

Federated MDTA LLC

March 17, 2014

ITEM 2. MATERIAL CHANGES

As required by SEC rules, through this summary, Federated MDTA LLC is identifying and discussing the changes from its last annual update to its Form ADV, Part 2A, brochure, dated March 13, 2013, that it believes may be material.

In the discussion immediately below, we are discussing only changes believed to be material from the last annual update of our brochure dated March 13, 2013. In the section below labeled “Certain Other Changes,” we also discuss certain (but not all) other changes to our brochure from our last annual update. We encourage you to use this summary to determine whether to review our amended annual updated brochure, dated March 17, 2014 (Updated Brochure), in its entirety or to contact Federated MDTA LLC with questions about the changes.

You may contact us at 1-800-245-4770 (select option 3) if you have any questions or to request a copy of our Updated Brochure. A copy of our Updated Brochure will be provided free of charge. You also may obtain our Updated Brochure from our website (FederatedInvestors.com) free of charge. Additional information about us, our investment adviser representatives, and our affiliates that are domestic registered investment advisers (together with us, each a Federated Advisory Company and, collectively, the Federated Advisory Companies) also is available via the SEC’s website at www.adviserinfo.sec.gov.

Under Section F (“Our Assets Under Management”) in Item 4 (“Advisory Business”) of our brochure, we are updating our assets under management because they have changed. Accordingly, under Section F in Item 4, please replace the existing text with the following:

As of December 31, 2013, Federated MDTA LLC had \$2,455,200,073 in assets under management. As of such date, our assets under management consisted of \$2,236,546,276 of assets that we managed on a discretionary basis. These include assets for which we provided Investment Supervisory Services and exercised discretionary authority or nondiscretionary authority with trading responsibility. As of such date, our assets under management also consisted of \$218,653,798 of assets that we managed on a non-discretionary basis. These include assets for which we provided nondiscretionary services and did not have trading responsibility. This latter category generally includes our Model Portfolio Management Services.

Federated MDTA LLC’s parent company, Federated Investors, Inc. holds a non-voting, minority interest in both Dix Hills Partners, LLC, and its affiliate, Dix Hills Associates, LLC, (“Dix Hills”) and has had solicitation and business alliance arrangements with Dix Hills as well as strategic arrangements with GML Capital LLP. While Federated Investors, Inc. continues to hold a non-voting, minority interest in both Dix Hills Partners, LLC, and its affiliate, Dix Hills Associates, LLC, the solicitation and business alliance arrangements have been terminated. The strategic arrangements with GML Capital LLP have also been terminated. Accordingly, references to the solicitation and business alliance arrangements with Dix Hills and GML Capital LLP have been removed throughout our brochure including in the following sections:

- Section E (“Sales Compensation”) in Item 5 (“Fees and Compensation”);
- Section B (“Relationships with Commodity Pool Operators and Commodity Trading Advisers”) and Section D (“Relationships with Certain Investment Advisers”) in Item 10 (“Other Financial Industry Activities and Affiliations”); and
- Section A (“Arrangements Involving Receipt of Economic Benefits from Non-Clients”) in Item 14 (“Client Referrals and Other Compensations”).

Under Section B.6 (“Certain Other Conflicts of Interest Relating to Certain Investment and Brokerage Practices”) in Item 6 (“Performance-Based Fees and Side by Side Management”) of our brochure, Federated MDTA LLC is updating the fourth through sixth paragraphs to clarify our practices and describe new trade rotation practices for equity investment strategies in connection with affiliated advisers’ Managed Accounts and ~~our~~ Model Portfolio Management Services. Accordingly, under Section B.6 in Item 6, please replace the third through sixth paragraphs under “Certain Other Conflicts of Interest Relating to Certain Investment and Brokerage Practices” with the following:

Due to operational, technological and other reasons, Federated MDTA LLC's related persons (*e.g.*, the other Federated Advisory Companies) do not utilize the same rotation approach as Federated MDTA LLC. These other Federated Advisory Companies have policies in place which are reasonably believed to be designed to commence trade execution as concurrently as practicable, or otherwise in a fair and equitable manner, address potential conflicts of interest and protect client interests. Various factors, however, may result in trades for a client not being aggregated with aggregated trades for the other Federated Advisory Companies and clients of the other Federated Advisory Companies receiving a different price, either higher or lower, for the same security. For example, certain operational differences inherent in the trade execution process result in trades for certain clients (such as Managed Accounts and other accounts managed to the same model portfolio as Managed Accounts) being effected either before or after trades for other clients.

Taking these scenarios and factors into account, Federated MDTA LLC, and the other Federated Advisory Companies, have procedures in place which we believe are consistent with our duty to seek to obtain best execution of client trades and designed to treat clients fairly and prevent clients from being systematically favored or disadvantaged. (Please refer to "Brokerage Practices" in this brochure for more information on directed brokerage/trading and trade aggregation.)

Federated Clover Investment Advisors Division of Federated Global Investment Management Corp.

As a result of the acquisition of Clover Capital Management, Inc. (the business of which is now operated as the Federated Clover Investment Advisors, a division of Federated Global Investment Management Corp., another Federated Advisory Company), the Federated Clover Investment Advisors division of Federated Global Investment Management Corp. has policies in place which are reasonably believed to be designed to commence trade execution as concurrently as practicable for Managed Accounts, on the one hand, and other client accounts (*e.g.*, institutional and high net worth Separate Accounts and Investment Companies), on the other hand, at the different trading desks. When Federated Global Investment Management Corp. is providing discretionary advisory services to Managed Account clients, purchases and sales of securities generally are processed on a rotational basis by Managed Account Program Sponsor and Program. With respect to Federated Global Investment Management Corp.'s equity investment strategies utilized in providing its non-discretionary Model Portfolio Management Services, Federated Global Investment Management Corp. includes the Overlay Managers in the trade rotation process for its discretionary Managed Accounts and Federated Global Investment Management Corp. currently communicates model changes to the Overlay Managers during the Overlay Manager's turn in the trading rotation. In implementing Federated Investment Counseling's trade rotation process, Federated Investment Counseling may allot a period of time for a Sponsor or Overlay Manager to arrange executions for accounts before moving to the next Sponsor's or Overlay Manager's turn in the rotation process. The Federated Clover Investment Advisors division also has established a policy whereby purchases and sales of securities for certain institutional and high net worth Separate Accounts, and certain Investment Companies advised by the Federated Clover Investment Advisors division, traded at the Federated Clover Investment Advisors division location are processed on a rotational basis by group. The Investment Company accounts will be eligible for cross trades and trade aggregation with accounts (including, among others, Investment Companies) of other Federated Advisory Companies that are traded utilizing the same trade management system. The institutional and high net worth Separate Accounts will be eligible for trade aggregation amongst such accounts themselves, which are traded using a different trade management system. For initial public offerings, the institutional and high net worth Separate Accounts traded using this different trade management system also may be aggregated on a cumulative basis with initial public offering trades with the Investment Company accounts of the Federated Clover Investment Advisors division, as well as the accounts of the other Federated Advisory Companies, that are traded using the other trade management system. In such a case, the institutional and high net worth Separate Accounts traded using this different trade management system will receive a pro rata allocation of the initial public offering. Within each group, the accounts will be allocated on a random or pro-rata basis. Trades for a client that has directed use of a particular broker or dealer are typically placed at the end of aggregated trading activity. Accordingly, directed transactions may be subject to the conditions discussed in this brochure under "Directed Brokerage" under "Selection Criteria for Brokers/Dealers" under "Brokerage Practices." There can be no assurance that each client will receive the same price for a security, and, depending upon the circumstances, different clients may receive different prices, either higher or lower, for the same security.

Federated Investment Counseling

Except as discussed below, when Federated Investment Counseling is providing discretionary advisory services to Managed Account clients, purchases and sales of securities generally are processed on a rotational basis by Managed Account Program Sponsor and Program. With respect to Federated Investment Counseling's equity investment strategies utilized in providing its non-discretionary Model Portfolio Management Services, Federated Investment Counseling includes the Overlay Managers in the trade rotation process for its discretionary Managed Accounts and Federated Investment Counseling currently communicates model changes to the Overlay Managers during the Overlay Manager's turn in the trading rotation. In implementing Federated Investment Counseling's trade rotation process, Federated Investment Counseling may allot a period of time for a Sponsor or Overlay Manager to arrange executions for accounts before moving to the next Sponsor's or Overlay Manager's turn in the rotation process. With respect to Federated Investment Counseling's fixed income investment strategies utilized in providing its non-discretionary Model Portfolio Management Services, given the operational aspects inherent in trading fixed income securities, decisions with respect to changes in fixed income model portfolios depend upon the availability of fixed income securities in the market; as a result, Federated Investment Counseling communicates fixed income model changes to Overlay Managers as concurrently as practicable (outside of its trade rotation process) with commencing trading with respect to the Managed Accounts it manages on a discretionary basis. This fact generally results in fixed income model changes being communicated to Overlay Managers promptly after Federated Investment Counseling's discretionary fixed income trading has commenced.

Clients also should be aware that conflicts of interest arise because portfolio decisions regarding one client's account may impact the accounts of the other clients. If authorized under an investment management agreement, Federated MDTA LLC or other Federated Advisory Companies may in our or their discretion (a) participate in bankruptcy proceedings or join creditor committees on behalf of some or all of our or their clients with respect to securities or other assets held in client accounts, (b) participate in other litigation, actions or decisions involving securities or other assets held in client accounts, or (c) otherwise pursue or enforce rights available to creditors with respect to a security held in a client's account. For example, we may seek to enforce rights with respect to a security of an issuer in which a client's assets have been invested, and those activities may potentially have an adverse effect on that or other securities of that issuer held in client accounts. As a result, prices, availability, liquidity and other investment terms may be negatively impacted by such activities, and transactions for client accounts may be impaired or effected at prices or on terms that may be different (including less favorable) than would otherwise have been the case.

Under Section C.3 ("Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Voting Securities Held in Client Accounts") in Item 6 ("Performance-Based Fees and Side by Side Management") of our brochure, Federated MDTA LLC is clarifying that if a client is an Investment Company or Private Investment Company, we would take direction from its board of directors/trustees or other governing body in the circumstances described in the last paragraph. Accordingly, under Section C.3 in Item 6, please replace the last paragraph with the following:

If a client's account holds shares of an Investment Company or Private Investment Company for which Federated MDTA LLC acts as an investment adviser, the Proxy Committee will vote the proxies in the same proportion as the votes cast by shareholders who are not clients of Federated MDTA LLC at any shareholders' meeting called by such Investment Company or Private Investment Company, unless otherwise directed by the client (or, in the case of an Investment Company or Private Investment Company, its board of directors/trustees or other governing body).

Under Section 8.A ("Basic Information") in Item 8 ("Methods of Analysis, Investment Strategies, and Risk of Loss") of our brochure in the section entitled "Equity Securities," clarifications were made regarding "technology risks" and "Eurozone risks," and "medium size company risk" and "small company risk" were consolidated.

Under Section 8. B (“Strategy Specific Disclosures”) in Item 8 (“Methods of Analysis, Investment Strategies, and Risk of Loss”) of our brochure, clarifications were made regarding “quantitative modeling risks” for all strategies, and “medium size company risk” and “small company risk” were consolidated into “risks related to company size” in the following strategies: “MDT Mid Cap Growth,” “MDT Small Cap Core,” “MDT Small Cap Growth,” “MDT Small Cap Value.”

Edgewood Services, Inc., a broker/dealer affiliated with Federated MDTA LLC was deregistered as a broker/dealer in 2013. Accordingly, references to Edgewood Services, Inc. have been removed throughout our brochure, including in the following sections:

- Section A (“Relationships with Broker-Dealers”) and Section C (“Relationships with Certain Related Persons”) in Item 10 (“Other Financial Industry Activities and Affiliations”); and
- The Privacy Policy that is attached as an addendum to our brochure has also been updated to remove Edgewood Services, Inc.

Under Section B. (“Participation or Interest in Client Transactions”) in Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”) of our brochure, Federated MDTA LLC is adding a statement at the end of the second paragraph to clarify that Federated MDTA LLC may sponsor, create and manage in the future private funds or other Pooled Investment Vehicles in which client assets will be invested. Accordingly, under Section B in Item 11, please add the following sentence to the end of the second paragraph:

“Federated MDTA LLC, or other Federated Advisory Companies, also may sponsor, create and manage in the future other private funds or other Pooled Investment Vehicles in which client assets will be invested.”

Under Section A. (“Selection Criteria for Brokers/Dealers”) in Item 12 (“Brokerage Practices”) of our brochure, we are updating the text to clarify the review of broker/dealer performance. Accordingly, under Section A in Item 12, please replace the fourth paragraph under “Selection Criteria for Brokers/Dealers” with the following text:

Federated MDTA LLC has adopted written policies for brokerage allocation (Brokerage Policies), which are also part of and are periodically reviewed as part of our Soft Dollar Policy and Procedure. Senior management approves the allocation budget annually and reviews the annual budget in relation to projected and actual brokerage activity quarterly. The budget is determined with input from senior investment personnel. The performance of brokers/dealers is periodically reviewed by the applicable Chief Investment Officer (CIO) and other members of the Brokerage Practice Committee. Senior investment managers are responsible for periodically evaluating the quality and usefulness of the products and services received from or through brokers/dealers which are deemed to assist us in fulfilling our investment management responsibilities (Research Services) and/or executing clients' securities trades (Brokerage Services), subject to the limitation that such Brokerage Services are used during the period of time beginning when the trade order is transmitted to the brokers/dealers and ending with the clearance and settlement of that trade. Compliance personnel monitor the implementation of the Brokerage Policies and associated procedures.

Under Section B.1 (“Our Proxy Voting Policies and Procedures – Proxy Voting Policies”) in Item 17 (“Voting Client Securities”) of our brochure, Federated MDTA LLC is updating the third paragraph to clarify that we will not vote for any Director who has not attended at least 75% of the board meetings during the previous year. Accordingly, under Section B.1 in Item 17, please replace the third paragraph under “Proxy Voting Policies” with the following:

On matters of corporate governance, generally Federated MDTA LLC will vote for the full slate of directors nominated in an uncontested election but against any Director who has not attended at least 75% of the board meetings during the previous year; and for proposals to:

- Require a company's audit committee to be comprised entirely of independent directors;
- Require independent tabulation of proxies and/or confidential voting by shareholders;

- Reorganize in another jurisdiction (unless it would reduce the rights or preferences of the securities being voted);
- Ratify the board's selection of auditors, unless compensation for non-audit services exceeded 50% of the total compensation received from the company, or the previous auditor was dismissed because of a disagreement with the company; and
- Repeal a shareholder rights plan (also known as a poison pill).

We will generally vote against the adoption of such a plan (unless the plan is designed to facilitate, rather than prevent, unsolicited offers for the company).

Under Section B.1 (“Our Proxy Voting Policies and Procedures – Proxy Voting Policies”) in Item 17 (“Voting Client Securities”) of our brochure, Federated MDTA LLC is updating the sixth paragraph to remove the phrase “even though we typically vote against such measures in other contexts.” Accordingly, under Section B.1 in Item 17, please replace the sixth paragraph under “Proxy Voting Policies” with the following:

On matters relating to corporate transactions, we will vote proxies relating to proposed mergers, capital reorganizations, and similar transactions in accordance with the general policy, based upon our analysis of the proposed transaction. We will vote proxies in contested elections of directors in accordance with the general policy, based upon our analysis of the opposing slates and their respective proposed business strategies. Some transactions may also involve proposed changes to the company's corporate governance, capital structure or management compensation. We will vote on such changes based on our evaluation of the proposed transaction or contested election. In these circumstances, we may vote in a manner contrary to the general practice for similar proposals made outside the context of such a proposed transaction or change in the board. For example, if we decide to vote against a proposed transaction, we may vote for anti-takeover measures reasonably designed to prevent the transaction.

Certain Other Changes

Under Section B (“Our Ownership Structure”) in Item 4 (“Advisory Business”) we clarified that our ultimate parent company, Federated Investors, Inc., which is a public company, has two share classes, Class A Common Stock and Class B Common Stock, and that, except under certain limited circumstances, the entire voting power of Federated Investors is vested in the holder of the outstanding shares of the Class A Common Stock, which is a Voting Shares Irrevocable Trust, dated May 31, 1989 (the “Voting Trust”) for the benefit of the members of the family of John F. Donahue, the Chairman of Federated Investors’ Board of Directors.

Our affiliate, Federated Securities Corp., is withdrawing its registration as a municipal advisor. Accordingly, we have removed references to Federated Securities Corp.’s registration as a municipal advisor, and to rules applicable to municipal advisors, throughout our brochure, including in the following sections:

- Section E (“Sales Compensation”) in Item 5 (“Fees and Compensation”);
- Section A (“Relationships with Broker-Dealers”) in Item 10 (“Other Financial Industry Activities and Affiliations”);
- Section A (“Arrangements Involving Receipt of Economic Benefits from Non-Clients”) in Item 14 (“Client Referrals and Other Compensation”); and
- Section C.1. (“Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Receipt of Compensation or Benefits, Other Than Advisory Fees”) in Item 6 (“Performance-Based Fees and Side by Side Management”).

Under Section A (“Relationships with Broker-Dealers”) in Item 10 (“Other Financial Industry Activities and Affiliations”) of our brochure, Federated MDTA LLC is updating the sixth paragraph to add Jeremy D. Boughton as an Assistant Treasurer of Federated MDTA LLC. Accordingly, under Section A in Item 10, please delete the sixth paragraph under “Relationships with Broker-Dealers” and replace it with the following:

The following management persons of Federated MDTA LLC are registered representatives of Federated Securities Corp.:

- J. Christopher Donahue, Director, Chairman
- Gordon J. Ceresino, Vice Chairman
- Brian P. Bouda, Chief Compliance Officer

The following management persons of Federated MDTA LLC are registered financial and operations principals of Federated Securities Corp.:

- Richard A. Novak, Treasurer
- Jeremy D. Boughton, Assistant Treasurer

Under Section B (“Relationships with Commodity Pool Operators and Commodity Trading Advisors”) in Item 10 (“Other Financial Industry Activities and Affiliations”) of our brochure, we are updating the list of Federated Advisory Companies that have registered as commodity pool operators. Accordingly, under Section B in Item 10, please replace the first paragraph under “Relationships with Commodity Pool Operators and Commodity Trading Advisors” with the following text:

Certain other Federated Advisory Companies, Federated Investment Management Company, Federated Equity Management Company of Pennsylvania and Federated Global Investment Management Corp., discussed under “Other Investment Advisers” under “Relationships with Certain Related Persons” under “Other Financial Industry Activities and Affiliations” are registered as commodity pool operators.

Under Section C.2 (“Relationships with Certain Related Persons – Other Investment Advisers”) in Item 10 (“Other Financial Industry Activities and Affiliations”) of our brochure, Federated MDTA LLC is updating the list of Foreign Advisers to reflect a name change and a new adviser. Accordingly, under Section C.2 in Item 10, please replace the list of Foreign Advisers with the following:

Foreign Advisers

Federated International Management Limited; Federated Asset Management GmbH, Federated Investors (UK) LLP. and Federated Investors Australia PTY LTD.

Federated International Management Limited has filed as an exempt reporting adviser with the SEC.