; Defense—0.2%</b>	
7,380,000	Northrop Grumman Corp., Sr. Unsecd. Note, 2.080%, 10/15/2020	7,314,740
	<b>Capital Goods - Construction Machinery—0.1%</b>	
3,000,000	CNH Industrial Capital LLC, Sr. Unsecd. Note, 4.375%, 11/6/2020	3,060,150
	<b>Capital Goods - Diversified Manufacturing—0.4%</b>	
6,000,000	Pentair Finance SARL, Sr. Unsecd. Note, 2.650%, 12/1/2019	5,999,864
7,020,000	<sup>1</sup> Tyco Electronics Group SA, Sr. Unsecd. Note, 3.048% (3-month USLIBOR +0.450%), 6/5/2020	7,017,201
	TOTAL	13,017,065
	<b>Communications - Cable &amp; Satellite—0.7%</b>	
5,500,000	Comcast Corp., Sr. Unsecd. Note, 3.031% (3-month USLIBOR +0.440%), 10/1/2021	5,507,910
20,830,000	Comcast Corp., Sr. Unsecd. Note, 3.417% (3-month USLIBOR +0.630%), 4/15/2024	20,860,358
	TOTAL	26,368,268
	<b>Communications - Media &amp; Entertainment—0.5%</b>	
2,075,000	British Sky Broadcasting Group PLC, 144A, 2.625%, 9/16/2019	2,071,613
4,800,000	<sup>1</sup> Discovery Communications LLC, Sr. Unsecd. Note, 3.342% (3-month USLIBOR +0.710%), 9/20/2019	4,807,247
2,610,000	Fox Corp, Sr. Unsecd. Note, 144A, 3.666%, 1/25/2022	2,663,357



Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Communications - Media &amp; Entertainment—continued</b>	
\$ 10,000,000	<sup>1</sup> Walt Disney Co., Floating Rate Note—Sr. Note, Series GMTN, 2.938% (3-month USLIBOR +0.310%), 5/30/2019	\$ 10,005,589
	TOTAL	19,547,806
	<b>Communications - Telecom Wireless—0.5%</b>	
19,500,000	Vodafone Group PLC, Sr. Unsecd. Note, 3.768% (3-month USLIBOR +0.990%), 1/16/2024	19,379,516
	<b>Communications - Telecom Wirelines—0.7%</b>	
16,000,000	AT&T, Inc., Sr. Unsecd. Note, 3.776% (3-month USLIBOR +1.180%), 6/12/2024	15,879,962
7,000,000	Verizon Communications, Inc., Floating Rate Note—Sr. Note, 3.384% (3-month USLIBOR +0.770%), 6/17/2019	7,010,272
4,170,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.614% (3-month USLIBOR +1.000%), 3/16/2022	4,234,328
	TOTAL	27,124,562
	<b>Consumer Cyclical - Automotive—2.9%</b>	
3,180,000	<sup>1</sup> American Honda Finance Corp., Sr. Unsecd. Note, 2.874% (3-month USLIBOR +0.260%), 6/16/2020	3,186,151
10,000,000	<sup>1</sup> American Honda Finance Corp., Sr. Unsecd. Note, Series GMTN, 2.907% (3-month USLIBOR +0.210%), 2/12/2021	9,985,406
100,000	American Honda Finance Corp., Sr. Unsecd. Note, Series MTN, 1.950%, 7/20/2020	99,023
7,000,000	<sup>1</sup> American Honda Finance Corp., Sr. Unsecd. Note, Series MTN, 2.890% (3-month USLIBOR +0.290%), 12/10/2021	6,974,146
4,000,000	<sup>1</sup> Daimler Finance NA LLC, Sr. Unsecd. Note, 144A, 3.113% (3-month USLIBOR +0.450%), 2/22/2021	3,990,984
4,000,000	<sup>1</sup> Daimler Finance NA LLC, Sr. Unsecd. Note, 144A, 3.262% (3-month USLIBOR +0.530%), 5/5/2020	4,003,470
9,000,000	Daimler Finance NA LLC, Sr. Unsecd. Note, 144A, 3.400%, 2/22/2022	9,090,444
15,000,000	<sup>1</sup> Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.796% (3-month USLIBOR +1.000%), 1/9/2020	14,999,200
3,570,000	<sup>1</sup> Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.867% (3-month USLIBOR +1.270%), 3/28/2022	3,451,081
4,000,000	<sup>1</sup> General Motors Financial Co., Inc., Sr. Unsecd. Note, 3.726% (3-month USLIBOR +0.930%), 4/13/2020	4,006,469
9,090,000	<sup>1</sup> General Motors Financial Co., Inc., Sr. Unsecd. Note, 4.346% (3-month USLIBOR +1.550%), 1/14/2022	9,118,985
4,000,000	<sup>1</sup> Nissan Motor Acceptance Corp., Sr. Unsecd. Note, 144A, 3.128% (3-month USLIBOR +0.520%), 9/13/2019	4,000,945
4,000,000	<sup>1</sup> Nissan Motor Acceptance Corp., Sr. Unsecd. Note, 144A, 3.287% (3-month USLIBOR +0.690%), 9/28/2022	3,912,375
10,000,000	<sup>1</sup> Nissan Motor Acceptance Corp., Sr. Unsecd. Note, 144A, 3.686% (3-month USLIBOR +0.890%), 1/13/2022	9,924,590

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Consumer Cyclical - Automotive—continued</b>	
\$ 4,000,000	Toyota Motor Credit Corp., Sr. Unsecd. Note, 3.050%, 1/8/2021	\$ 4,035,744
5,000,000	<sup>1</sup> Toyota Motor Credit Corp., Sr. Unsecd. Note, 3.188% (3-month USLIBOR +0.390%), 1/11/2023	4,960,647
7,000,000	<sup>1</sup> Toyota Motor Credit Corp., Sr. Unsecd. Note, Series MTN, 3.220% (3-month USLIBOR +0.440%), 10/18/2019	7,017,185
5,000,000	<sup>1</sup> Toyota Motor Credit Corp., Sr. Unsecd. Note, Series MTN, 3.488% (3-month USLIBOR +0.690%), 1/11/2022	5,047,423
	TOTAL	107,804,268
	<b>Consumer Cyclical - Retailers—1.7%</b>	
3,570,000	Alimentation Couche-Tard, Inc., Sr. Unsecd. Note, 144A, 2.700%, 7/26/2022	3,535,580
5,000,000	<sup>1</sup> Alimentation Couche-Tard, Inc., Sr. Unsecd. Note, 144A, 3.108% (3-month USLIBOR +0.500%), 12/13/2019	4,999,583
4,000,000	CVS Health Corp., Sr. Unsecd. Note, 2.125%, 6/1/2021	3,931,305
13,055,000	<sup>1</sup> CVS Health Corp., Sr. Unsecd. Note, 3.320% (3-month USLIBOR +0.720%), 3/9/2021	13,089,392
13,390,000	<sup>1</sup> Dollar Tree, Inc., Sr. Unsecd. Note, 3.473% (3-month USLIBOR +0.700%), 4/17/2020	13,393,084
5,000,000	<sup>1</sup> Home Depot, Inc., Sr. Unsecd. Note, 2.748% (3-month USLIBOR +0.150%), 6/5/2020	5,001,069
17,000,000	<sup>1</sup> Home Depot, Inc., Sr. Unsecd. Note, 2.936% (3-month USLIBOR +0.310%), 3/1/2022	16,989,437
	TOTAL	60,939,450
	<b>Consumer Cyclical - Services—0.2%</b>	
8,500,000	Amazon.com, Inc., Sr. Unsecd. Note, 1.900%, 8/21/2020	8,434,080
	<b>Consumer Non-Cyclical - Food/Beverage—1.7%</b>	
3,500,000	Coca-Cola Femsa S.A.B. de C.V., Sr. Unsecd. Note, 3.875%, 11/26/2023	3,618,427
5,745,000	<sup>1</sup> Constellation Brands, Inc., Sr. Unsecd. Note, 3.383% (3-month USLIBOR +0.700%), 11/15/2021	5,748,516
9,700,000	Danone SA, Sr. Unsecd. Note, 144A, 1.691%, 10/30/2019	9,638,312
6,950,000	<sup>1</sup> General Mills, Inc., Sr. Unsecd. Note, 3.783% (3-month USLIBOR +1.010%), 10/17/2023	7,003,278
10,000,000	<sup>1</sup> Kraft Heinz Foods Co., Sr. Unsecd. Note, 3.117% (3-month USLIBOR +0.420%), 8/9/2019	10,004,436
1,500,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 3.375%, 6/15/2021	1,513,122
6,180,000	Maple Escrow Subsidiary, Inc., Sr. Unsecd. Note, 144A, 3.551%, 5/25/2021	6,249,638
6,000,000	McCormick & Co., Inc., Sr. Unsecd. Note, 2.700%, 8/15/2022	5,972,281
2,560,000	Molson Coors Brewing Co., Sr. Unsecd. Note, 1.450%, 7/15/2019	2,549,810
4,120,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 2.700%, 1/31/2020	4,091,964

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Consumer Non-Cyclical - Food/Beverage—continued</b>	
\$ 6,820,000	<sup>1</sup> Tyson Foods, Inc., Sr. Unsecd. Note, 3.091% (3-month USLIBOR +0.450%), 8/21/2020	\$ 6,811,909
	TOTAL	63,201,693
	<b>Consumer Non-Cyclical - Health Care—0.4%</b>	
4,298,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.476% (3-month USLIBOR +0.875%), 12/29/2020	4,298,461
10,500,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.637% (3-month USLIBOR +1.030%), 6/6/2022	10,532,412
	TOTAL	14,830,873
	<b>Consumer Non-Cyclical - Pharmaceuticals—1.5%</b>	
9,000,000	Abbott Laboratories, Sr. Unsecd. Note, 2.900%, 11/30/2021	9,043,430
6,500,000	<sup>1</sup> AstraZeneca PLC, Sr. Unsecd. Note, 3.220% (3-month USLIBOR +0.620%), 6/10/2022	6,454,547
2,000,000	<sup>1</sup> Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 3.231% (3-month USLIBOR +0.630%), 6/25/2021	1,983,454
9,100,000	<sup>1</sup> Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 3.620% (3-month USLIBOR +1.010%), 12/15/2023	8,971,727
3,430,000	Eli Lilly & Co., Sr. Unsecd. Note, 2.350%, 5/15/2022	3,413,215
2,800,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 1.850%, 9/20/2019	2,786,143
4,000,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 2.350%, 2/1/2020	3,987,091
4,735,000	Merck & Co., Inc., Sr. Unsecd. Note, 2.900%, 3/7/2024	4,801,049
10,000,000	Shire Acquisitions Investments Ireland DAC, Sr. Unsecd. Note, 1.900%, 9/23/2019	9,957,925
2,940,000	Teva Pharmaceutical Finance Netherlands III BV, Sr. Unsecd. Note, 1.700%, 7/19/2019	2,933,757
	TOTAL	54,332,338
	<b>Consumer Non-Cyclical - Supermarkets—0.2%</b>	
7,410,000	Kroger Co., Sr. Unsecd. Note, Series GMTN, 1.500%, 9/30/2019	7,358,137
	<b>Consumer Non-Cyclical - Tobacco—0.3%</b>	
10,000,000	<sup>1</sup> Bat Capital Corp., Sr. Unsecd. Note, Series WI, 3.563% (3-month USLIBOR +0.880%), 8/15/2022	9,970,144
	<b>Energy - Integrated—0.5%</b>	
2,780,000	<sup>1</sup> BP Capital Markets PLC, Sr. Unsecd. Note, 3.484% (3-month USLIBOR +0.870%), 9/16/2021	2,819,670
10,000,000	<sup>1</sup> Chevron Corp., Unsecd. Note, 3.213% (3-month USLIBOR +0.530%), 11/15/2021	10,090,404
4,000,000	Shell International Finance B.V., Sr. Unsecd. Note, 1.375%, 5/10/2019	3,995,184
	TOTAL	16,905,258

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Energy - Midstream—0.3%</b>	
\$ 10,800,000	Enterprise Products Operating LLC, Sr. Unsecd. Note, 3.500%, 2/1/2022	\$ 11,014,775
	<b>Energy - Refining—0.2%</b>	
6,175,000	<sup>1</sup> Phillips 66, Sr. Unsecd. Note, 3.246% (3-month USLIBOR +0.600%), 2/26/2021	6,175,181
	<b>Financial Institution - Banking—9.8%</b>	
10,000,000	<sup>1</sup> American Express Co., 3.288% (3-month USLIBOR +0.650%), 2/27/2023	9,987,236
5,050,000	Associated Banc-Corp., Sr. Unsecd. Note, 2.750%, 11/15/2019	5,044,520
4,200,000	Associated Banc-Corp., Sr. Unsecd. Note, Series BKNT, 3.500%, 8/13/2021	4,241,591
4,000,000	<sup>1</sup> Aust & NZ Banking Group, Unsecd. Note, 144A, 3.142% (3-month USLIBOR +0.460%), 5/17/2021	4,007,099
12,855,000	BB&T Corp., Sr. Unsecd. Note, Series MTN, 3.050%, 6/20/2022	12,936,885
10,000,000	<sup>1</sup> Bank of America Corp., Sr. Unsecd. Note, 3.779% (3-month USLIBOR +1.000%), 4/24/2023	10,082,936
5,000,000	<sup>1</sup> Bank of America Corp., Sr. Unsecd. Note, Series FRN, 3.152% (3-month USLIBOR +0.380%), 1/23/2022	4,985,123
5,000,000	<sup>1</sup> Bank of America Corp., Sr. Unsecd. Note, Series GMTN, 3.421% (3-month USLIBOR +0.660%), 7/21/2021	5,012,997
7,000,000	<sup>1</sup> Bank of America Corp., Sr. Unsecd. Note, Series MTN, 3.941% (3-month USLIBOR +1.180%), 10/21/2022	7,084,496
8,000,000	<sup>1</sup> Bank of Montreal, Sr. Unsecd. Note, Series MTN, 3.050% (3-month USLIBOR +0.440%), 6/15/2020	8,024,315
7,900,000	<sup>1</sup> Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.080% (3-month USLIBOR +0.480%), 9/11/2019	7,915,093
5,000,000	<sup>1</sup> Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.800% (3-month USLIBOR +1.050%), 10/30/2023	5,061,012
15,000,000	<sup>1</sup> Canadian Imperial Bank of Commerce, Series YCD, 3.042% (3-month USLIBOR +0.410%), 9/20/2019	15,026,152
3,000,000	Capital One Financial Corp., Sr. Unsecd. Note, 3.450%, 4/30/2021	3,037,975
7,690,000	<sup>1</sup> Capital One NA, Sr. Unsecd. Note, Series BKNT, 3.900% (3-month USLIBOR +1.150%), 1/30/2023	7,707,533
5,000,000	<sup>1</sup> Citibank NA, Sr. Unsecd. Note, Series BKNT, 3.047% (3-month USLIBOR +0.350%), 2/12/2021	5,003,427
5,000,000	<sup>1</sup> Citibank NA, Sr. Unsecd. Note, Series BKNT, 3.056% (3-month USLIBOR +0.320%), 5/1/2020	5,005,788
6,665,000	Citibank NA, Sr. Unsecd. Note, Series BKNT, 3.165%, 2/19/2022	6,691,687
3,000,000	<sup>1</sup> Citigroup, Inc., Sr. Unsecd. Note, 3.536% (3-month USLIBOR +0.930%), 6/7/2019	3,004,858
5,000,000	<sup>1</sup> Citigroup, Inc., Sr. Unsecd. Note, 3.572% (3-month USLIBOR +0.790%), 1/10/2020	5,019,438

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Financial Institution - Banking—continued</b>	
\$ 5,000,000	<sup>1</sup> Citigroup, Inc., Sr. Unsecd. Note, 3.664% (3-month USLIBOR +1.070%), 12/8/2021	\$ 5,058,216
3,890,000	Citizens Bank NA, Sr. Unsecd. Note, Series BKNT, 3.250%, 2/14/2022	3,928,752
10,000,000	<sup>1</sup> Citizens Bank, N.A., Providence, Sr. Unsecd. Note, Series BKNT, 3.551% (3-month USLIBOR +0.950%), 3/29/2023	10,012,609
10,000,000	<sup>1</sup> Commonwealth Bank of Australia, Sr. Unsecd. Note, 144A, 3.437% (3-month USLIBOR +0.830%), 9/6/2021	10,093,987
8,320,000	<sup>1</sup> Compass Bank, Birmingham, Sr. Unsecd. Note, 3.330% (3-month USLIBOR +0.730%), 6/11/2021	8,287,370
6,550,000	Compass Bank, Birmingham, Sr. Unsecd. Note, Series BKNT, 2.750%, 9/29/2019	6,544,561
5,550,000	<sup>1</sup> Fifth Third Bank, Sr. Unsecd. Note, Series BKNT, 3.198% (3-month USLIBOR +0.590%), 9/27/2019	5,561,113
5,250,000	<sup>1</sup> Fifth Third Bank, Sr. Unsecd. Note, Series BKNT, 3.204% (3-month USLIBOR +0.440%), 7/26/2021	5,236,576
3,000,000	<sup>1</sup> Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.401% (3-month USLIBOR +0.750%), 2/23/2023	2,975,421
5,760,000	<sup>1</sup> Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.874% (3-month USLIBOR +1.110%), 4/26/2022	5,792,514
3,750,000	<sup>1</sup> Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.932% (3-month USLIBOR +1.160%), 4/23/2020	3,780,004
10,000,000	<sup>1</sup> HSBC Holdings PLC, Sr. Unsecd. Note, 3.682% (3-month USLIBOR +1.000%), 5/18/2024	9,923,372
2,800,000	Huntington National Bank, Sr. Unsecd. Note, Series BKNT, 3.125%, 4/1/2022	2,822,505
6,000,000	<sup>1</sup> JPMorgan Chase & Co., Sr. Unsecd. Note, 3.502% (3-month USLIBOR +0.730%), 4/23/2024	5,955,755
5,000,000	<sup>1</sup> JPMorgan Chase & Co., Sr. Unsecd. Note, 4.009% (3-month USLIBOR +1.230%), 10/24/2023	5,077,761
2,780,000	JPMorgan Chase Bank, N.A., Sr. Unsecd. Note, Series BKNT, 1.650%, 9/23/2019	2,766,848
3,000,000	<sup>1</sup> JPMorgan Chase Bank, N.A., Sr. Unsecd. Note, Series BKNT, 3.026% (3-month USLIBOR +0.290%), 2/1/2021	3,001,771
6,825,000	MUFG Union Bank, N.A., Sr. Unsecd. Note, Series BKNT, 3.150%, 4/1/2022	6,887,021
7,000,000	<sup>1</sup> Manufacturers & Traders Trust Co., Sr. Unsecd. Note, Series BKNT, 3.303% (3-month USLIBOR +0.610%), 5/18/2022	6,953,364
6,500,000	<sup>1</sup> Manufacturers & Traders Trust Co., Sub. Note, Series BKNT, 3.266% (3-month USLIBOR +0.640%), 12/1/2021	6,470,938
7,000,000	<sup>1</sup> Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.247% (3-month USLIBOR +0.550%), 2/10/2021	7,007,956
1,250,000	PNC Bank National Association, Sec. Fac. Bond, Series BKNT, 2.000%, 5/19/2020	1,242,335

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Financial Institution - Banking—continued</b>	
\$ 3,000,000	<sup>1</sup> PNC Bank National Association, Sr. Unsecd. Note, Series BKNT, 3.011% (3-month USLIBOR +0.250%), 1/22/2021	\$ 2,998,167
6,665,000	<sup>1</sup> PNC Bank National Association, Sr. Unsecd. Note, Series BKNT, 3.264% (3-month USLIBOR +0.500%), 7/27/2022	6,639,518
5,000,000	<sup>1</sup> Regions Bank, Alabama, Sr. Unsecd. Note, Series BKNT, 3.188% (3-month USLIBOR +0.500%), 8/13/2021	4,976,297
2,730,000	State Street Corp., Sr. Unsecd. Note, 1.950%, 5/19/2021	2,695,347
10,000,000	<sup>1</sup> SunTrust Bank, Sr. Unsecd. Note, Series BKNT, 3.274% (3-month USLIBOR +0.530%), 1/31/2020	10,030,528
7,000,000	<sup>1</sup> SunTrust Bank, Sr. Unsecd. Note, Series BKNT, 3.327% (3-month USLIBOR +0.590%), 8/2/2022	6,956,768
10,000,000	<sup>1</sup> The Bank of New York Mellon Corp., Sr. Unsecd. Note, Series BKNT, 2.915% (3-month USLIBOR +0.300%), 12/4/2020	10,016,139
15,750,000	<sup>1</sup> Toronto Dominion Bank, Sr. Unsecd. Note, Series MTN, 3.030% (3-month USLIBOR +0.430%), 6/11/2021	15,809,426
9,580,000	<sup>1</sup> U.S. Bank N.A., Cincinnati, Sr. Unsecd. Note, Series BKNT, 2.912% (3-month USLIBOR +0.140%), 10/23/2020	9,592,160
6,000,000	<sup>1</sup> U.S. Bank N.A., Cincinnati, Sr. Unsecd. Note, Series BKNT, 2.931% (3-month USLIBOR +0.290%), 5/21/2021	5,998,617
5,000,000	<sup>1</sup> U.S. Bank, N.A., Sr. Unsecd. Note, Series BKNT, 3.244% (3-month USLIBOR +0.480%), 10/28/2019	5,012,010
5,100,000	<sup>1</sup> Wells Fargo & Co., Sr. Unsecd. Note, 3.974% (3-month USLIBOR +1.230%), 10/31/2023	5,183,851
15,000,000	<sup>1</sup> Wells Fargo Bank, N.A., Sr. Unsecd. Note, Series BKNT, 3.097% (3-month USLIBOR +0.310%), 1/15/2021	15,017,773
	TOTAL	361,187,511
	<b>Financial Institution - Broker/Asset Mgr/Exchange—0.3%</b>	
10,000,000	<sup>1</sup> TD Ameritrade Holding Corp., Sr. Unsecd. Note, 3.166% (3-month USLIBOR +0.430%), 11/1/2021	10,004,269
	<b>Financial Institution - Finance Companies—0.2%</b>	
2,120,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.450%, 12/16/2021	2,175,873
3,430,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.875%, 1/16/2024	3,569,200
	TOTAL	5,745,073
	<b><sup>1</sup>Financial Institution - Insurance - Health—0.7%</b>	
14,690,000	Halfmoon Parent, Inc., Sec. Fac. Bond, 144A, 3.264% (3-month USLIBOR +0.650%), 9/17/2021	14,689,873
10,590,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 2.857% (3-month USLIBOR +0.070%), 10/15/2020	10,586,194
	TOTAL	25,276,067

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Financial Institution - Insurance - Life—1.7%</b>	
\$ 7,620,000	<sup>1</sup> MET Life Global Funding I, Sec. Fac. Bond, 144A, 3.000% (Secured Overnight Financing Rate +0.570%), 9/7/2020	\$ 7,621,434
4,765,000	MET Life Global Funding I, Sec. Fac. Bond, 144A, 3.375%, 1/11/2022	4,838,818
6,665,000	Mass Mutual Global Funding II, Sec. Fac. Bond, 144A, 1.950%, 9/22/2020	6,604,816
4,000,000	<sup>1</sup> Metropolitan Life Global Funding I, 144A, 2.845% (3-month USLIBOR +0.220%), 9/19/2019	4,002,791
11,250,000	New York Life Global Funding, Sec. Fac. Bond, 144A, 2.950%, 1/28/2021	11,319,269
10,000,000	<sup>1</sup> New York Life Global Funding, Sec. Fac. Bond, 144A, 3.066% (3-month USLIBOR +0.270%), 4/9/2020	10,018,276
6,085,000	<sup>1</sup> New York Life Global Funding, Sec. Fac. Bond, 144A, 3.169% (3-month USLIBOR +0.390%), 10/24/2019	6,097,020
13,390,000	<sup>1</sup> New York Life Global Funding, Sr. Secd. Note, 144A, 3.054% (3-month USLIBOR +0.320%), 8/6/2021	13,425,515
	TOTAL	63,927,939
	<b>Financial Institution - Insurance - P&amp;C—0.1%</b>	
4,000,000	<sup>1</sup> Berkshire Hathaway Finance Corp., Sr. Unsecd. Note, 2.943% (3-month USLIBOR +0.260%), 8/15/2019	4,004,593
	<b>Financial Institution - REIT - Office—0.0%</b>	
1,165,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 4.000%, 1/15/2024	1,206,170
	<b>Other—0.0%</b>	
248,684	<sup>1,2,3</sup> Carlyle Global Market Strategies, 4.778% (3-month USLIBOR +2.000%), 7/15/2019	248,684
	<b>Technology—1.1%</b>	
5,000,000	<sup>1</sup> Apple, Inc., Floating Rate Note—Sr. Note, 3.034% (3-month USLIBOR +0.300%), 5/6/2019	5,002,222
5,000,000	<sup>1</sup> Apple, Inc., Sr. Unsecd. Note, 2.767% (3-month USLIBOR +0.070%), 5/11/2020	5,002,593
4,935,000	Broadcom Corp., Sr. Unsecd. Note, Series WI, 3.000%, 1/15/2022	4,917,540
5,835,000	Dell International LLC / EMC Corp., 144A, 4.000%, 7/15/2024	5,886,355
11,250,000	<sup>1</sup> IBM Credit Corp., Sr. Unsecd. Note, 3.098% (3-month USLIBOR +0.470%), 11/30/2020	11,297,767
3,500,000	Keysight Technologies, Inc., 3.300%, 10/30/2019	3,508,305
5,000,000	<sup>1</sup> Qualcomm, Inc., Sr. Unsecd. Note, 3.480% (3-month USLIBOR +0.730%), 1/30/2023	5,001,450
	TOTAL	40,616,232
	<b>Transportation - Services—0.2%</b>	
3,280,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 3.650%, 7/29/2021	3,326,137

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Transportation - Services—continued</b>	
\$ 4,825,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.500%, 6/1/2021	\$ 4,886,156
	TOTAL	8,212,293
	<b>Utility - Electric—1.9%</b>	
1,500,000	AEP Texas, Inc., Sr. Unsecd. Note, Series WI, 2.400%, 10/1/2022	1,480,179
5,000,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 2.150%, 11/13/2020	4,955,641
7,000,000	<sup>1</sup> Consolidated Edison Co., Sr. Unsecd. Note, Series C, 3.001% (3-month USLIBOR +0.400%), 6/25/2021	6,991,999
1,166,250	Duke Energy Florida LLC, Sr. Unsecd. Note, 2.100%, 12/15/2019	1,163,790
10,000,000	<sup>1</sup> Duke Energy Progress LLC, 2.774% (3-month USLIBOR +0.180%), 9/8/2020	9,995,210
4,170,000	Emera US Finance LP, Sr. Unsecd. Note, 2.150%, 6/15/2019	4,162,025
2,980,000	<sup>1</sup> Mississippi Power Co., Sr. Unsecd. Note, 3.258% (3-month USLIBOR +0.650%), 3/27/2020	2,979,710
4,900,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, Series MTN, 1.500%, 11/1/2019	4,861,000
3,790,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, Series MTN, 2.900%, 3/15/2021	3,811,461
3,060,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.300%, 4/1/2019	3,060,000
8,300,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, Series H, 3.342%, 9/1/2020	8,364,564
5,515,000	Public Service Enterprises Group, Inc., Sr. Unsecd. Note, 1.600%, 11/15/2019	5,476,098
10,290,000	Wisconsin Public Service, Sr. Unsecd. Note, 3.350%, 11/21/2021	10,468,853
	TOTAL	67,770,530
	<b>Utility - Natural Gas—0.5%</b>	
9,635,000	Sempra Energy, Sr. Unsecd. Note, 3.287% (3-month USLIBOR +0.500%), 1/15/2021	9,557,429
10,000,000	TransCanada PipeLines Ltd., Sr. Unsecd. Note, 2.958% (3-month USLIBOR +0.275%), 11/15/2019	10,000,551
	TOTAL	19,557,980
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$1,091,163,953)	
		1,092,527,854
	MUNICIPAL BOND—0.3%	
	<b>Municipal Services—0.3%</b>	
11,000,000	<sup>1</sup> Mississippi State, Taxable UT GO Bonds (Series 2017C) FRNs, 2.882% (1-month USLIBOR +0.400%), Mandatory Tender 11/1/2020 (IDENTIFIED COST \$11,000,000)	11,023,760



Principal Amount or Shares		Value
	MORTGAGE-BACKED SECURITY—0.0%	
	<b>Federal National Mortgage Association—0.0%</b>	
\$ 386,142	Federal National Mortgage Association, Pool 728568, 6.500%, 10/1/2033 (IDENTIFIED COST \$408,225)	\$ 440,278
	COMMERCIAL MORTGAGE-BACKED SECURITIES—3.9%	
	<b>Commercial Mortgage—3.9%</b>	
20,000,000	BHMS Mortgage Trust 2018-ATLS, Class A, 3.733% (1-month USLIBOR +1.250%), 7/15/2035	19,968,782
25,000,000	Cosmopolitan Hotel Trust 2017-CSMO, Class B, 3.883% (1-month USLIBOR +1.400%), 11/15/2036	24,961,258
11,000,000	DBWF Mortgage Trust 2018-GLKS, Class A, 3.511% (1-month USLIBOR +1.030%), 11/19/2035	11,007,007
15,000,000	DBWF Mortgage Trust 2018-GLKS, Class B, 3.831% (1-month USLIBOR +1.350%), 11/19/2035	15,014,304
21,400,000	GS Mortgage Securities Trust 2014-GC24, Class B, 3.683% (1-month USLIBOR +1.200%), 11/15/2035	21,306,608
7,000,000	GS Mortgage Securities Trust 2018-FBLU, Class A, 3.431% (1-month USLIBOR +0.950%), 11/15/2035	6,986,996
14,980,663	UBS-Barclays Commercial Mortgage Trust 2013-C6, Class A3FL, 3.281% (1-month USLIBOR +0.790%), 4/10/2046	15,025,606
25,000,000	Wells Fargo Commercial Mortgage Trust 2013-LC12, Class A3FL, 3.533% (1-month USLIBOR +1.050%), 7/15/2046	25,167,635
5,000,000	WF-RBS Commercial Mortgage Trust 2012-C7, Class AFL, 3.683% (1-month USLIBOR +1.200%), 6/15/2045	5,064,462
	<b>TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES IDENTIFIED COST \$144,094,230)</b>	<b>144,502,658</b>
	COLLATERALIZED MORTGAGE OBLIGATIONS—4.8%	
	<b>Federal Home Loan Mortgage Corporation—0.3%</b>	
1,954,927	Federal Home Loan Mortgage Corp. REMIC, Series 2819, Class F, 2.883% (1-month USLIBOR +0.400%), 6/15/2034	1,960,625
437,773	Federal Home Loan Mortgage Corp. REMIC, Series 3071, Class TF, 2.783% (1-month USLIBOR +0.300%), 4/15/2035	436,508
1,214,404	Federal Home Loan Mortgage Corp. REMIC, Series 3084, Class XF, 3.003% (1-month USLIBOR +0.520%), 12/15/2035	1,220,554
349,796	Federal Home Loan Mortgage Corp. REMIC, Series 3152, Class WF, 2.943% (1-month USLIBOR +0.460%), 2/15/2034	350,614
1,357,481	Federal Home Loan Mortgage Corp. REMIC, Series 3153, Class EF, 2.893% (1-month USLIBOR +0.410%), 5/15/2036	1,357,619
552,996	Federal Home Loan Mortgage Corp. REMIC, Series 3153, Class FJ, 2.863% (1-month USLIBOR +0.380%), 5/15/2036	552,500
307,471	Federal Home Loan Mortgage Corp. REMIC, Series 3156, Class HF, 2.968% (1-month USLIBOR +0.485%), 8/15/2035	308,420

Principal Amount or Shares		Value
	COLLATERALIZED MORTGAGE OBLIGATIONS—continued	
	<b>Federal Home Loan Mortgage Corporation—continued</b>	
\$ 455,618	Federal Home Loan Mortgage Corp. REMIC, Series 3211, Class FN, 2.783% (1-month USLIBOR +0.300%), 9/15/2036	\$ 453,724
486,946	Federal Home Loan Mortgage Corp. REMIC, Series 3317, Class F, 2.883% (1-month USLIBOR +0.400%), 7/15/2036	486,199
172,550	Federal Home Loan Mortgage Corp. REMIC, Series 3320, Class FM, 2.883% (1-month USLIBOR +0.400%), 7/15/2036	172,584
149,246	Federal Home Loan Mortgage Corp. REMIC, Series 3339, Class AF, 2.933% (1-month USLIBOR +0.450%), 7/15/2037	149,344
1,817,688	Federal Home Loan Mortgage Corp. REMIC, Series 3382, Class FG, 3.083% (1-month USLIBOR +0.600%), 11/15/2037	1,830,924
1,616,149	Federal Home Loan Mortgage Corp. REMIC, Series 3387, Class PF, 2.903% (1-month USLIBOR +0.420%), 11/15/2037	1,616,634
188,660	Federal Home Loan Mortgage Corp. REMIC, Series 3542, Class NF, 3.233% (1-month USLIBOR +0.750%), 7/15/2036	190,806
564,760	Federal Home Loan Mortgage Corp. REMIC, Series 3556, Class FA, 3.393% (1-month USLIBOR +0.910%), 7/15/2037	572,849
283,539	Federal Home Loan Mortgage Corp. REMIC, Series KGRP, Class A, 2.870% (1-month USLIBOR +0.380%), 4/25/2020	283,516
92,957	Federal Home Loan Mortgage Corp., Class FE, 2.883% (1-month USLIBOR +0.400%), 7/15/2036	92,899
	<b>TOTAL</b>	<b>12,036,319</b>
	<b>Federal National Mortgage Association—0.2%</b>	
178,177	Federal National Mortgage Association REMIC, Series 2002-77, Class FA, 3.481% (1-month USLIBOR +1.000%), 12/18/2032	181,412
559,946	Federal National Mortgage Association REMIC, Series 2006-119, Class CF, 2.785% (1-month USLIBOR +0.300%), 12/25/2036	557,584
442,346	Federal National Mortgage Association REMIC, Series 2006-44, Class FK, 2.915% (1-month USLIBOR +0.430%), 6/25/2036	442,856
1,938,555	Federal National Mortgage Association REMIC, Series 2006-61, Class FQ, 2.885% (1-month USLIBOR +0.400%), 7/25/2036	1,937,971
450,704	Federal National Mortgage Association REMIC, Series 2006-79, Class DF, 2.835% (1-month USLIBOR +0.350%), 8/25/2036	449,806
1,196,676	Federal National Mortgage Association REMIC, Series 2006-81, Class FB, 2.835% (1-month USLIBOR +0.350%), 9/25/2036	1,194,119
1,027,619	Federal National Mortgage Association REMIC, Series 2006-W1, Class 2AF1, 2.705% (1-month USLIBOR +0.220%), 2/25/2046	1,019,410
718,135	Federal National Mortgage Association REMIC, Series 2007-88, Class FY, 2.945% (1-month USLIBOR +0.460%), 9/25/2037	718,134
370,622	Federal National Mortgage Association REMIC, Series 2007-97, Class FE, 2.935% (1-month USLIBOR +0.450%), 7/25/2037	371,029
203,244	Federal National Mortgage Association REMIC, Series 2008-69, Class FB, 3.485% (1-month USLIBOR +1.000%), 6/25/2037	208,268

Principal Amount or Shares		Value
	COLLATERALIZED MORTGAGE OBLIGATIONS—continued	
	<b><sup>1</sup>Federal National Mortgage Association—continued</b>	
\$ 57,239	Federal National Mortgage Association REMIC, Series 2009-42, Class FG, 3.285% (1-month USLIBOR +0.800%), 5/25/2039	\$ 57,498
499,155	Federal National Mortgage Association REMIC, Series 2009-69, Class F, 3.335% (1-month USLIBOR +0.850%), 4/25/2037	507,295
24,722	Federal National Mortgage Association, Class FB, 2.985% (1-month USLIBOR +0.500%), 8/25/2039	24,772
	TOTAL	7,670,154
	<b>Government Agency—0.0%</b>	
1,325,680	FDIC Trust 2013-R1, Class A, 1.150%, 3/25/2033	1,305,236
515,104	<sup>1</sup> NCUA Guaranteed Notes 2011-R1, Class 1A, 2.930% (1-month USLIBOR +0.450%), 1/8/2020	514,843
	TOTAL	1,820,079
	<b><sup>1</sup>Government National Mortgage Association—0.7%</b>	
9,810,952	Government National Mortgage Association REMIC, Series 2012-H31, Class FA, 2.859% (1-month USLIBOR +0.350%), 11/20/2062	9,779,778
6,705,519	Government National Mortgage Association REMIC, Series 2013-H16, Class FA, 3.049% (1-month USLIBOR +0.540%), 7/20/2063	6,712,767
7,887,905	Government National Mortgage Association REMIC, Series 2013-H17, Class FA, 3.059% (1-month USLIBOR +0.550%), 7/20/2063	7,897,630
	TOTAL	24,390,175
	<b>Non-Agency Mortgage—3.6%</b>	
239,420	<sup>1</sup> Countrywide Alternative Loan Trust 2005-51, Class 3AB3, 3.587% (1-month USLIBOR +1.100%), 11/20/2035	132,983
1,385,338	<sup>1</sup> Gosforth Funding PLC 2016-1A, Class A1A, 3.383% (3-month USLIBOR +0.700%), 2/15/2058	1,385,367
7,746,326	<sup>1</sup> Gosforth Funding PLC 2017-1A, Class A1A, 3.095% (3-month USLIBOR +0.470%), 12/19/2059	7,725,054
12,462,164	<sup>1</sup> Gosforth Funding PLC 2018-1A, Class A1, 3.101% (3-month USLIBOR +0.450%), 8/25/2060	12,408,016
16,825,000	<sup>1</sup> Holmes Master Issuer PLC 2018-1A, Class A2, 3.147% (3-month USLIBOR +0.360%), 10/15/2054	16,770,605
19,000,000	<sup>1</sup> Holmes Master Issuer PLC 2018-2A, Class A2, 3.207% (3-month USLIBOR +0.420%), 10/15/2054	18,923,601
179,732	<sup>1</sup> Impac CMB Trust 2004-7, Class 1A2, 3.405% (1-month USLIBOR +0.920%), 11/25/2034	175,079
305,973	<sup>1</sup> Impac CMB Trust 2004-9, Class 1A2, 3.365% (1-month USLIBOR +0.880%), 1/25/2035	290,646
12,160,000	<sup>1</sup> Lanark Master Issuer PLC 2018-1A, Class 1A, 3.083% (3-month USLIBOR +0.420%), 12/22/2069	12,103,808
8,800,000	<sup>1</sup> Lanark Master Issuer PLC 2018-2A, Class 1A, 3.083% (3-month USLIBOR +0.420%), 12/22/2069	8,765,777

Principal Amount or Shares		Value
	COLLATERALIZED MORTGAGE OBLIGATIONS—continued	
	<b>Non-Agency Mortgage—continued</b>	
\$ 463,051	<sup>1</sup> Mellon Residential Funding Corp. 2001-TBC1, Class A1, 3.183% (1-month USLIBOR +0.700%), 11/15/2031	\$ 451,537
7,000,000	<sup>1</sup> Permanent Master Issuer PLC 2018-1A, Class 1A1, 3.167% (3-month USLIBOR +0.380%), 7/15/2058	6,972,266
809,826	Sequoia Mortgage Trust 2012-4, Class A3, 2.069%, 9/25/2042	772,863
2,202,143	Sequoia Mortgage Trust 2012-6, Class A2, 1.808%, 12/25/2042	2,101,509
3,132,893	Sequoia Mortgage Trust 2013-1, Class 1A1, 1.450%, 2/25/2043	2,990,175
17,680,000	<sup>1</sup> Silverstone Master Issuer 2015-1A, Class 2A2, 3.311% (3-month USLIBOR +0.550%), 1/21/2070	17,654,205
20,000,000	<sup>1</sup> Silverstone Master Issuer 2018-1A, Class 1A, 3.165% (3-month USLIBOR +0.390%), 1/21/2070	19,790,520
550,003	<sup>1</sup> Washington Mutual 2006-AR1, Class 2A1B, 3.466% (Fed Reserve 12Mo Cumulative Avg 1 Yr CMT +1.070%), 1/25/2046	540,952
808,857	<sup>1</sup> Washington Mutual 2006-AR15, Class 1A, 3.236% (Fed Reserve 12Mo Cumulative Avg 1 Yr CMT +0.840%), 11/25/2046	725,281
445,757	<sup>1</sup> Washington Mutual 2006-AR17, Class 1A, 3.151% (Fed Reserve 12Mo Cumulative Avg 1 Yr CMT +0.820%), 12/25/2046	417,831
91,143	Wells Fargo Mortgage Backed Securities Trust 2004-I, Class 1A1, 4.836%, 7/25/2034	89,004
	<b>TOTAL</b>	<b>131,187,079</b>
	<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (IDENTIFIED COST \$178,078,370)</b>	<b>177,103,806</b>
	<sup>4</sup> COMMERCIAL PAPER—1.0%	
	<b>Consumer Cyclical - Automotive—0.5%</b>	
21,000,000	Ford Motor Credit Co. LLC, 4.232%, 1/3/2020	20,435,030
	<b>Consumer Non-Cyclical - Food/Beverage—0.5%</b>	
19,000,000	Smithfield Foods, Inc., 3.398%, 4/8/2019	18,984,420
	<b>TOTAL COMMERCIAL PAPER (IDENTIFIED COST \$39,331,521)</b>	<b>39,419,450</b>
	INVESTMENT COMPANIES—5.5%	
4,093,516	Federated Bank Loan Core Fund	40,321,132
132,225,165	Federated Institutional Prime Value Obligations Fund, Institutional Shares, 2.55% <sup>5</sup>	132,251,610
879,738	Federated Mortgage Core Portfolio	8,568,647
826,887	Federated Project and Trade Finance Core Fund	7,450,251

Principal Amount or Shares		Value
	INVESTMENT COMPANIES—continued	
2,184,781	High Yield Bond Portfolio	\$ 13,611,189
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$205,366,807)	202,202,829
	TOTAL INVESTMENT IN SECURITIES—99.9% (IDENTIFIED COST \$3,680,734,701) <sup>6</sup>	3,678,875,460
	OTHER ASSETS AND LIABILITIES - NET—0.1% <sup>7</sup>	3,021,351
	TOTAL NET ASSETS—100%	\$3,681,896,811

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

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation
<sup>8</sup> United States Treasury Note 2-Year Long Futures	300	\$63,928,125	June 2019	\$ 236,017
<sup>8</sup> United States Treasury Note 5-Year Long Futures	500	\$57,914,063	June 2019	\$ 545,771
<sup>8</sup> United States Treasury Note 10-Year Long Futures	300	\$37,265,625	June 2019	\$ 521,954
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$1,303,742

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

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

	<b>Balance of Shares Held 9/30/2018</b>	<b>Purchases/ Additions</b>	<b>Sales/ Reductions</b>
Federated Bank Loan Core Fund	11,500,220	251,095	(7,657,799)
Federated Institutional Prime Value Obligations Fund, Institutional Shares	183,343,828	968,101,472	(1,019,220,135)
Federated Mortgage Core Portfolio	864,667	15,071	—
Federated Project and Trade Finance Core Fund	807,085	19,802	—
High Yield Bond Portfolio	2,115,956	68,825	—
<b>TOTAL OF AFFILIATED TRANSACTIONS</b>	<b>198,631,756</b>	<b>968,456,265</b>	<b>(1,026,877,934)</b>

<b>Balance of Shares Held 3/31/2019</b>	<b>Value</b>	<b>Change in Unrealized Appreciation/Depreciation</b>	<b>Net Realized Gain/(Loss)</b>	<b>Dividend Income</b>
4,093,516	\$ 40,321,132	\$(838,983)	\$(2,036,271)	\$2,474,060
132,225,165	\$132,251,610	\$ (12,187)	\$ 37,269	\$2,133,301
879,738	\$ 8,568,647	\$ 218,558	\$ —	\$ 144,328
826,887	\$ 7,450,251	\$ (57,335)	\$ —	\$ 179,233
2,184,781	\$ 13,611,189	\$ (33,653)	\$ —	\$ 419,900
140,210,087	\$202,202,829	\$(723,600)	\$(1,999,002)	\$5,350,822

- 1 *Floating/adjustable note with current rate and current maturity or next reset date shown. Adjustable rate mortgage security coupons are based on the weighted average note rates of the underlying mortgages less the guarantee and servicing fees. These securities do not indicate an index and spread in their description above.*
- 2 *Market quotations and price evaluations are not available. Fair value determined using significant unobservable inputs in accordance with procedures established by and under the general supervision of the Fund's Board of Directors (the "Directors").*
- 3 *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 \$248,684, which represented 0.0% of total net assets.*
- 4 *Each issue shows the rate of discount at the time of purchase for discount issues, or the coupon for interest bearing issues.*
- 5 *7-day net yield.*
- 6 *Also represents cost for federal tax purposes.*
- 7 *Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*
- 8 *Non-income-producing security.*

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>				
Adjustable Rate Mortgages	\$ —	\$ 1,973,721	\$ —	\$ 1,973,721
Asset-Backed Securities	—	2,009,674,890	6,214	2,009,681,104
Corporate Bonds	—	1,092,279,170	248,684	1,092,527,854
Municipal Bond	—	11,023,760	—	11,023,760
Mortgage-Backed Security	—	440,278	—	440,278
Commercial Mortgage-Backed Securities	—	144,502,658	—	144,502,658
Collateralized Mortgage Obligations	—	177,103,806	—	177,103,806
Commercial Paper	—	39,419,450	—	39,419,450
<b>Investment Companies<sup>1</sup></b>	132,251,610	—	—	202,202,829
<b>TOTAL SECURITIES</b>	<b>\$132,251,610</b>	<b>\$3,476,417,733</b>	<b>\$254,898</b>	<b>\$3,678,875,460</b>
<b>Other Financial Instruments<sup>2</sup></b>				
Assets	\$ 1,303,742	\$ —	\$ —	\$ 1,303,742
Liabilities	—	—	—	—
<b>TOTAL OTHER FINANCIAL INSTRUMENTS</b>	<b>\$ 1,303,742</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,303,742</b>

1 As permitted by U.S. generally accepted accounting principles (GAAP), Investment Companies valued at \$69,951,219 are measured at fair value using the net asset value (NAV) per share practical expedient and have not yet been categorized in the chart above but are included in the Total column. The amount included herein is intended to permit reconciliation of the fair value classifications to the amounts presented on the Statement of Assets and Liabilities. The price of shares redeemed in Federated Bank Loan Core Fund, Federated Mortgage Core Portfolio and High Yield Bond Portfolio is the next determined NAV after receipt of a shareholder redemption request. The price of shares redeemed of Federated Project and Trade Finance Core Fund may be determined as of the closing NAV of the fund up to twenty-four days after receipt of a shareholder redemption request.

2 Other financial instruments are futures contracts.



The following acronyms are used throughout this portfolio:

ARM —Adjustable Rate Mortgage  
BKNT —Bank Notes  
CMT —Constant Maturity Treasury  
FDIC —Federal Deposit Insurance Corporation  
FNMA —Federal National Mortgage Association  
FRN(s)—Floating Rate Note(s)  
GMTN —Global Medium Term Note  
GO —General Obligation  
LIBOR —London Interbank Offered Rate  
MTN —Medium Term Note  
NIM —Net Interest Margin  
REIT —Real Estate Investment Trust  
REMIC—Real Estate Mortgage Investment Conduit  
UT —Unlimited Tax

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 3/31/2019	Year Ended September 30,				
		2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$9.10</b>	<b>\$9.12</b>	<b>\$9.12</b>	<b>\$9.09</b>	<b>\$9.17</b>	<b>\$9.15</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.10	0.15	0.09	0.06	0.05	0.07
Net realized and unrealized gain (loss)	0.01	(0.02)	0.00 <sup>1</sup>	0.03	(0.08)	0.01
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.11</b>	<b>0.13</b>	<b>0.09</b>	<b>0.09</b>	<b>(0.03)</b>	<b>0.08</b>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.10)	(0.15)	(0.09)	(0.06)	(0.05)	(0.06)
<b>Net Asset Value, End of Period</b>	<b>\$9.11</b>	<b>\$9.10</b>	<b>\$9.12</b>	<b>\$9.12</b>	<b>\$9.09</b>	<b>\$9.17</b>
<b>Total Return<sup>2</sup></b>	<b>1.16%</b>	<b>1.39%</b>	<b>1.04%</b>	<b>1.03%</b>	<b>(0.32)%</b>	<b>0.85%</b>
<b>Ratios to Average Net Assets:</b>						
Net expenses	0.91% <sup>3</sup>	0.91%	0.92%	0.91%	0.91%	0.90%
Net investment income	2.10% <sup>3</sup>	1.60%	1.02%	0.68%	0.50%	0.56%
Expense waiver/reimbursement <sup>4</sup>	0.08% <sup>3</sup>	0.12%	0.13%	0.18%	0.19%	0.20%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$282,544	\$281,543	\$269,004	\$270,412	\$312,778	\$385,690
Portfolio turnover	19%	32%	33%	30%	21%	25%

1 Represents less than \$0.01.

2 Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.

3 Computed on an annualized basis.

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

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 3/31/2019	Year Ended September 30,				
		2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$9.09</b>	<b>\$9.12</b>	<b>\$9.11</b>	<b>\$9.09</b>	<b>\$9.16</b>	<b>\$9.14</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.12	0.20	0.14	0.11	0.10	0.11
Net realized and unrealized gain (loss)	0.01	(0.03)	0.01	0.02	(0.07)	0.02
TOTAL FROM INVESTMENT OPERATIONS	0.13	0.17	0.15	0.13	0.03	0.13
<b>Less Distributions:</b>						
Distributions from net investment income	(0.12)	(0.20)	(0.14)	(0.11)	(0.10)	(0.11)
<b>Net Asset Value, End of Period</b>	<b>\$9.10</b>	<b>\$9.09</b>	<b>\$9.12</b>	<b>\$9.11</b>	<b>\$9.09</b>	<b>\$9.16</b>
<b>Total Return<sup>1</sup></b>	<b>1.44%</b>	<b>1.83%</b>	<b>1.70%</b>	<b>1.48%</b>	<b>0.33%</b>	<b>1.41%</b>

## Ratios to Average

### Net Assets:

Net expenses	0.36% <sup>2</sup>	0.37%	0.37%	0.36%	0.36%	0.35%
Net investment income	2.66% <sup>2</sup>	2.17%	1.58%	1.23%	1.05%	1.10%
Expense waiver/ reimbursement <sup>3</sup>	0.08% <sup>2</sup>	0.12%	0.13%	0.18%	0.19%	0.20%

### Supplemental Data:

Net assets, end of period (000 omitted)	\$3,341,505	\$3,237,960	\$2,629,099	\$2,283,604	\$2,354,930	\$2,497,825
Portfolio turnover	19%	32%	33%	30%	21%	25%

- <sup>1</sup> Based on net asset value. Total returns for periods of less than one year are not annualized.
- <sup>2</sup> Computed on an annualized basis.
- <sup>3</sup> This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 3/31/2019	Year Ended September 30,				
		2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$9.10</b>	<b>\$9.12</b>	<b>\$9.11</b>	<b>\$9.09</b>	<b>\$9.17</b>	<b>\$9.15</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.10	0.16	0.10	0.05	0.05	0.07
Net realized and unrealized gain (loss)	0.01	(0.03)	0.01	0.04	(0.07)	0.02
TOTAL FROM INVESTMENT OPERATIONS	0.11	0.13	0.11	0.09	(0.02)	0.09
<b>Less Distributions:</b>						
Distributions from net investment income	(0.10)	(0.15)	(0.10)	(0.07)	(0.06)	(0.07)
<b>Net Asset Value, End of Period</b>	<b>\$9.11</b>	<b>\$9.10</b>	<b>\$9.12</b>	<b>\$9.11</b>	<b>\$9.09</b>	<b>\$9.17</b>
<b>Total Return<sup>1</sup></b>	1.21%	1.49%	1.25%	1.02%	(0.23)%	0.95%

## Ratios to Average Net Assets:

Net expenses	0.81% <sup>2</sup>	0.82%	0.82%	0.81%	0.81%	0.80%
Net investment income	2.20% <sup>2</sup>	1.72%	1.09%	0.76%	0.60%	0.65%
Expense waiver/reimbursement <sup>3</sup>	0.13% <sup>2</sup>	0.15%	0.16%	0.22%	0.23%	0.24%

## Supplemental Data:

Net assets, end of period (000 omitted)	\$57,848	\$53,156	\$33,431	\$58,362	\$146,733	\$175,803
Portfolio turnover	19%	32%	33%	30%	21%	25%

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

2 Computed on an annualized basis.

3 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 (unaudited)

## Assets:

Investment in securities, at value including \$202,202,829 of investment in affiliated holdings (identified cost \$3,680,734,701)	\$3,678,875,460
Cash	5,857
Cash denominated in foreign currencies (identified cost \$638)	593
Restricted cash (Note 2)	831,000
Income receivable	8,512,330
Income receivable from affiliated holdings	1,048,862
Receivable for shares sold	10,312,273
<b>TOTAL ASSETS</b>	<b>3,699,586,375</b>

## Liabilities:

Payable for investments purchased	\$10,101,594
Payable for shares redeemed	4,475,659
Payable for daily variation margin on futures contracts	245,310
Income distribution payable	2,410,508
Payable for investment adviser fee (Note 5)	65,243
Payable for administrative fees (Note 5)	24,051
Payable for Directors'/Trustees' fees (Note 5)	2,114
Payable for distribution services fee (Note 5)	79,253
Payable for other service fees (Notes 2 and 5)	68,421
Accrued expenses (Note 5)	217,411
<b>TOTAL LIABILITIES</b>	<b>17,689,564</b>
Net assets for 404,502,671 shares outstanding	\$3,681,896,811

## Net Assets Consist of:

Paid-in capital	\$3,702,674,536
Total distributable earnings (loss)	(20,777,725)
<b>TOTAL NET ASSETS</b>	<b>\$3,681,896,811</b>

# Statement of Assets and Liabilities – continued

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

### **Class A Shares:**

Net asset value per share (\$282,543,764 ÷ 31,029,528 shares outstanding), \$0.001 par value, 2,000,000,000 shares authorized	\$9.11
Offering price per share (100/98.00 of \$9.11)	\$9.30
Redemption proceeds per share	\$9.11

### **Institutional Shares:**

Net asset value per share (\$3,341,504,642 ÷ 367,120,478 shares outstanding), \$0.001 par value, 1,000,000,000 shares authorized	\$9.10
Offering price per share	\$9.10
Redemption proceeds per share	\$9.10

### **Service Shares:**

Net asset value per share (\$57,848,405 ÷ 6,352,665 shares outstanding), \$0.001 par value, 1,000,000,000 shares authorized	\$9.11
Offering price per share	\$9.11
Redemption proceeds per share	\$9.11

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Six Months Ended March 31, 2019 (unaudited)

## Investment Income:

Interest	\$49,992,917
Dividends received from affiliated holdings*	5,350,822
<b>TOTAL INCOME</b>	<b>55,343,739</b>

## Expenses:

Investment adviser fee (Note 5)	\$ 5,497,269
Administrative fee (Note 5)	1,465,176
Custodian fees	61,033
Transfer agent fee	838,266
Directors'/Trustees' fees (Note 5)	14,464
Auditing fees	17,547
Legal fees	6,197
Portfolio accounting fees	109,368
Distribution services fee (Note 5)	469,154
Other service fees (Notes 2 and 5)	399,411
Share registration costs	84,030
Printing and postage	30,191
Miscellaneous (Note 5)	19,623
<b>TOTAL EXPENSES</b>	<b>9,011,729</b>

## Waivers and Reimbursement:

Waiver/reimbursement of investment adviser fee (Note 5)	\$(1,456,328)
Waiver of other operating expenses (Note 5)	(10,349)
<b>TOTAL WAIVERS AND REIMBURSEMENT</b>	<b>(1,466,677)</b>
Net expenses	7,545,052
Net investment income	\$47,798,687

# Statement of Operations – continued

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

Net realized loss on investments (including net realized loss of \$(1,999,002) on sales of investments in affiliated holdings*)	\$(1,514,243)
Net realized loss on futures contracts	(347,104)
Net change in unrealized depreciation of investments (including net change in unrealized depreciation of \$(723,600) on investments in affiliated holdings*)	5,372,906
Net change in unrealized appreciation/depreciation of translation of assets and liabilities in foreign currency	(21)
Net change in unrealized appreciation of futures contracts	681,068
Net realized and unrealized gain on investments, futures contracts and foreign currency transactions	4,192,606
Change in net assets resulting from operations	\$51,991,293

\* 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

	<b>Six Months Ended (unaudited) 3/31/2019</b>	<b>Year Ended 9/30/2018</b>
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 47,798,687	\$ 67,719,280
Net realized gain (loss)	(1,861,347)	1,554,185
Net change in unrealized appreciation/depreciation	6,053,953	(10,820,574)
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>51,991,293</b>	<b>58,452,891</b>
<b>Distributions to Shareholders (Note 2):</b>		
Class A Shares	(2,886,724)	(4,431,152)
Institutional Shares	(44,398,380)	(62,381,601)
Service Shares	(500,983)	(701,484)
<b>CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS</b>	<b>(47,786,087)</b>	<b>(67,514,237)</b>
<b>Share Transactions:</b>		
Proceeds from sale of shares	1,652,575,190	2,933,106,093
Net asset value of shares issued to shareholders in payment of distributions declared	33,345,654	49,974,296
Cost of shares redeemed	(1,580,888,342)	(2,332,893,926)
<b>CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS</b>	<b>105,032,502</b>	<b>650,186,463</b>
Change in net assets	109,237,708	641,125,117
<b>Net Assets:</b>		
Beginning of period	3,572,659,103	2,931,533,986
End of period	\$ 3,681,896,811	\$ 3,572,659,103

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

March 31, 2019 (unaudited)

## 1. ORGANIZATION

Federated Total Return Series, Inc. (the “Corporation”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Corporation consists of three portfolios. The financial statements included herein are only those of Federated Ultrashort Bond Fund (the “Fund”), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers three classes of shares: Class A Shares, Institutional Shares and Service Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is to provide total return consistent with current income.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with GAAP.

### Investment Valuation

In calculating its NAV, the Fund generally values investments as follows:

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

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

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

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

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

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

The Directors 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 Directors 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 Directors. The Directors have ultimate responsibility for any fair valuations made in response to a significant event.

### **Repurchase Agreements**

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

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

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

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

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared daily and paid monthly. Non-cash dividends included in dividend income are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment

income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waivers and reimbursement of \$1,466,677 is disclosed in various locations in Note 5.

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. All distributions as indicated on the Statement of Changes in Net Assets for the year ended September 30, 2018, were from net investment income. Undistributed net investment income at September 30, 2018, was \$378,987.

### **Other Service Fees**

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

	<b>Other Service Fees Incurred</b>
Class A Shares	\$343,473
Service Shares	55,938
<b>TOTAL</b>	<b>\$399,411</b>

For the six months ended March 31, 2019, the Fund's Institutional Shares did not incur other service fees.

### **Federal Taxes**

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended March 31, 2019, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of March 31, 2019, tax years 2015 through 2018 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America, the state of Maryland and the Commonwealth of Pennsylvania.

### **When-Issued and Delayed-Delivery Transactions**

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

### **Futures Contracts**

The Fund purchases and sells financial futures contracts to manage duration and yield curve risks. Upon entering into a financial futures contract with a broker, the Fund is required to deposit in a segregated account, either U.S. government securities or a specified amount of Restricted cash, which is shown in the Statement of Assets and Liabilities. Futures contracts

are valued daily and unrealized gains or losses are recorded in a “variation margin” account. Daily, the Fund receives from or pays to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with the changes in the value of the underlying securities. There is minimal counterparty risk to the Fund since futures contracts are exchange traded and the exchange’s clearinghouse, as counterparty to all exchange traded futures contracts, guarantees the futures contracts against default.

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

The average notional value of long and short futures contracts held by the Fund throughout the period was \$63,434,263 and \$90,339,286, respectively. This is based on amounts held as of each month-end throughout the six-month period.

### **Foreign Exchange Contracts**

The Fund enters into foreign exchange contracts 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.

At March 31, 2019, the Fund had no outstanding foreign exchange contracts.

### **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 Directors. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities, like other securities, are priced in accordance with procedures established by and under the general supervision of the Directors.

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

Security	Acquisition Date	Cost	Market Value
Carlyle Global Market Strategies, 4.778%, (3-month USLIBOR +2.000%), 7/15/2019	5/22/2014	\$124,342	\$248,684

## Additional Disclosure Related to Derivative Instruments

### Fair Value of Derivative Instruments

		Liabilities
		Statement of Assets and Liabilities Location
		Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815		
Interest rate contracts	Payable for daily variation margin on futures contracts	\$(1,303,742)*

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

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

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

	Futures Contracts
Interest rate contracts	\$(347,104)

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

	Futures Contracts
Interest rate contracts	\$681,068

## Other

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

### 3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

Class A Shares:	Six Months Ended 3/31/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Shares sold	12,696,391	\$ 115,246,952	26,617,804	\$ 242,279,461
Shares issued to shareholders in payment of distributions declared	308,479	2,800,433	474,551	4,318,195
Shares redeemed	(12,925,426)	(117,272,343)	(25,627,099)	(233,203,863)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	79,444	\$ 775,042	1,465,256	\$ 13,393,793

Institutional Shares:	Six Months Ended 3/31/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Shares sold	161,222,350	\$ 1,462,149,466	285,503,143	\$ 2,597,491,687
Shares issued to shareholders in payment of distributions declared	3,313,028	30,065,558	4,948,573	45,019,666
Shares redeemed	(153,517,929)	(1,392,572,315)	(222,639,230)	(2,025,553,083)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	11,017,449	\$ 99,642,709	67,812,486	\$ 616,958,270

Service Shares:	Six Months Ended 3/31/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Shares sold	8,279,215	\$ 75,178,772	10,256,423	\$ 93,334,945
Shares issued to shareholders in payment of distributions declared	52,808	479,663	69,932	636,435
Shares redeemed	(7,820,453)	(71,043,684)	(8,149,704)	(74,136,980)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	511,570	\$ 4,614,751	2,176,651	\$ 19,834,400
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	11,608,463	\$105,032,502	71,454,393	\$650,186,463

### 4. FEDERAL TAX INFORMATION

At March 31, 2019, the cost of investments for federal tax purposes was \$3,680,734,701. The net unrealized depreciation of investments for federal tax purposes was \$555,499. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$11,057,273 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$11,612,772. The amounts presented are inclusive of derivative contracts.

At September 30, 2018, the Fund had a capital loss carryforward of \$18,106,878 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, a net capital loss incurred in taxable years beginning



after December 22, 2010, retains its character as either short-term or long-term, does not expire and is required to be utilized prior to the losses which have a Carryforward Limit. All of the Fund's capital loss carryforwards were incurred in taxable years beginning after December 22, 2010.

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

Short-Term	Long-Term	Total
\$6,328,734	\$11,778,144	\$18,106,878

## 5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

### Investment Adviser Fee

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.30% of the Fund's average daily net assets. Prior to June 28, 2018, the annual advisory fee was 0.35% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee. For the six months ended March 31, 2019, the Adviser voluntarily waived \$1,400,807 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 six months ended March 31, 2019, the Adviser reimbursed \$55,521.

### Administrative Fee

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

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

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

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

## Distribution Services Fee

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

	Percentage of Average Daily Net Assets of Class
Class A Shares	0.30%
Service Shares	0.25%

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

	Distribution Services Fees Incurred	Distribution Services Fees Waived
Class A Shares	\$412,167	\$ —
Service Shares	56,987	(10,349)
TOTAL	\$469,154	\$(10,349)

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended March 31, 2019, FSC retained \$324,603 fees paid by the Fund.

## Sales Charges

Front-end sales charges and contingent deferred sales charges do not represent expenses of the Fund. For the six months ended March 31, 2019, FSC retained \$65 in sales charges from the sale of Class A Shares. FSC also retained \$3,764 of CDSC relating to redemptions of Class A Shares.

## Other Service Fees

For the six months ended March 31, 2019, FSSC received \$4,284 of the other service fees disclosed in Note 2.

## Expense Limitation

The Adviser and certain of its affiliates (which may include FSC, FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding extraordinary expenses, interest expense and proxy-related expenses paid by the Fund, if any) paid by the Fund’s Class A Shares, Institutional Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.91%, 0.36% and 0.81% (the “Fee Limit”), respectively, up to but not including the later of (the “Termination Date”): (a) December 1, 2019; or (b) the date of the Fund’s next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Directors.

## Interfund Transactions

During the six months ended March 31, 2019, the Fund engaged in purchase transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These purchase transactions complied with Rule 17a-7 under the Act and amounted to \$59,743,703.

## Directors'/Trustees' and Miscellaneous Fees

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

## 6. INVESTMENT TRANSACTIONS

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

Purchases	\$763,693,398
Sales	\$665,791,998

## 7. LINE OF CREDIT

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

## 8. INTERFUND LENDING

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

## 9. SUBSEQUENT EVENT

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

## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur 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>			
Class A Shares	\$1,000	\$1,011.60	\$4.56
Institutional Shares	\$1,000	\$1,014.40	\$1.81
Service Shares	\$1,000	\$1,012.10	\$4.06
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Class A Shares	\$1,000	\$1,020.40	\$4.58
Institutional Shares	\$1,000	\$1,023.10	\$1.82
Service Shares	\$1,000	\$1,020.90	\$4.08

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

Class A Shares	0.91%
Institutional Shares	0.36%
Service Shares	0.81%

# Evaluation and Approval of Advisory Contract – May 2018

## **FEDERATED ULTRASHORT BOND FUND (THE “FUND”)**

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

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

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

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

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

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

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

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

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



The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's fee rates relative to its Peer Group. In this regard, the Board noted that the contractual advisory fee rate was above the median of the relevant Peer Group, but the Board noted the applicable waivers and reimbursements, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

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

The CCO noted that the services, administrative responsibilities and risks associated with such relationships are quite different than serving as a primary adviser to a fund.

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

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

and retaining qualified personnel to service the Fund. The Board noted the compliance program of the Adviser and the compliance-related resources provided to the Fund by the Adviser, including the Adviser's commitment to respond to rulemaking initiatives of the SEC. The Fund's ability to deliver competitive performance when compared to its Peer Group was also deemed to be relevant by the Board as a useful indicator of how the Adviser is executing the Fund's investment program. The Adviser's ability to execute this program was one of the Board's considerations in reaching a conclusion that the nature, extent and quality of the Adviser's investment management services warrant the continuation of the investment advisory contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

## Voting Proxies on Fund Portfolio Securities

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

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).

*Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal.*

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

**IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY**

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

# Notes



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Warrendale, PA 15086-7561

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

Federated Securities Corp., Distributor

*CUSIP 31428Q762*

*CUSIP 31428Q747*

*CUSIP 31428Q754*

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