

FEDERATED MDTA LLC

March 20, 2017

ITEM 2. MATERIAL CHANGES

As required by SEC rules, through this summary, Federated MDT LLC is identifying and discussing the changes from its last annual update to its Form ADV, Part 2A, brochure, dated March 16, 2016, that it believes may be material.

The discussion immediately below, addresses only changes believed to be material from the last annual update of our brochure dated March 16, 2016. 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 20, 2017 (Updated Brochure), in its entirety or to contact Federated MDT LLC with questions about the changes.

You may contact us at 1-800-685-4277 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.”

Item 4 Section C (“Advisory Business - Our Advisory Services”): This section has been revised to enhance disclosure regarding Federated MDTA LLC’s quantitative investment process. Accordingly, the second paragraph of the Section has been restated as follows:

We are a quantitative investment management firm, and our investment strategies utilize our proprietary quantitative investment process. Our process strives to provide a disciplined, quantitative approach to investing in U.S. equity securities by seeking to exploit multiple market inefficiencies to outperform the appropriate benchmark with moderate relative risk. The process consists of three main elements: portfolio selection, trading, and model construction. Portfolio selection is a bottom-up process that integrates stock selection, trading cost control, and risk control to trade portfolios daily. A model analyzes stock selection variables to assess profit trends, company valuation, and earnings risk from fundamental and behavioral perspectives. The quantitative model constructs the portfolio by considering fundamental and technical measures, analyzing expected trading costs and employing risk controls to promote diversification. Fundamental and technical measures include relative value, profit trends, capital structure and price history. The process also takes into account trading costs in an effort to ensure that trades are generated only to the extent they are expected to be profitable on an after-trading-cost basis. Additionally, risk is controlled through diversification constraints which limit exposure to individual companies as well as groups of correlated companies. These assessments combine with estimates of potential trading costs and, where applicable, tax costs in an attempt to determine the optimal portfolio subject to diversification constraints. Consistent with the process described above, investment personnel at Federated MDTA LLC review the proposed trades produced by the quantitative model in an effort to ensure that they are based on accurate and current information. If a proposed trade is deemed to be based on inaccurate or stale information, the trade decision is deferred until the model incorporates timely and accurate information. Consistent with our process, we review proposed trades produced by our computer model in an effort to ensure that they are based on accurate and current information. If a proposed trade is deemed to be based on inaccurate or stale information, the trade decision is deferred until the model incorporates timely and accurate information. Models are constructed using advanced, computer-intensive algorithms and proprietary software. The software aims to uncover non-linear relationships inherent in financial data and to test all model parameters simultaneously in a dynamic real world multi-period portfolio selection context. Updated models are released periodically. (Please refer to “Methods of Analysis, Investment Strategies and Risk of Loss” in Item 8 of this brochure for further information on our investment strategies and significant risks.)

Item 4 Section C.1 (“Advisory Business - Our Advisory Services - Investment Supervisory Services”): This section has been revised to include additional disclosure regarding the fees associated with Managed Account Programs. Accordingly, the Section has been restated as follows:

Federated MDTA LLC provides continuous and regular investment supervisory or management services (Investment Supervisory Services) pursuant to which we have discretionary authority over a client’s assets and provide ongoing

supervisory or management services with respect to the client's assets. Such discretionary authority generally does not require prior client consultation.

We may also provide Investment Supervisory Services when we do not have discretionary authority over a client's assets, but we have ongoing responsibility to select and make recommendations to a client as to specific securities or other investments that may be purchased or sold for a client's account. Under these arrangements, if our recommendations are accepted by the client, we are responsible for arranging or effecting the purchase or sale of such securities or other investments.

We strive to tailor our Investment Supervisory Services to the individual needs of our clients. For example, we generally permit clients to impose reasonable restrictions on investment in certain securities or types of securities. A restriction is reasonable if, in our judgment, the restriction does not impose any material or significant impairment on our ability to manage a client's assets in accordance with the investment strategy and guidelines established for that client's account. We review a client's investment guidelines and discuss them with the client. We also intend to perform our Investment Supervisory Services in accordance with SEC Rule 3a-4 under the Investment Company Act of 1940 (Investment Company Act) to the extent required under applicable law or the terms of a client's investment management agreement(s) (Please refer to "Methods of Analysis, Investment Strategies and Risk of Loss" in Item 8 and "Investment Discretion" in Item 16 of this brochure for further information on our methods of analysis, investment strategies, and related risks).

Investment Supervisory Services provided to Managed Accounts and our Model Portfolio Management Services are not intended for use with respect to any collective fund, Investment Company, Private Investment Company, other Pooled Investment Vehicle or unitized accounts/vehicles without written consent of Federated MDTA LLC.

In the case of Managed Accounts and other discretionary investment accounts that we manage, we may invest client assets in certain affiliated Investment Companies (or mutual funds) advised by Federated MDTA LLC or other Federated Advisory Companies. These affiliated Investment Companies may bear expenses as disclosed in their prospectuses. For example, while these affiliated Investment Companies may not pay certain of the investment management fees or other fees to Federated MDTA LLC or other Federated Advisory Companies or their affiliates, they typically pay (directly or indirectly by investing in other investment companies) third-party expenses (including custodian fees, transfer agency fees, legal expenses and other third-party expenses). In certain cases, however, an Investment Company may invest in another affiliated Investment Company, Private Investment Company or Pooled Investment Vehicle that pays, or that invests in yet another affiliated Investment Company, Private Investment Company or Pooled Investment Vehicle that pays, management fees or other fees to Federated MDTA LLC or other Federated Advisory Companies or their affiliates, in which case clients may bear those fees indirectly, including as part of the investment return of the affiliated Investment Company, Private Investment Company or Pooled Investment Vehicle. Please refer to "Conflicts of Interest Relating to Affiliated Investment Vehicles" and "Conflicts of Interest Relating to Uninvested Cash Positions" in Item 6 of this brochure for further information regarding actual or potential conflicts of interest that may arise in connection with investments in affiliated investment vehicles. Clients also bear expenses charged directly to the Managed Accounts. We may invest client assets in a portfolio of individual fixed income or other securities or investments, or in a combination of individual fixed income or other securities or investments and affiliated Investment Companies. We determine how to invest the client assets based upon several factors, including the type of client account, the investment strategy, and applicable client investment objectives, guidelines and policies, restrictions or instructions, instructions, or other relevant factors. In these cases, the affiliated Investment Companies are reasonably believed to be designed to purchase securities required for the fixed income, equity or other investment strategies that cannot be efficiently held individually in client accounts, but can be efficiently held in a pooled vehicle, such as a mutual fund. Regarding Managed Accounts, affiliated Investment Companies may only be held in Managed Accounts of clients that are "eligible investors." If a Managed Account client ceases to be an "eligible investor," the affiliated Investment Companies is authorized to redeem shares held by or on behalf of such a client. Dividends paid by affiliated Investment Companies to Managed Accounts are paid in cash; Managed Account clients may not reinvest dividends into affiliated Investment Companies. (Please refer to "Performance-Based Fees and Side by Side Management," in Item 6, "Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading" in Item 11 and "Brokerage Practices" in Item 12 of this brochure for further information regarding investments in affiliated Investment Companies.)

In connection with the Investment Supervisory Services that Federated MDTA LLC provides, we generally are responsible for providing investment research and investment evaluation services. We may also provide certain reports

to our clients. Additional information, including performance reports prepared in compliance with Global Investment Performance Standards (GIPS), is available at FederatedInvestors.com.

When acting in our capacity as investment adviser to Investment Companies and certain Proprietary Accounts, Federated MDTA LLC provides investment research and supervises the investments of our clients and conducts a continuous program of investment evaluation. We also provide advice regarding appropriate sales or other dispositions and reinvestment of such client's portfolios. In all cases, our advice is subject to the investment objective, policies and limitations of our clients.

Item 5 Section A.1 ("Fees and Compensation - Our Advisory Fees - Advisory Fee Information for Separate Accounts, Managed Accounts, and Model Portfolio Management Services"): The subsection, "Our Basic Fee Schedules: Separate Accounts, Managed Accounts, and Model Portfolio Services" has been revised to reflect the updated basic fee schedules. Accordingly, the subsection is restated as follows:

Federated MDTA LLC's basic fee schedules for Separate Accounts are as follows:

MDT - All Cap Core; Balanced; Large Cap Growth; Large Cap Value:

70 basis points - first \$5 million in assets under management (AUM)
60 basis points - over \$5 million to \$25 million in AUM
50 basis points - over \$25 million to \$50 million in AUM
40 basis points - over \$50 million to \$100 million in AUM
35 basis points - over \$100 million in AUM

MDT - Tax Aware/All Cap Core:

80 basis points - first \$5 million in assets under management (AUM)
70 basis points - over \$5 million to \$25 million in AUM
60 basis points - over \$25 million to \$50 million in AUM
50 basis points - over \$50 million to \$100 million in AUM
45 basis points - over \$100 million in AUM

MDT - Micro Cap

100 basis points on all assets under management

MDT - Mid Cap Growth:

85 basis points - first \$10 million in assets under management (AUM)
70 basis points - over \$10 million to \$50 million in AUM
60 basis points - over \$50 million to \$100 million in AUM
50 basis points - over \$100 million in AUM

MDT - Small Cap Core; Small Cap Growth; Small Cap Value:

85 basis points - first \$50 million in assets under management (AUM)
75 basis points - over \$50 million to \$100 million in AUM
60 basis points - over \$100 million in AUM
\$10 million minimum

For certain of the investment strategies noted above where our basic fee schedule is an asset-based fee schedule based on a percentage of assets under management, we may be willing to accept a performance-based fee, which generally would be calculated as a percentage of excess performance above certain levels and described in the investment management agreement with our client, or a combination of an asset-based fee and a performance-based fee. Performance-based fees only may be charged to qualified clients as and when permitted under Section 205 of the Advisers Act and SEC Rule 205-3 promulgated under the Advisers Act. (Please refer to "Negotiation and Modification of Fees" in Item 5 of this brochure for additional information on the negotiability of our fees. Also, please refer to "Performance-Based Fees and Side by Side Management" in Item 6 of this brochure for a discussion of the conflicts of interest raised by performance-based fees.)

Item 5 Section A.2 (“Fees and Compensation - Our Advisory Fees - Advisory Fee Information for Private Investment Companies, Pooled Investment Vehicles, Proprietary Accounts and Subadvised Accounts”): The “Pooled Investment Vehicles” subsection has been revised to reflect updated fee ranges. Accordingly, the subsection has been restated as follows:

Federated MDTA LLC’s fees for providing Investment Supervisory Services to Pooled Investment Vehicles may be consistent with the basic fee information and terms discussed above but also may vary depending upon the type of Pooled Investment Vehicle and the scope of services being provided. The asset-based fees currently generally range from 1.00% to 1.50%. We also receive a performance-based fee that is calculated as a percentage of excess performance above certain levels as discussed in the Pooled Investment Vehicle’s governing documents. We do not require any Pooled Investment Vehicles to prepay investment advisory fees (therefore, our fees are not refundable).

Federated MDTA LLC’s fees for non-U.S. investment companies (*i.e.*, Pooled Investment Vehicles) also are based on the client’s average net assets. The advisory agreement currently calls for a fee range of 0.40% to .50%. Our fees may be payable daily, monthly or quarterly.

In the case of either U.S. or non-U.S. Pooled Investment Vehicles, when Federated MDTA LLC’s fee is negotiated, it may vary based on discussions with the governing bodies or managers of such Pooled Investment Vehicles and is specified in our investment management or other agreements for the Pooled Investment Vehicles.

Item 6 Section B (“Performance-Based Fees and Side by Side Management - Conflicts of Interest Relating to Side by Side Management”): This section has been revised to enhance the disclosure regarding the conflicts of interest related to investments in an affiliated Investment Company, Private Investment Company or Pooled Investment Vehicle. Accordingly, the second paragraph of the Section has been restated as follows:

Certain actual or potential conflicts of interest may arise in connection with a portfolio manager’s management of an account’s investments and the investments of other accounts for which the portfolio manager is responsible. To the extent that the same investment opportunities might be desirable for more than one account, possible conflicts could arise in determining how to allocate them. Federated MDTA LLC or other Federated Advisory Companies may give advice or take action with respect to investments of one or more clients that may not be given or taken with respect to other clients with similar investment strategies or objectives. Accordingly, clients with similar strategies or objectives may not hold the same securities or instruments or achieve the same performance. In addition, legal restrictions on the combined size of positions which may be taken for all assets managed by Federated MDTA LLC and/or the other Federated Advisory Companies, and the difficulty of liquidating an investment for more than one client where the market cannot absorb the sale of the combined positions, may affect (including in an adverse manner) the prices and availability of certain securities or other investments held by or considered for one or more clients. There also are times when the same portfolio manager manages an Investment Company (mutual fund), Managed Account and other client assets, and/or provides Model Portfolio Management Services, all with the same investment style or strategy. This includes, for example, mutual funds managed in the same style and/or other institutional investment accounts (*e.g.*, Separate Accounts, Investment Companies, or Pooled Investment Vehicles) managed in the same style, or to the same model portfolio, as Managed Accounts. In certain cases, however, an affiliated Investment Company may invest in another affiliated Investment Company, Private Investment Company, affiliated Pooled Investment Vehicle that pays, or that invests in yet another affiliated Investment Company, Private Investment Company or Pooled Investment Vehicle that pays, management fees or other fees to Federated MDTA LLC or other Federated Advisory Companies or their affiliates, in which case clients may bear those fees indirectly, including or as part of the investment return of the affiliated Investment Company, Private Investment Company or Pooled Investment Vehicle. Please refer to “Conflicts of Interest Relating to Affiliated Investment Vehicles” and “Conflicts of Interest Relating to Uninvested Cash Positions” in Item 6 of this brochure for further information regarding actual or potential conflicts of interest that may arise in connection with investments in affiliated investment vehicles.

Item 6 Section B.2 (“Performance-Based Fees and Side by Side Management - Conflicts of Interest Relating to Side by Side Management - Conflicts of Interest Relating to Affiliated Investment Vehicles”): This section has been revised to enhance the disclosure regarding the conflicts of interest related to investments in Affiliated Investment Vehicles. Accordingly, the Section has been restated as follows:

Federated MDTA LLC may invest client assets in Affiliated Investment Vehicles (*i.e.*, Investment Companies, Private Investment Companies or other Pooled Investment Vehicles) that are advised by us or other Federated Advisory

Companies. These Affiliated Investment Vehicles generally pay their investment advisers and service providers based on a percentage of their average net assets. Accordingly, we have an incentive to invest client assets in these Affiliated Investment Vehicles in order to increase the compensation that will be paid to us, other Federated Advisory Companies and/or our other affiliates by these Affiliated Investment Vehicles.

To address these actual or potential conflicts of interest, we invest client assets in Affiliated Investment Vehicles only when such investments are consistent with a client's investment objectives, policies, guidelines and restrictions, and applicable law. To the extent required by applicable law, prior to recommending or making investments in Affiliated Investment Vehicles, Federated MDTA LLC or our related persons will:

- Disclose to the client (or, as applicable, the client's Board of Trustees or Directors) the nature of the affiliation;
- Obtain the client's authorization to invest in Affiliated Investment Vehicles; and
- Specify in the client's authorization whether: (a) we or our related persons will charge, waive or reimburse the client for advisory fees attributable to investments in Affiliated Investment Vehicles; or (b) we or our related persons will waive or reimburse the client for the client's share of the advisory fees, if any, paid by the Affiliated Investment Vehicle to us or our related persons.

Any client authorization will be in writing (which may include Board minutes) and may, to the extent permitted by law, authorize investments in Affiliated Investment Vehicles generally. With respect to certain accounts (*e.g.*, managed accounts) where written authorization is impracticable, we address this conflict of interest through disclosure. This authorization or disclosure may apply, for example as required by applicable law, where advisory fees would be paid twice for duplicative services rendered by Federated MDTA LLC or our affiliates.

In certain cases when Federated MDTA LLC is providing Investment Supervisory Services, Model Portfolio Management Services or Other Advisory Services, we can invest (or recommend investment) in an Affiliated Investment Vehicle (such as, for example, to obtain exposure to a particular asset class), and that Affiliated Investment Vehicle may in turn invest its cash in another Affiliated Investment Vehicle for cash management purposes; in that case, Clients may bear advisory and other fees paid by such Affiliated Investment Vehicles to Federated MDTA LLC or other Federated Advisory Companies or their affiliates, either indirectly or as part of the investment return of the Affiliated Investment Vehicle, subject to a client's investment policies, guidelines and restrictions and applicable law.

Item 6 Section B.6 ("Performance-Based Fees and Side by Side Management - Conflicts of Interest Relating to Side by Side Management - Other Conflicts of Interest Relating to Certain Investment and Brokerage Practices"): The "Federated Clover Investment Advisors Division of Federated Global Investment Management Corp." subsection has been revised to clarify the disclosure regarding allocation of initial public offerings. Accordingly, the subsection has been restated as follows:

The Federated Clover Investment Advisors division of Federated Global Investment Management Corp. has policies in place which are reasonably designed to commence trade execution as concurrently as practicable, or otherwise in a fair and equitable manner, for Managed Accounts and other client accounts (*e.g.*, institutional and high net worth Separate Accounts and Investment Companies) at 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 the 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.

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 (Group A) are 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. Certain other institutional and high net worth Separate Accounts managed by the Federated Clover Investment Advisors division (Group B) will be eligible for trade aggregation solely amongst themselves with the exception of initial public offerings. All trades for accounts within Group B will be allocated on a random or pro-rata basis. However, with respect to initial public offering trades, all accounts managed by the Federated

Clover Investment Advisors division may be aggregated with accounts of the other Federated Advisory Companies, including Federated Investment Counseling. Trades for a client that has directed use of a particular broker or dealer are typically placed at the end of aggregated trading activity. 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.

Item 6 Section C.1 (“Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Receipt of Compensation or Benefits, Other Than Advisory Fees”): This section has been revised to enhance the disclosure regarding the allocation of expenses charged to certain clients and related conflicts of interest. Accordingly, the third paragraph has been restated as follows:

Additional compensation or other benefits create an incentive to recommend or favor our interests, and the interests of our affiliates, Affiliated Investment Vehicles (*e.g.*, the Federated mutual funds), and other products or services, based on the compensation that will be received. For example, certain of our directors/trustees, officers or supervised persons may be officers of the Federated mutual funds or other Private Investment Companies or Pooled Investment Vehicles sponsored by Federated Investors, Inc., our ultimate parent company. Federated Securities Corp. may receive compensation for the sale of fund shares or other services or products. If an intermediary’s (such as a broker/dealer’s) customers represent a significant number of the shareholders of, and assets in, a Federated fund, we may have an incentive to favor that intermediary. We would have a similar incentive with respect to a solicitor who referred clients to us or another Federated Advisory Company. We may have an incentive to execute brokerage transactions through the Managed Account Program Sponsor or Platform Provider (or an affiliated broker or dealer), which in turn has the power to recommend us to Managed Account Program clients. Outside of Managed Accounts, our willingness to direct brokerage/trades to a particular broker or dealer when instructed to do so by clients likewise may encourage a broker or dealer to refer business to us or our related persons, resulting in higher advisory, servicing or other compensation or other benefits. We also may receive “soft dollar benefits” from certain brokers or dealers. The receipt and use of brokerage and research services also creates various conflicts of interest for Federated MDTA LLC and our related persons. For example, we may have an incentive to select or recommend brokers or dealers based on our interest in receiving research or other products or services, rather than on our clients’ interest in receiving most favorable execution. (Please refer to “Sales Compensation” in Item 5, “Relationships with Brokers/Dealers” in Item 10 and “Research and Other Soft Dollar Benefits” in Item 12 of this brochure for further information.) Given the differences in the structure of certain accounts, Investment Companies, Private Investment Companies and other Pooled Investment Vehicles, as well as the terms of applicable investment management and other service agreements, Federated MDTA LLC and our affiliates may be able to charge or pass through to certain clients certain out of pocket expenses, or other fees and expenses, that cannot be charged to or passed through to other clients, which gives us and our affiliates an incentive to favor the clients to whom such expenses and fees may be charged or passed through.

Item 6 Section C.4 (“Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Other Conflicts of Interest”): This section has been revised to enhance the disclosure regarding actual or potential conflicts of interest that can arise from specific compensation arrangements for portfolio managers, traders and other supervised persons. Accordingly, the Section has been restated as follows:

In addition to the above described conflicts of interest, actual or potential conflicts of interest can arise in the following areas, among others:

- Portfolio managers’, traders’ and other supervised persons’ relationships with counterparties, issuers, and obligors, including entertainment and gifts received from counterparties, issuers or obligors, political and charitable contributions, and positions on boards of directors/trustees; and
- Specific compensation arrangements relating to portfolio managers, traders and other supervised persons.

Portfolio manager and trader relationships with counterparties must be disclosed to our Compliance Department and they are monitored on an ongoing basis. Our Code of Ethics addresses entertainment and gifts, as well as when portfolio managers, traders and other supervised persons may make or solicit political or charitable contributions or serve on boards of directors/trustees. (Please refer to “Our Code of Ethics” in Item 11 of this brochure for further information.)

Regarding specific compensation arrangements for portfolio managers, traders and other supervised persons, compensation arrangements generally may contain a fixed and/or variable salary component and an incentive amount determined primarily on the performance of investment accounts and/or funds/products, which can be paid in cash or a combination of cash and restricted stock of Federated Investors, Inc. In certain cases, certain portfolio managers, traders or other supervised persons may be eligible for certain annual payments based on revenue. Compensation arrangements can create actual and potential conflicts of interest, including, among others, with respect to the amount of time allocated to the accounts and/or funds/products for which a portfolio manager, trader or other supervised person is responsible and the allocation of investment opportunities among accounts and/or funds/products managed by Federated MDTA LLC and the other Federated Advisory Companies. Other potential conflicts relating to compensation can include, for example, conflicts created by calculations within specific investment professional compensation arrangements. Under certain compensation arrangements, the treatment of the accounts and funds/products (or other activities) for which a portfolio manager, trader or other supervised person is responsible can vary (and may be adjusted periodically). This includes, for example, the weighting that is given to the performance of each account and/or fund/product (or other activity) for which a portfolio manager, trader or other supervised person is responsible in calculating compensation; the weighting assigned to the performance of an account and/or fund/product (or other activity) can be greater than, equal to and/or lesser than the weighting assigned to the performance of other accounts and/or funds/products (or other activities), and can be adjusted periodically. The conflicts that can result from these compensation considerations generally are addressed by the written compliance policies and procedures and the Code of Ethics implemented by Federated MDTA LLC and the other Federated Advisory Companies and through the structuring of compensation arrangements.

Item 7 Section B (“Types of Clients - Requirements for Accounts”): This section has been revised to note Federated MDTA LLC’s target account size for Managed Account Programs. Accordingly, the Section has been restated as follows:

Federated MDTA LLC requires clients to enter into an investment management agreement. Our investment management agreements contain grants of authority from our clients that allow us to manage client assets and, in certain cases, we may request clients to execute and deliver a separate, stand-alone power of attorney. Except in the case of a dual contract or unbundled Managed Account Program, Managed Account clients typically will not enter into an investment management agreement directly with us. In that case, Managed Account clients will enter into investment management and/or other agreements with the Sponsors or Platform Providers for the Managed Account Program.

While we reserve the right to waive minimum account size requirements, our minimum account size targets are stated below.

Federated MDTA LLC’s target account size for Managed Account Program accounts is \$100,000. Certain asset classes may require larger account minimums to seek proper diversification. The minimum account sizes for Managed Account Programs also may differ based on the requirements of the program Sponsors, Platform Providers or Overlay Managers.

Generally, the minimum size account acceptable for a Separate Account client is \$5 million for Mid Cap and Small Cap Strategies, and \$10 million for All Cap and Large Cap Strategies. Generally, the minimum size account acceptable for a Managed Account Program client ranges between \$100,000 and \$250,000, depending upon the particular Managed Account Program.

Federated MDTA LLC may request clients to provide proof of authority, directed trading letters, qualified purchaser or accredited investor letters/certifications, or other information to allow us to manage client assets.

We provide investment advisory services for our Managed Account and other clients in accordance with the performance standards and limitations of liability as discussed in this brochure. (Please refer to “Standard of Care” in Item 4 of this brochure for further information.)

Federated MDTA LLC also may be restricted by the securities laws of jurisdictions outside of the U.S. from managing the assets of certain clients living or located in such jurisdictions.

Item 12 Section A.3.b (“Brokerage Practices - Selection Criteria for Brokers/Dealers - Directed Brokerage - Managed Account Programs”): This section has been revised to enhance disclosure regarding the “trading away” in Managed Account Programs. Accordingly, the second paragraph has been restated as follows:

As discussed in more detail under “Fees and Compensation” in Item 5 of this brochure, clients participating in Managed Account Programs generally pay a single fee or fees to cover investment management, custody and brokerage commissions for transactions effected through the Sponsor or other broker/dealer identified with the specific Managed Account Program. Brokerage commissions in Managed Account Programs are generally determined by the designated broker/dealer and included in the Managed Account Program fee. Transactions executed through other brokers/dealers would typically result in additional charges to the client account. Thus, in a traditional Managed Account Program, given the wrapped fee, we generally are not in a position to negotiate commission rates with the brokers/dealers or to aggregate trades with other client accounts for execution purposes (except that we may aggregate trades for accounts within each separate Managed Account Program). However, to the extent permitted by the Managed Account Program and consistent with the policies discussed under the heading “Selection Criteria for Brokers/Dealers” in Item 12 of this brochure, Federated MDTA LLC will execute transactions with other brokers/dealers in pursuit of best execution, which transactions may be aggregated with trades for other client accounts. For example, among other instances where we can trade away, we may execute time-sensitive orders with other brokers/dealers consistent with our obligation to seek best execution; these brokers/dealers may or may not waive or reduce commission costs in exchange for high trade volumes. In addition, in lieu of purchasing or selling ADRs, we may exchange ADRs for local shares or local shares for ADRs directly with an ADR’s Sponsor. Although such exchanges typically do not incur commissions, they may incur certain other fees or administrative costs. As a result of these transactions, Managed Account Program clients typically bear additional brokerage expenses in addition to the single fee associated with such programs.

Item 12 Section C (“Brokerage Practices - Other Considerations for Certain Separate Accounts, Managed Accounts, Model Portfolio, Management Services, and Other Advisory Services”): This section has been revised to note that Federated MDTA LLC’s recommendations may be based on pricing sources that differ from the pricing sources used by the Sponsors, Platform Providers and/or Overlay Managers. Accordingly, the Section has been restated as follows:

From time to time, various potential and actual conflicts of interest arise from the investment and brokerage activities of Federated MDTA LLC and our related persons. We have established policies and procedures that we believe are reasonably designed to address conflicts of interest. (Please refer to “Performance-Based Fees and Side by Side Management” in Item 6 of this brochure for a further discussion of these conflicts of interest and how they are addressed.) When we provide recommendations (including recommendations related to security allocations) to Model Portfolio Management Services clients, our recommendations may be based on pricing sources that differ from the pricing sources used by the Sponsors, Platform Providers and/or Overlay Managers of such programs. This in turn may result in variations between the security allocations we provide to the program Sponsor, Platform Providers and/or Overlay Managers and the actual allocations implemented by the program Sponsor, Platform Provider and/or Overlay Manager in Model Portfolio Management Services client accounts.

Item 12 Section E (“Error Resolution”): This section has been added to describe Federated MDTA LLC’s policies and procedures for identifying and resolving trade errors. Accordingly, the Section is as follows:

Federated MDTA LLC has adopted written policies and procedures that we believe are reasonably designed to identify and resolve errors that we make in the trade execution process (“Trade Errors”). We will evaluate any mistake that we make in the process of placing an order for, or executing a security transaction on behalf of a client account over which we have investment discretion, as a Trade Error. Regarding Model Portfolio Management Services, we also will evaluate any mistake that we make in the process of providing a model recommendation to an Overlay Manager in a program as a trade error. Consistent with our policies and procedures, and our obligations under applicable law, we strive to identify and resolve Trade Errors that we make promptly, document such Trade Errors, take reasonable steps to seek to prevent the reoccurrence of such Trade Errors and treat clients fairly in resolving such Trade Errors. Where a single Trade Error that we make results in multiple transactions in a client account, gains and losses on these transactions may be netted in evaluating the net impact of such a Trade Error.

Item 17 Section A (“Voting Client Securities - Accepting Voting Authority”): This section has been revised to clarify circumstances in which Federated MDTA LLC accepts the authority to vote securities held in client accounts. Accordingly, the Section has been restated as follows:

We will accept the authority to vote securities held in client accounts to which we provide discretionary investment advisory services. This authority generally will include the authority to vote proxies and corporate actions, but may not include the authority to vote or file class action, bankruptcy or other litigation claims or related matters. The scope of our authority to vote securities held in client accounts typically is set forth in our investment management agreements with our clients or, in the case of Managed Accounts, in our agreements with the Managed Account Program Sponsors and Platform Providers and the client’s Managed Account documentation. With respect to Model Portfolio Management Services and other non-discretionary investment advisory services, we typically will not vote securities held in client accounts. However, we may provide voting recommendations to such clients or Managed Account Program Sponsors, Platform Providers and Overlay Managers.

Item 17 Section B.1 (“Voting Client Securities - Our Proxy Voting Policies and Procedures - Proxy Voting Policies”): The seventh paragraph has been revised to note that Federated MDTA LLC generally votes proxies against proposals submitted by shareholders without the favorable recommendation of a company’s board. Accordingly, the seventh paragraph has been restated as follows:

On matters relating to corporate transactions, Federated MDTA LLC will vote proxies consistent with the General Policy. Federated MDTA LLC will vote proxies in contested elections of directors based upon its analysis of the opposing slates and their proposed business strategy and the expected impact on the long-term value of the securities being voted. Federated MDTA LLC generally votes proxies against proposals submitted by shareholders without the favorable recommendation of a company’s board. Federated MDTA LLC believes that a company’s board should manage its business and policies, and that shareholders who seek specific changes should strive to convince the board of their merits or seek direct representation on the board. However, Federated MDTA LLC would vote for shareholder proposals not supported by the company’s board that Federated MDTA LLC regards as: (a) likely to result in an immediate and favorable improvement in the total return of the voted security; and (b) unlikely to be adopted by the company’s board in the absence of shareholder direction.

Certain Other Changes

Item 4 Section B (“Advisory Business - Our Ownership Structure”): This section has been updated to reflect the current Trustees of the voting trust that holds the outstanding shares of Class A Common Stock of Federated Investors. Accordingly, the Section has been restated as follows:

We are an indirect, wholly-owned subsidiary of Federated Investors, Inc. Federated Investors is organized as a Pennsylvania corporation and is a publicly owned company (Ticker Symbol: FII). Federated Investors owns 100% of the outstanding voting securities of FII Holdings, Inc., a Delaware corporation. FII Holdings owns 100% of the outstanding voting securities of Federated MDTA LLC Trust, a Massachusetts business trust. Federated MDTA LLC Trust owns 100% of the outstanding voting securities of HBSS Acquisition Company, a Delaware corporation. Federated MDTA LLC Trust owns a majority (approximately 63%), and HBSS Acquisition Company holds a minority (approximately 37%), of the outstanding membership interests in Federated MDTA LLC.

Federated Investors, a public company, has shares of both Class A Common Stock and Class B Common Stock. The Class B Common Stock is listed on the New York Stock Exchange (“NYSE”). 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. All of the outstanding shares of Class A Common Stock are held by a Voting Shares Irrevocable Trust, dated May 31, 1989 (the “Voting Trust”), the three trustees of which are Federated Investors’ President and Chief Executive Officer and Chairman of its Board of Directors, Mr. J. Christopher Donahue, his brother, Thomas R. Donahue, Federated’s Vice President, Treasurer and Chief Financial Officer and a director, and their mother, for the benefit of the members of the Donahue family.

Federated Investors owns a number of domestic and foreign advisory subsidiaries that are under common control with, and affiliates of, Federated MDTA LLC. (Please refer to “Other Financial Industry Activities and Affiliations” in Item 10 of this brochure for further information.) The Federated Advisory Companies collectively provide advisory services

to a variety of separately managed accounts or wrap fee accounts (Managed Accounts), institutional, or high net worth individual, separate accounts (Separate Accounts), registered investment companies or mutual funds (Investment Companies), private investment companies (Private Investment Companies), other pooled investment vehicles (Pooled Investment Vehicles), and proprietary accounts and funds (Proprietary Accounts). Federated Investors also owns other companies, both in the United States and in certain other countries, such as brokers/dealers, investment advisers, management companies, commodity pool operators, and trust companies.

Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”): This section has been updated to reflect that Federated MDTA LLC may invest a client’s assets in exchange traded funds. Accordingly, the fourth paragraph has been restated as follows:

Subject to the considerations identified in the above bullet points, we may recommend, invest and reinvest a client’s assets in a variety of securities and other investments. These securities and other investments may include, among other securities or other investments permitted under client investment guidelines:

- Equity securities;
- Foreign securities;
- Repurchase agreements;
- Reverse repurchase agreements;
- Mutual fund shares (including shares of Investment Companies, Private Investment Companies and Pooled Investment Vehicles advised or sub-advised by Federated MDTA LLC or other Federated Advisory Companies and distributed by Federated Securities Corp.); and/or
- Exchange Traded Funds.

Item 10 Section A (“Other Financial Industry Activities and Affiliations - Relationships with Broker/Dealers”): This section has been revised to note that certain family entities may invest in companies that participate in the financial services industry and to remove a reference to Passport Research, Ltd. Accordingly, the Section is restated as follows:

As discussed under “Sales Compensation” in Item 5 of this brochure, Federated MDTA LLC is an affiliate through common ownership with Federated Securities Corp., a dually-registered investment adviser, municipal securities dealer and broker/dealer. These registrations do not imply a certain level of skill or training.

Federated Securities Corp., Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222, acts as distributor of the registered Investment Company and Private Investment Company clients of Federated MDTA LLC and affiliated advisers (*i.e.*, the other Federated Advisory Companies) and as placement agent for Pooled Investment Vehicle clients of Federated MDTA LLC and other Federated Advisory Companies. Federated Securities Corp.’s employees are registered representatives of Federated Securities Corp. and are salaried employees. As discussed under “Sales Compensation” in Item 5 of this brochure, employee-representatives of Federated Securities Corp. serve as sales people for, and provide certain investment advice on behalf of, Federated MDTA LLC, and are supervised persons of Federated MDTA LLC.

(Please refer to “Sales Compensation” in Item 5 of this brochure for additional information regarding Federated Securities Corp.’s other activities and related arrangements).

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
- Stephen Van Meter, 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

Federated MDTA LLC also has certain related persons who are general partners, members or trustees of certain family limited partnerships, limited liability companies or trusts or similar family entities. From time to time, these family entities may invest in companies (such as a broker-dealer) that participate in the financial services industry.

(Please refer to “Performance-Based Fees and Side by Side Management” in Item 6 of this brochure for a discussion of conflicts of interest that arise as a result of these relationships.)