

Release Date: 09-30-2018

Federated Quality Bond Fund II — Primary Shares

Investment Strategy from investment's prospectus

The investment seeks current income. The fund invests in a diversified portfolio of investment-grade, fixed-income securities consisting primarily of corporate debt securities, U.S. government and privately issued mortgage-backed securities, and U.S. Treasury and agency securities. It may invest in derivative contracts and/or hybrid instruments to implement elements of its investment strategy. The fund may also invest in GSE securities that are supported by the full faith and credit of the U.S. government, such as those issued by the Government National Mortgage Association.

Past name: Federated Quality Bond II.

Category Description: Corporate Bond

Corporate Bond portfolios concentrate on bonds issued by corporations. These tend to have more credit risk than government or agency-backed bonds. These portfolios hold more than 65% of their assets in corporate bonds, hold less than 40% of their assets in foreign bonds, less than 35% in high yield bonds, and have an effective duration of more than 75% of the Morningstar Core Bond Index.

Operations

Fund Inception Date	04-28-99
Initial Share Class Inception Date	04-28-99
Advisor	Federated Investment Management Company
Subadvisor	—

Fees and Expenses as of 04-30-18

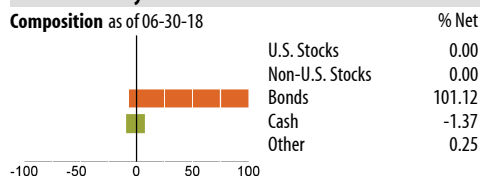
Gross Prospectus Expense Ratio	0.80%
Net Prospectus Expense Ratio	0.74%

Waiver Data	Type	Exp.Date	%
Expense Ratio	—	05-01-19	0.06

Portfolio Manager(s)

Bryan J. Dingle. M.B.A., University of Maryland. B.S., University of Delaware. Since 2014.
 Brian S. Ruffner. M.B.A., Duquesne University. B.S., Indiana University. Since 2017.

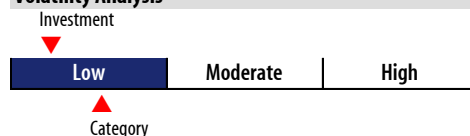
Portfolio Analysis as of 06-30-18



Top 20 Holdings as of 06-30-18

	% Assets
Us 10yr Note (Cbt) Sep 18 09-19-18	8.86
Us Long Bond(Cbt) Sep 18 09-19-18	3.46
Us 2yr Note (Cbt) Sep 18 09-28-18	1.68
Us Ultra Bond Cbt Sep 18 09-19-18	1.35
Manufacturers and Traders Trust Company 2.94% 12-01-21	1.29
Bank of America Corporation 2.82% 07-21-23	1.13
GE Capital International Funding Company Unlimited Company 2.34% 11-15-20	1.02
Kinder Morgan Energy Partners LP 5.3% 09-15-20	0.88
Anheuser-Busch InBev Finance Inc. 3.65% 02-01-26	0.83
Wells Fargo & Company 3.07% 01-24-23	0.77
Microsoft Corporation 1.55% 08-08-21	0.76
NBCUniversal Media LLC 5.15% 04-30-20	0.71
CVS Health Corp 4.3% 03-25-28	0.68
Westpac Banking Corporation 4.88% 11-19-19	0.64
Reckitt Benckiser Treasury Services PLC 2.38% 06-24-22	0.63
RBS Citizens Financial Group Inc 4.15% 09-28-22	0.62
Worthington Industries, Inc. 6.5% 04-15-20	0.60
Burlington Northern Santa Fe LLC 3.45% 09-15-21	0.59
Verizon Communications Inc. 5.15% 09-15-23	0.56
Citigroup Inc. 5.38% 08-09-20	0.55
Total Number of Stock Holdings	—
Total Number of Bond Holdings	383
Annual Turnover Ratio %	27.00
Total Fund Assets (\$mil)	187.15

Volatility Analysis



In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Morningstar Style Box™ as of 06-30-18



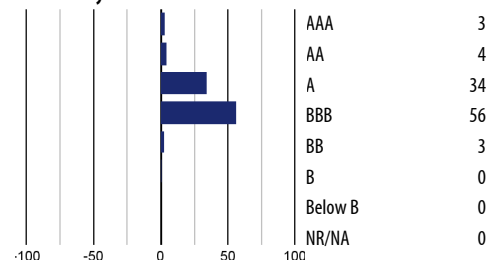
Risk Measures as of 09-30-18

	Port Avg	BC Aggr	Category
3 Yr Std Dev	2.43	2.66	3.67
3 Yr Sharpe Ratio	0.44	0.16	0.63
3 Yr Alpha	0.76	—	1.89
3 Yr Beta	0.77	—	1.04
3 Yr R-squared	71.08	—	64.65

Morningstar Sectors as of 06-30-18

	%Fund	%Category
Government	10.23	7.56
Corporate	82.86	83.82
Securitized	0.14	4.78
Municipal	0.18	0.99
Cash and Equivalents	6.59	2.85
Other	0.00	0.00

Credit Analysis as of 06-30-18



Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

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