

ANNUAL DEFAULT RATE

The Altman Default % represents the total par value of defaulted high yield debt divided by the total par value of high yield debt outstanding. The historical results below are contained in the Defaults and Returns in the High-Yield Bond and Distressed Debt Market: The Year 2018 in Review and Outlook Report dated 2/21/2019. Dr. Altman is the Max L. Heine Professor of Finance and Director of Credit and Debt Markets Research Program at the NYU Salomon Center, Leonard N. Stern School of Business and a member of the Advisory Board of Paulson & Co. Brenda Kuehne is a Credit and Debit Markets Research Specialist at the NYU Salomon Center.

	ALTMAN DEFAULT %	FEDERATED DEFAULT %
3 Year Average	2.55%	0.65%
5 Year Average	2.52%	0.39%
10 Year Average	2.85%	1.02%
AVERAGE SINCE 1978	3.27%	1.79%

YEAR ENDED	ALTMAN DEFAULT %	FEDERATED DEFAULT %
2018	1.74%	0.39%
2017	1.81%	0.00%
2016	4.11%	1.56%
2015	2.83%	0.01%
2014	2.11%	0.00%
2013	1.04%	0.35%
2012	1.62%	0.27%
2011	1.32%	0.00%
2010	1.13%	0.51%
2009	10.74%	7.11%
2008	4.60%	3.84%
2007	0.51%	0.00%
2006	0.76%	0.19%
2005	3.38%	1.28%
2004	1.25%	0.30%
2003	4.66%	1.92%
2002	12.80%	6.28%
2001	9.80%	10.37%
2000	5.07%	4.69%
1999	4.15%	1.23%
1998	1.60%	0.64%
1997	1.25%	0.00%
1996	1.23%	0.89%
1995	1.90%	0.00%
1994	1.45%	2.24%
1993	1.10%	0.00%
1992	3.40%	2.81%
1991	10.27%	3.03%
1990	10.14%	7.55%
1989	4.28%	4.52%
1988	2.66%	0.75%
1987	5.78%	1.87%
1986	3.50%	4.55%
1985	1.71%	0.00%
1984	0.84%	0.00%
1983	1.10%	0.00%
1982	3.19%	1.35%
1981	0.16%	3.01%
1980	1.50%	0.00%
1979	0.19%	0.00%
1978	1.33%	0.00%

The Federated Default % is for all Federated high yield assets, including mutual fund and separately managed account portfolio holdings

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the summary prospectus or prospectus before investing.

Past performance is no guarantee of future results.

High yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment grade securities.

Federated Securities Corp. is Distributor of the Federated funds.

Separately managed accounts are available through Federated Investment Counseling, a registered investment advisor.

INSTITUTIONAL SALES MATERIAL. Not for Distribution to the Public.

19-20049 (3/19)