

# FEDERATED GLOBAL INVESTMENT MANAGEMENT CORP. (INCLUDING ITS FEDERATED CLOVER INVESTMENT ADVISORS DIVISION)

March 16, 2018

## ITEM 2. MATERIAL CHANGES

As required by SEC rules, through this summary, Federated Global Investment Management Corp. is identifying and discussing the changes from the last annual update to its Form ADV, Part 2A, brochure, dated March 20, 2017, that it believes may be material.

The discussion immediately below, addresses changes believed to be material from the last annual update of our brochure dated March 20, 2017. 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 16, 2018 (Updated Brochure), in its entirety or to contact Federated Global Investment Management Corp. with questions about the changes.

You may contact us at 1-800-245-4770 (select option 2) 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](http://www.adviserinfo.sec.gov).”

**Item 5 Section A.1 (“Fees and Compensation “): In this section, the fee range for Investment Supervisory Services provided to Investment Companies has been updated. Accordingly, the Section entitled Investment Companies has been restated as follows:**

Federated Global Investment Management Corp.’s fees for providing Investment Supervisory Services to Investment Companies generally are based upon the client’s average net assets. When our fee is negotiated, it may vary based on discussions with the Board of Directors/Trustees of an Investment Company, and is specified in our investment management agreement for the Investment Company. Our fees currently range from 0.00% to 1.25% (0.40% to 1.066% for sub-advised Investment Companies). Our investment management agreements may provide for “breakpoints” at which the percentage charged is reduced if the client’s average net assets exceed a specified amount. We also may agree to or voluntarily limit or reimburse our fees to maintain an Investment Company’s general expenses at a specified percentage of average net assets. Our investment management agreements with certain Investment Companies also may provide for additional fees based upon an Investment Company’s gross income. In addition, with respect to certain Investment Companies for which we act as co-adviser, our investment management agreements may provide for the payment of a single advisory fee by the Investment Company to a single co-adviser and permit such co-adviser to allocate the advisory fee in a manner commensurate with the services provided by each co-adviser to the Investment Company, all pursuant to a methodology approved by the board of directors/trustees of such Investment Company.

Our fees are payable as provided in our investment management agreements, and typically range from daily to monthly payments. We do not require any Investment Company to prepay investment advisory fees (therefore, our fees are not refundable).

**Item 5 Section E (“Fees and Compensation - Sales Compensation”): Information regarding Federated International Securities Corp., an affiliated investment adviser expected to register as a broker/dealer in 2018, has been added to this section. Accordingly, the Section has been restated as follows:**

Federated Securities Corp. and Federated International Securities Corp. are affiliates of Federated Global Investment Management Corp. Federated Securities Corp. serves as distributor of the Federated family of Investment Companies (*i.e.*, mutual funds, Private Investment Companies). Federated Securities Corp. is a registered broker/dealer, municipal

securities dealer, and investment adviser. Federated International Securities Corp. is an investment adviser and is expected to register as a broker/dealer in 2018. These registrations do not imply a certain level of skill or training. Federated Securities Corp. receives distribution-related fees for services relating to the sale of shares of Federated mutual funds. Some of its employee-representatives also receive compensation based on the sale of mutual fund shares. Federated Securities Corp. also:

- May provide services to banks, financial institutions or other advisors in connection with Federated Securities Corp. acting as liquidation agent for such entities and locating purchasers for assets held in pooled investment vehicles for which such entities serve as trustees;
- Sells units of certain collective investment trust(s)/fund(s) for which Federated Investors Trust Company, an affiliate of Federated Global Investment Management Corp., serves as trustee;
- Sells shares of certain private funds for which Federated Global Investment Management Corp. or another Federated Advisory Company serves as trustee or managing member; and
- Engages in certain sales-related activities relating to certain local government investment pools.

Federated Securities Corp. receives, and its employee representatives may receive, compensation for these liquidation agent, placement agent, sales-related, and other activities.

Upon its registration as a broker/dealer, Federated International Securities Corp. is expected to also:

- Sell units of certain collective investment trust(s)/fund(s) for which Federated Investors Trust Company, an affiliate of Federated International Securities Corp., serves as trustee; and
- Sell shares of certain private funds for which other Federated Advisory Companies serve as trustee or managing member;

Federated International Securities Corp. will receive, and its employee representatives may receive, compensation for these, placement agent, sales-related, and other activities.

Employee-representatives of Federated Securities Corp. and Federated International Securities Corp. also serve as sales people for the investment services and products sponsored by Federated Investors and investment advisory services offered by Federated Global Investment Management Corp. and certain of the other Federated Advisory Companies. Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, act in the capacity of solicitors for Federated Global Investment Management Corp. and certain other Federated Advisory Companies and, in certain cases, also provide advice on behalf of us and other Federated Advisory Companies to the institutional, high net worth, separately managed account/wrap-fee account and other clients of Federated Global Investment Management Corp. and other Federated Advisory Companies.

Federated Securities Corp.'s and Federated International Securities Corp.'s services, and their employee-representatives' services, are provided to Federated Global Investment Management Corp., and certain other Federated Advisory Companies, pursuant to one or more written agreements with Federated Global Investment Management Corp., and the other relevant Federated Advisory Companies, entered into pursuant to SEC Rule 206(4)-3 under the Advisers Act. These written agreements:

- Describe the solicitation activities to be engaged in by Federated Securities Corp.'s and Federated International Securities Corp.'s employee-representatives on behalf of Federated Global Investment Management Corp. and the other relevant Federated Advisory Companies;
- Describe the compensation to be received for such services;
- Require that Federated Securities Corp.'s, Federated International Securities Corp.'s and their employee-representatives' status as employee-representatives, be disclosed to the client or potential client of Federated Global Investment Management Corp. or the other relevant Federated Advisory Companies at the time of the solicitation or referral; and
- Require that the affiliation between Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, and Federated Global Investment Management Corp., or the other relevant Federated Advisory Companies, be disclosed to the client or potential client of Federated Global Investment Management Corp. or the other relevant Federated Advisory Companies at the time of the solicitation or referral.

Pursuant to applicable SEC guidance, these written agreements also require that Federated Securities Corp.'s or Federated International Securities Corp.'s relevant regulatory history, if any, be disclosed to clients and potential clients of Federated Global Investment Management Corp. and the other relevant Federated Advisory Companies. As permitted by applicable SEC guidance, this disclosure may be provided to clients or potential clients by including it in our brochure (or the brochures of the relevant other Federated Advisory Companies) or by including it in a separate document.

Federated Securities Corp. and Federated International Securities Corp. receive compensation from us and such other Federated Advisory Companies (in the form of an intercompany credit) for performing these activities on our and their behalf. Federated Securities Corp.'s or Federated International Securities Corp.'s employee-representatives also may receive compensation from Federated Securities Corp. or Federated International Securities Corp. for performing such solicitation and other functions.

Federated Securities Corp.'s or Federated International Securities Corp.'s employee-representatives are salaried employees of Federated Securities Corp. or of Federated International Securities Corp., respectively and receive no commission, fees or other remuneration in connection with individual securities transactions. Bonuses may be based on a number of factors, including mutual fund/account sales, net sales, increase in average annual assets and/or revenue of assigned accounts/investment products or territories, and, for certain sales managers, Federated Investors, Inc.'s overall financial results. Certain employee-representatives may be eligible to receive a portion of their annual bonus in cash or a combination of cash and restricted stock of Federated Investors, Inc. Certain representatives of Federated Securities Corp. or Federated International Securities Corp., who are not employees of Federated Securities Corp. or Federated International Securities Corp., but are salaried employees of Federated affiliated companies, receive no commission, fees or other remuneration in connection with individual securities transactions. Bonuses for these representatives are based on revenue of assigned accounts/investment products.

Even though Federated Securities Corp.'s or Federated International Securities Corp.'s employee-representatives are not employees of Federated Global Investment Management Corp. or the other Federated Advisory Companies for which Federated Securities Corp.'s or Federated International Securities Corp.'s employee representatives serve as sales people, Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, are supervised persons of Federated Global Investment Management Corp. and such other Federated Advisory Companies. They also are deemed to be "persons associated with" us and such other Federated Advisory Companies. Federated Securities Corp.'s and Federated International Securities Corp.'s employee-representatives also are registered as investment adviser representatives of Federated Global Investment Management Corp. and such other Federated Advisory Companies, as and to the extent required under applicable law. Federated Securities Corp., Federated International Securities Corp. and their employee-representatives are subject to the supervision and control of Federated Global Investment Management Corp. and such other Federated Advisory Companies. As such, they are subject to the compliance programs of Federated Global Investment Management Corp. and such other Federated Advisory Companies when soliciting clients or potential clients for them or providing advice on their behalf.

Federated Global Investment Management Corp. does not receive commissions or other compensation for the sale of investment products. Since we do not receive commissions, we do not charge our investment advisory fees in addition to commissions or markups. Under appropriate circumstances, we may advise our clients to invest assets in certain Investment Companies (or mutual funds), including no-load funds, Private Investment Companies, or Pooled Investment Vehicles advised by us or other Federated Advisory Companies or distributed by Federated Securities Corp. (Affiliated Investment Vehicles). Federated Global Investment Management Corp., or our affiliated companies (including Federated Securities Corp. and Federated International Securities Corp.), may receive investment advisory, administrative, distribution or other fees and compensation from such Affiliated Investment Vehicles.

The practices discussed above create actual and potential conflicts of interest because Federated Securities Corp., Federated International Securities Corp., their employee-representatives, and Federated Global Investment Management Corp. (or other Federated Advisory Companies) have an incentive to recommend investment services or products based on the compensation received rather than a client's needs. (Please refer to "Performance-Based Fees and Side by Side Management" in Item 6 of this brochure for a discussion of these conflicts of interest.)

Clients always have the option to purchase investment products that Federated Securities Corp., Federated International Securities Corp., their employee-representatives, or Federated Global Investment Management Corp. (or any of our affiliates) recommend, or to preclude investment in any investment product (including Affiliated Investment Vehicles).

If a client desires to preclude investment in a particular investment product, the client should impose a restriction on the client's account by instructing us in writing. (Please refer to "Investment Discretion" in Item 16 of this brochure for further information.) Clients also have the option to purchase any investment products through any broker, dealer or other securities intermediary that is not affiliated with Federated Global Investment Management Corp.

**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"):** Disclosure in this section has been updated to describe the periodic rebalancing of portfolios for certain Federated Global Investment Management Corp. strategies and the attendant risks. Accordingly, the Section has been restated as follows:

There will be times when the same security is being purchased or sold concurrently for multiple client accounts or portfolios. In these situations, except as discussed below, 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, address potential conflicts of interest and protect client interests. Various factors, however, may result in trades for a client not being aggregated with batched trades for other clients of Federated Global Investment Management Corp. or another Federated Advisory Company and clients 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. Also, for example and except as discussed below, when 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 our equity investment strategies utilized in providing our non-discretionary Model Portfolio Management Services, we include the Overlay Managers in the trade rotation process for our discretionary Managed Accounts and we currently communicate model changes to the Overlay Managers during the Overlay Manager's turn in the trading rotation. In implementing our trade rotation process, Federated Global Investment Management Corp. may allot a period of time, which may be adjusted periodically, 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 Overlay Managers have discretion to accept or reject our recommended model portfolio changes and will execute trades in accordance with the Overlay Manager's policies and procedures, which may result in trades for Overlay Manager clients being effected before, after or at the same time as trades for other Federated Global Investment Management Corp. clients. Managed Account Programs that require directed brokerage/trading (and other clients who direct brokerage/trading) may instruct that client transactions be executed through specific brokers/dealers. Except as discussed below, the other Federated Advisory Companies have adopted similar policies. Taking these scenarios and factors into account, Federated Global Investment Management Corp. 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.

With respect to most investment strategies, Federated Global Investment Management Corp. (including its Federated Clover Investment Advisors Division) 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.

With respect to certain Managed Account strategies, including the large cap growth equity strategy and the small cap value strategy of the Federated Clover Investment Advisors division, Federated Global Investment Management Corp. rebalances or optimizes portfolios on a periodic basis, on schedules that generally differ by strategy. Based on market or other events or circumstances, securities may also be sold prior to a scheduled rebalancing. Trading for these strategies is performed by personnel that do not coordinate trading with personnel responsible for trading other client accounts. Consequently, Federated Global Investment Management Corp. (including its Federated Clover Investment Advisors Division) may purchase or sell securities for Managed Accounts on different days than it does for other accounts and, in certain circumstances, on the same day before or after trades for such other accounts. Federated Global Investment Management Corp. (including its Federated Clover Investment Advisors Division) will periodically review trading to seek to identify, and if necessary address, any material impact on performance created by these trading practices.

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 the other offices of Federated Global Investment Management Corp. 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.

#### Federated MDTA LLC

Due to operational, technological and other reasons, Federated MDTA LLC, another Federated Advisory Company, also has adopted a rotation policy whereby purchases and sales of securities are processed on a rotational basis. Federated Global Investment Management Corp. clients do not participate in the trading rotation of MDTA LLC accounts. When providing nondiscretionary Model Portfolio Management Services, Federated MDTA LLC currently communicates model changes to Overlay Managers as concurrently as practicable with commencing trading with respect to the Managed Accounts Federated MDTA LLC manages on a discretionary basis.

#### Federated Investment Counseling

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 Global Investment Management Corp. or other Federated Advisory Companies may (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.

**Item 8 Section A ("Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information"): This section has been revised to reflect the removal of charting as a method of analysis, updates to the definition of an issuer of foreign securities, acceptable investments of cash collateral in securities lending transactions, and the addition of large shareholder risk disclosure. The cybersecurity disclosure in this section has also been revised. Accordingly, the relevant parts of this Section have been restated as follows:**

Federated Global Investment Management Corp. employs one or more of the following methods of analysis in providing our advisory services:

- Fundamental analysis;
- Technical analysis;
- Cyclical analysis;

- Quantitative security selection models; and
- Subjective evaluation of non-quantifiable factors (*e.g.*, quality of management) and judgment decisions.

There are risks associated with the above methods of analysis. For example, the price of an investment can change regardless of the economic and financial factors we consider when using fundamental analysis to evaluate an investment and a poorly managed issuer can underperform regardless of market movements identified through technical analysis. Quantitative models may be based on assumptions that, and subjective judgments may, prove to be incorrect. In using these methods of analysis, we also rely on publicly available sources of information, which may be inaccurate or misleading. When proprietary and third-party data and systems are utilized to support decision-making, data imprecision, software, and other technology malfunctions, programming inaccuracies, and similar circumstances may impair the performance of these systems, which may negatively affect performance.

Federated Global Investment Management Corp. provides our advisory services consistent with:

- The terms of the relevant investment management agreement(s) applicable to the management of a client's assets;
- Any information provided to us regarding a client's investment objectives or guidelines, or a client's financial condition;
- Any reasonable investment restrictions imposed by a client;
- The investment objectives, strategies, policies and limitations of clients provided to us; and/or
- Our knowledge of restrictions imposed under applicable law on the management of a client's assets.

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;
- Derivative contracts and hybrid instruments (including, for example, (1) for volatility management, (2) for performance enhancement through the purchase of options, and (3) for offsetting changes in securities value caused by currency movement by use of currency hedges);
- 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 Global Investment Management Corp. or other Federated Advisory Companies and distributed by Federated Securities Corp.); and/or
- Exchange Traded Funds.

We primarily provide advice with respect to equity, rather than fixed income or money market, investment strategies. Equity securities (which are discussed in more detail below) represent a share of an issuer's earnings and assets, after the issuer pays its liabilities. Fixed-income securities pay interest, dividends or distributions at a specified rate. Money market securities are short-term, liquid, high-quality securities that are eligible for investment by money market Investment Companies under SEC Rule 2a-7 under the Investment Company Act. If we manage an investment account or product pursuant to a balanced or other investment strategy that permits investments in fixed income or money market securities, we generally engage another investment adviser (which may be another affiliated Federated Advisory Company) to act as sub-adviser with respect to the fixed income or money market component of the investment strategy. In this case, clients should refer to any brochure for the applicable sub-adviser for further information on fixed income or money market securities and the risks related to investing in those types of investments.

While we primarily provide advice with respect to equity investment strategies, we do not recommend primarily a particular type of security, and our advice is not limited to the above list of securities and other investments. For example, in addition to long term purchases, short term purchases, trading, short sales, margin transactions, option writing, and investments in the securities and other investments identified above, other investment techniques that Federated Global Investment Management Corp. may employ include, for example: (1) firm or standby commitments to

purchase securities on a when-issued or other delayed delivery basis and (2) asset segregation. We also may effect certain other types of investment-related transactions involving a client's assets, such as securities lending.

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### **Foreign Securities**

Foreign securities are securities of issuers based outside the United States. To the extent a Fund invests in securities included in its applicable broad-based securities market index, the Fund may consider an issuer to be based outside the United States if the applicable index classifies the issuer as based outside the United States. Accordingly, the Fund may consider an issuer to be based outside the United States if the issuer satisfies at least one, but not necessarily all, of the following:

- It is organized under the laws of, or has its principal office located in, another country;
- The principal trading market for its securities is in another country;
- It (directly or through its consolidated subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed, or sales made in another country; or
- It is classified by an applicable index as based outside the United States

Foreign securities are primarily denominated in foreign currencies. Types of foreign securities include, for example, depository receipts, American depository receipts, domestically traded securities of foreign issuers, foreign exchange contracts, and foreign government securities. Along with the risks normally associated with domestic securities of the same type, foreign securities are subject to currency risks and risks of foreign investing. Trading in certain foreign markets is also subject to liquidity risks.

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### **Securities Lending**

To the extent permitted, we may lend a client account's portfolio securities to borrowers that we deem creditworthy. In return, the account receives cash or liquid securities from the borrower as collateral. The borrower must furnish additional collateral if the market value of the loaned securities increases. Also, the borrower must pay the account the equivalent of any dividends or interest received on the loaned securities. We will reinvest cash collateral for a client's account in securities that qualify as an acceptable investment for the account. However, the account must pay interest to the borrower for the use of cash collateral. An acceptable investment into which the Fund may reinvest cash collateral includes, among other acceptable investments, securities of affiliated money market funds (including affiliated institutional prime money market funds with a "floating" net asset value that can impose redemption fees and liquidity gates, impose certain operational impediments to investing cash collateral, and, if net asset value decreases, result in the Fund having to cover the decrease in the value of the cash collateral. Loans are subject to termination at the option of the account or the borrower. The account will not have the right to vote on securities while they are on loan. However, we will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that we deem to be material. There can be no assurance that we will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon. An account may pay administrative and custodial fees in connection with a loan and may pay a negotiated portion of the interest earned on the cash collateral to a securities lending agent or broker. Securities lending activities are subject to interest rate risks and credit risks. These transactions also may create leverage risks.

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### **Large Shareholder**

When an Investment Company, Private Investment Company or Pooled Investment Vehicle is first launched, or is being liquidated, and potentially at certain other times during their existence, a significant percentage of an Investment Company's, Private Investment Company's or Pooled Investment Vehicle's shares may be owned or controlled by a large shareholder, such as other funds or accounts, including those of which the Adviser or an affiliate of the Adviser may have investment discretion. Accordingly, the Investment Company, Private Investment Company or Pooled Investment Vehicle can be subject to the potential for large scale inflows and outflows as a result of purchases and

redemptions made by significant shareholders. These inflows and outflows could be significant and, if frequently occurring, could negatively affect the Investment Company's, Private Investment Company's or Pooled Investment Vehicle's net asset value and performance and could cause them to sell securities at inopportune times in order to meet redemption requests.

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## **Cybersecurity**

Like Other Advisers and business enterprises, Federated Global Investment Management Corp. business relies on the security and reliability of information and communications technology, systems and networks. The Adviser uses digital technology, including, for example, networked systems, email and the Internet, to conduct business operations and engage clients, customers, employees, products, accounts, shareholders, and relevant service providers, among others. The Adviser, as well as certain service providers, also generate, compile and process information for purposes of preparing and making filings or reports to governmental agencies, and a cybersecurity attack or incident that impacts that information, or the generation and filing processes, may prevent required regulatory filings and reports from being made. The use of the Internet and other electronic media and technology exposes the Adviser, its clients, and its service providers, and their respective operations, to potential risks from cybersecurity attacks or incidents (collectively, "cyber-events").

Cyber-events can result from intentional (or deliberate) attacks or unintentional events by insiders or third parties, including cybercriminals, competitors, nation-states and "hacktivists," among others. Cyber-events may include, for example, phishing, use of stolen access credentials, unauthorized access to systems, networks or devices (such as, for example, through "hacking" activity), structured query language attacks, infection from or spread of malware, ransomware, computer viruses or other malicious software code, corruption of data, and attacks (including, but not limited to, denial of service attacks on websites) which shut down, disable, slow, impair or otherwise disrupt operations, business processes, technology, connectivity or website or internet access, functionality or performance. Like other Advisers and business enterprises, the Adviser and its service providers have experienced, and will continue to experience, cyber-events consistently. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. To date, cyber-events have not had a material adverse effect on the Adviser's business, results of operation, financial condition and/or cash flows.

Cyber-events can affect, potentially in a material way, the Adviser's relationships with its clients, customers, employees, products, accounts, shareholders and relevant service providers. Any cyber-event could adversely impact the Adviser and its clients and service providers and cause the Adviser to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage and additional compliance costs associated with corrective measures. A cyber-event may cause the Adviser, or its service providers, to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions or other disruptions to operations), and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorized monitoring and failures in the physical infrastructure or operating systems that support the Adviser and its service providers. Federated Global Investment Management Corp. may incur additional, incremental costs to prevent and mitigate the risks of such cyber-events or incidents in the future. The Adviser and its relevant affiliates have established practices and systems reasonably designed to seek to reduce the risks associated with cyber-events. The Adviser employs various measures aimed at mitigating cybersecurity risk, including, among others, use of firewalls, system segmentation, system monitoring, virus scanning, periodic penetration testing, employee phishing training, and an employee cybersecurity awareness campaign. Among other vendor management efforts, Federated Global Investment Management Corp. also conducts due diligence on key service providers (or vendors) relating to cybersecurity. The Federated Advisory Companies have established a committee to oversee Federated Global Investment Management Corp.'s information security and data governance efforts and updates on cyber-events and risks are reviewed with relevant committees, as well as the Adviser's parent company's Boards of Directors, on a periodic (generally quarterly) basis (and more frequently when circumstances warrant) as part of risk management oversight responsibilities. However, there is no guarantee that the efforts of the Adviser or its affiliates, or other service providers, will succeed, either entirely or partially, as there are limits on Federated Global Investment Management Corp.'s ability to prevent or mitigate cyber-events. Among other reasons, the cybersecurity landscape is constantly evolving, the nature of malicious cyber-events is becoming increasingly sophisticated. The Adviser, and its relevant affiliates, cannot control the cybersecurity practices and systems of issuers or third-party service providers.



**Item 10 Section A (“Other Financial Industry Activities and Affiliations - Relationships with Brokers/Dealers”):** This section has been updated to include information related to the activities and management persons of Federated International Securities Corp. Accordingly, the Section has been restated as follows:

As discussed under “Sales Compensation” in Item 5 of this brochure, Federated Global Investment Management Corp. is an affiliate through common ownership with Federated Securities Corp., a dually-registered investment adviser, municipal securities dealer and broker/dealer and with Federated International Securities Corp., an investment adviser expected to register as a broker/dealer in 2018. 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 Global Investment Management Corp. and affiliated advisers (*i.e.*, the other Federated Advisory Companies) and as placement agent for Pooled Investment Vehicle clients of other Federated Advisory Companies. Federated International Securities Corp., Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222, upon its registration as a broker/dealer, may act as placement agent for Pooled Investment Vehicle clients of other Federated Advisory Companies. Federated Securities Corp.’s and Federated International Securities Corp.’s employees are registered representatives of Federated Securities Corp. and expected to become registered representatives of Federated International Securities Corp., respectively and are salaried employees. As discussed under “Sales Compensation” in Item 5 of this brochure, employee representatives of Federated Securities Corp. and of Federated International Securities Corp. serve as sales people for, and provide certain investment advice on behalf of, Federated Global Investment Management Corp., and are supervised persons of Federated Global Investment Management Corp.

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

The following management persons of Federated Global Investment Management Corp. are registered representatives of Federated Securities Corp.:

- J. Christopher Donahue, Director, Chairman
- Stephen Van Meter, Chief Compliance Officer
- Steve Friedman, Vice President
- Mary Anne DeJohn, Assistant Vice President

The following management persons of Federated Global Investment Management Corp. are registered financial and operations principals of Federated Securities Corp.:

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

Upon its registration as a broker/dealer, the following management persons of Federated Global Investment Management Corp. are expected to become registered representatives of Federated International Securities Corp.:

- Stephen Van Meter, Chief Compliance Officer

Upon its registration as a broker/dealer, the following management persons of Federated Global Investment Management Corp. are expected to become registered financial and operations principals of Federated International Securities Corp.:

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

Federated Global Investment Management Corp. 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.)

**Item 10 Section C.2 (“Other Financial Industry Activities and Affiliations - Relationships with Certain Related Persons - Other Investment Advisers”): Federated International Securities Corp. has been added to the list of SEC-registered advisers in this section. Consequently, the relevant portion of the Section has been restated as follows:**

Federated Investors, Inc. is the ultimate parent company for the following investment advisers:

SEC-Registered Advisers

(i.e., Federated Global Investment Management Corp. and the other Federated Advisory Companies)

- Federated Global Investment Management Corp.;
- Federated Investment Counseling;
- Federated Advisory Services Company;
- Federated Equity Management Company of Pennsylvania;
- Federated Investment Management Company;
- Federated MDTA LLC;
- Federated Securities Corp.;
- Federated International Securities Corp.; and
- Federated Investors (UK) LLP

**Item 12 Section A.3.b (“Brokerage Practices - Selection Criteria for Brokers/Dealers - Directed Brokerage - Managed Account Programs”): Disclosure regarding Federated Global Investment Management Corp.’s trading practices with respect to fixed income securities held in Managed Account Programs has been updated. Accordingly, the Section has been restated as follows:**

Certain Managed Account Programs do not expressly direct the use of a particular broker/dealer, but are structured in such a way (in terms of fees and other factors) that transactions are typically executed through the program sponsor or other brokers/dealers affiliated with the programs, consistent with the duty to seek best execution. In certain circumstances, Federated Global Investment Management Corp. and other Federated Advisory Companies will execute transactions with other brokers/dealers in pursuit of best execution.

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 and Dealers” in Item 12 of this brochure, Federated Global Investment Management Corp. 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. Federated Global Investment Management Corp. will typically execute transactions in fixed income securities with other broker/dealers; the extent to which Federated Global Investment Management Corp. will execute transactions in other types of securities with other broker/dealers will vary over time and by account.

Similar to Separate Accounts, Managed Account clients (either directly or through the Managed Account Program Sponsor or Platform Provider) may also expressly limit Federated Global Investment Management Corp.'s discretionary authority, including directing us to use a particular broker/dealer to execute portfolio transactions. In such a case, we may not be in a position to negotiate commission rates or spreads or obtain volume discounts, and such transactions may not be aggregated with orders for the same securities of other accounts managed by Federated Global Investment Management Corp. (Please refer to "Separate Accounts and Other Investment Advisory Services" in this section for further information on the consequences of directing brokerage/trading.)

**Item 12 Section E ("Brokerage Practices - Error Resolution"):** This section has been revised to clarify Federated Global Investment Management Corp.'s treatment of errors. Accordingly, the Section has been restated as follows:

Federated Global Investment Management Corp has adopted written policies and procedures that we believe are reasonably designed to identify and resolve errors that we make in the trade execution and management process ("Trade Errors"). We will evaluate any exception made in the process of managing or placing an order for, or executing a security transaction on behalf of, a client account over which we have investment discretion to determine if it is a Trade Error. Regarding Model Portfolio Management Services, we also will evaluate any exception that we make in the process of providing a model recommendation to an Overlay Manager in a program to determine if it is a model delivery error (collectively, as applicable, with Trade Errors, "Errors"). Consistent with our policies and procedures, and our obligations under applicable law, we strive to identify and resolve Errors that we make promptly, document such Errors, take reasonable steps to seek to prevent the reoccurrence of such Errors and treat clients fairly in resolving such Errors. Where a single 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 an Error.

**Item 14 Section A ("Client Referrals and Other Compensation - Arrangements Involving Receipt of Economic Benefits from Non-Clients"):** Information regarding Federated International Securities Corp. has been added to this section. The discussion of allocation and weighting of investment performance when calculating compensation has also been revised. Accordingly, the Section has been restated as follows:

As discussed under "Brokerage Practices" in Item 12 of this brochure, some brokers or dealers that execute portfolio transactions for Federated Global Investment Management Corp. and our affiliates (*e.g.*, certain other Federated Advisory Companies) and their clients, may furnish Research and Brokerage Services which may be used by us and our affiliates in advising Investment Companies, Private Investment Companies, Pooled Investment Vehicles, Separate Accounts, Managed Accounts and other accounts. To the extent that receipt of these services and software may supplant services for which we or our affiliates might otherwise have paid, expenses would be reduced.

As discussed under "Our Advisory Services" in Item 4 of this brochure, Federated Global Investment Management Corp. and our affiliates (*e.g.*, certain other Federated Advisory Companies) act as portfolio managers in Managed Account Programs. In Managed Account Program arrangements, we, and certain of our affiliates, receive fees from Sponsors to the Managed Account Programs, or Related Platform Providers, for services rendered to Managed Account Program participants. To the extent that the Sponsor or Platform Provider is not considered a client, and Managed Account Program participants may be deemed to be clients, we, and certain of our affiliates, could be viewed as receiving cash from a non-client in connection with advice given to Managed Account Program participants. Similarly, we, and certain of our affiliates, receive fees for investment advisory services provided to sub-advisory clients from the primary advisers for those clients.

As discussed under "Sales Compensation" in Item 5 of this brochure, Federated Global Investment Management Corp. and certain other Federated Advisory Companies have entered into a written agreement with our affiliate, Federated Securities Corp., a registered broker/dealer, municipal securities dealer, and investment adviser as well as with Federated International Securities Corp. an investment adviser expected to register as a broker/dealer in 2018. Under these arrangements, employee-representatives of Federated Securities Corp. or Federated International Securities Corp. may also serve as sales people for the investment services and products sponsored by Federated and investment advisory services offered by Federated Global Investment Management Corp. and certain of the other Federated Advisory Companies. Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, act in the capacity of solicitors for Federated Global Investment Management Corp. and certain other Federated Advisory Companies. In certain cases, Federated Securities Corp. or Federated International Securities Corp., and their employee-representatives, also provide advice on behalf of us and other Federated Advisory Companies to the institutional, high-

net worth, separately managed account/wrap fee account and other clients of Federated Global Investment Management Corp. and other Federated Advisory Companies. Federated Securities Corp. and Federated International Securities Corp. receive compensation from us and such other Federated Advisory Companies (in the form of an intercompany credit) for performing these activities on our and their behalf. Federated Securities Corp.'s or Federated International Securities Corp.'s employee-representatives also may receive compensation from Federated Securities Corp. or from Federated International Securities Corp. for performing such solicitation and other functions. In connection with these services, under applicable guidance issued by the SEC, Federated Securities Corp.'s and Federated International Securities Corp.'s relevant regulatory history, if any, is required to be disclosed to clients and potential clients.

Employees and supervised persons of Federated Global Investment Management Corp. and/or our affiliates (*e.g.*, the other Federated Advisory Companies) also may receive salaries, bonuses and certain sales awards, such as travel and entertainment, from Federated Investors or other affiliates. For example, Federated Securities Corp.'s or Federated International Securities Corp.'s employee representatives are salaried employees of Federated Securities Corp. or of Federated International Securities Corp., respectively and receive no commission, fees or other remuneration in connection with individual securities transactions. Bonuses may be based on a number of factors, including mutual fund/account sales, net sales, increase in average annual assets and/or revenue of assigned accounts/investment products or territories, and, for certain sales managers, Federated Investors, Inc.'s overall financial results. Certain employee-representatives may be eligible to receive a portion of their annual bonus in cash or a combination of cash and restricted stock of Federated Investors, Inc. Certain representatives of Federated Securities Corp. or Federated International Securities Corp., who are not employees of Federated Securities Corp. or Federated International Securities Corp. but are salaried employees of Federated Advisory Services Company, receive no commission, fees or other remuneration in connection with individual securities transactions. Bonuses for these representatives are based on revenue of assigned accounts/investment products. Finally, investment professionals may receive a fixed-base salary and a variable annual incentive or bonus. Base salary is determined within a market competitive, position-specific salary range, based on the portfolio manager's experience and performance. The annual incentive amount or bonus is determined based primarily on the performance of the investment accounts, strategies and/or funds/products managed by the investment professional and may be paid entirely in cash, or in a combination of cash and restricted stock of Federated Investors. There also can be a discretionary component based on a variety of factors, including, among others, financial measures and performance. The allocation or weighting given to the performance of any account, strategy and/or fund/product when compensation is calculated, can vary. The performance of any such account, strategy and/or fund/product may or may not represent a significant portion of the calculation at any point in time (and may be adjusted periodically). Investment performance is based on a variety of factors including performance versus account, strategy and/or fund/product specific benchmarks. (Please refer to "Conflicts of Interest Relating to Receipt of Compensation or Benefits, Other Than Advisory Fees" in Item 6 of this brochure for a further discussion of these conflicts of interest and how they are addressed.) Such employees and supervised persons also may receive certain entertainment and gifts from third parties to the extent permitted under Federated Global Investment Management Corp.'s, and the other Federated Advisory Companies', Code of Ethics. (Please refer to "Our Code of Ethics" in Item 11 of this brochure for further information on Federated Global Investment Management Corp.'s Code of Ethics.)

We also may be provided with office space, phone systems, computer systems, internet and other administrative, clerical and technical support from or through our ultimate parent company, Federated Investors, Inc., or its affiliates.

Arrangements in which Federated Global Investment Management Corp. or our related persons receive economic benefits from non-clients create conflicts of interest for us and our related persons. We, and our employees and supervised persons, have an incentive to favor these non-clients over the interests of our clients. For example, we, and our employees and supervised persons, have an incentive to utilize the services of a particular broker/dealer, or recommend a particular security to or buy a particular security for, a client account based on economic benefits received from the broker/dealer or issuer or placement agent.

(Please refer to "Sales Compensation" in Item 5 of this brochure for additional information regarding these arrangements.) Conflicts of interest also arise in connection with certain portfolio manager or other employee and supervised person compensation arrangements. (Please refer to "Conflicts of Interest Relating to Receipt of Compensation or Benefits, Other Than Advisory Fees" in Item 6 of this brochure for a further discussion of these conflicts of interest and how they are addressed.)

**Item 17 (“Voting Client Securities”): The summary of our proxy voting policies and procedures has been restated in its entirety:**

We will accept the authority to vote proxies with respect to securities held in client accounts to which we provide discretionary investment advisory services. The scope of our authority to vote proxies 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 proxies. However, we may provide voting recommendations to such clients or Managed Account Program Sponsors, Platform Providers and Overlay Managers.

Federated Global Investment Management Corp. has adopted proxy voting policies and procedures. Federated Global Investment Management Corp.’s general policy is to cast proxy votes in favor of management proposals and shareholder proposals that we anticipate will enhance the long-term value of the securities being voted.

Federated Global Investment Management Corp. also generally votes consistently on the same matter when securities of an issuer are held by multiple client portfolios, unless Federated Global Investment Management Corp. has received explicit voting instructions from a client to vote differently on behalf of its portfolio.

To the extent that we have accepted authority to vote securities in a client’s account, a client generally can direct how Federated Global Investment Management Corp. votes with respect to a particular solicitation. A client wishing to do so should submit a written instruction to us at the address specified for notices in the client’s investment management agreement with us. Managed Account Program clients may be required to submit a written instruction to the Managed Account Program Sponsor or Platform Provider. Federated Global Investment Management Corp. will endeavor to vote in accordance with any such written instructions that are timely communicated to Federated Global Investment Management Corp. and received by us reasonably in advance of the time that we, or our proxy voting service, votes with respect to a particular solicitation.

Conflicts of interest arise from time to time between the interests of Federated Global Investment Management Corp. and/or our affiliates (e.g., the other Federated Advisory Companies), and the interests of our clients. Federated Global Investment Management Corp. has adopted procedures to address situations where a matter on which a proxy is sought may present a potential conflict between the interests of the client and those of Federated Global Investment Management Corp. or our affiliates. If such potential material conflicts of interest do arise, Federated Global Investment Management Corp. will analyze and document them and shall ultimately vote the relevant proxies in what Federated Global Investment Management Corp. believes to be the best long-term economic interests of its clients. The Federated Proxy Voting Committee is responsible for monitoring and reporting with respect to such potential material conflicts of interest.

If we do not have the authority to vote proxies for a client’s account, a client generally will receive proxies or other solicitations from their custodian, transfer agent or other intermediary. If we inadvertently receive a proxy or other solicitation, we will endeavor to return it promptly to the custodian, transfer agent or other intermediary (e.g., a proxy aggregator or, for Managed Accounts, from the Managed Account Program Sponsor or Platform Provider if different from the custodian) for the client’s account, although there is no guarantee that it would be returned either by us or the intermediary prior to the voting deadline for the solicitation. The client can still ask us questions regarding the particular solicitation by sending us the question in writing at the address specified below. We will endeavor to respond to questions in a timely manner, but there is no guarantee that a response will be received by the client prior to the voting deadline for the solicitation.

We will furnish a copy of our proxy voting policies and procedures to any client upon such client's written request. A client can additionally request at any time a record of all votes cast for its portfolio. The record reflects the proxy issues that we voted for the client during the past year, as well as the position taken with respect to each issue. Written requests should be sent to:

Investment Administration-Proxy Services  
c/o Federated MDT Advisers  
125 High Street  
Oliver Street Tower, 21st Floor  
Boston, Massachusetts 02110

**Certain Other Changes:**

**Item 4 Section C.1 (“Advisory Business - Our Advisory Services - Investment Supervisory Services”): Additional information regarding how Federated Global Investment Management Corp. tailors its Investment Supervisory Services, and which Managed Account clients may qualify as “eligible investors” has been added. Accordingly, the Section has been restated as follows:**

Federated Global Investment Management Corp. 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. We generally discuss investment strategy and permissible investment with clients during the account set-up process. 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. Following approval, relevant rules and restrictions are inputted into our trade management system. 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 Global Investment Management Corp.

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 Global Investment Management Corp. 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 Global Investment Management Corp. 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 affiliated 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 Global Investment Management Corp. 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 securities or investments, or in a combination of individual 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, 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.” “Eligible investors” in an affiliated Investment Company, generally do not include investment companies under the Investment Company Act, or private funds exempt from registration under the Investment Company Act pursuant to Sections 3(c)(1) or 3(c)(7), unless appropriate exemptive relief is obtained under the Investment Company Act and the affiliated Investment Company determines to accept the purchase order for such an investment. In addition, unless an affiliated Investment Company determines to accept a purchase order for an investment, an “eligible investor” in the affiliated Investment Company does not include: (i) a resident alien within the meaning of Internal Revenue Code (“I.R.C.”) § 7701(b)(1)(A) who is a natural person; (ii) a non-resident alien within the meaning of I.R.C. § 7701(b)(1)(B) who is a natural person; (iii) a covered expatriate (i.e., a U.S. citizen temporarily residing abroad) within the meaning of I.R.C. § 877A(g)(1)(A); (iv) a foreign institutional investor; or (v) a fund or investor in the European Union. If a Managed Account client ceases to be an “eligible investor,” the affiliated Investment Companies are 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 Global Investment Management Corp. 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](http://FederatedInvestors.com).

When acting in our capacity as investment adviser to Investment Companies and certain Proprietary Accounts, Federated Global Investment Management Corp. 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.

Federated Global Investment Management Corp. was registered as a Commodity Pool Operator effective October 17, 2013. This registration does not imply a certain level of skill or training.