

FEDERATED INVESTMENT COUNSELING

March 16, 2019

ITEM 2. MATERIAL CHANGES

As required by SEC rules, through this summary, Federated Investment Counseling is identifying and discussing certain changes from the last annual update to its Form ADV, Part 2A, brochure.

The discussion immediately below addresses only changes believed to be material from the last annual update of our brochure dated March 16, 2018. We encourage you to use this summary to determine whether to review our amended brochure, dated March 18, 2019 (Updated Brochure), in its entirety or to contact Federated Investment Counseling 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."

Item 4 Section B ("Advisory Business - Our Ownership Structure"): Information in this section has been updated to reflect our relationship with certain affiliates, including several subsidiaries of Hermes Fund Managers Limited. 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 Investment Counseling.

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 Investment Counseling. Effective July 1, 2018, Federated Investors, Inc. completed a transaction whereby its subsidiary, Federated Holdings (UK) II Limited, became the majority shareholder of Hermes Fund Managers Limited and its subsidiaries, including, among other entities, its registered investment adviser subsidiaries (the "Hermes Advisory Companies") and Hermes Equity Ownership Services ("Hermes EOS"), an entity that provides stewardship services, including engagement on environmental, social, corporate governance, strategic and financial matters, as well as proxy voting recommendations and administrative services, and research services. Hermes EOS is discussed further in Item 10. Although the Hermes Advisory Companies are under common control with, and affiliates of, Federated Investment Counseling and the other Advisory Companies (together with us, each, as applicable, a "Federated Advisory Company" and, collectively, as applicable, the "Federated Advisory Companies"), the disclosure and discussion of the policies and practices of the Federated Advisory Companies herein does not include the Hermes Advisory Companies, except where specifically noted, as it is presently anticipated that the Hermes Advisory Companies will generally operate their investment management and trading functions independently, and will have no material effect on the advisory activities of the Federated Advisory Companies. However, Federated Investment Counseling or other Federated Advisory Companies will provide coordination and oversight of the investment management activities of the Hermes Advisory Companies when the Hermes Advisory Companies act in a subadvisory capacity for clients of the

Federated Advisory Companies. As discussed under “Conflicts Related to Information Sharing Among Affiliates” in Item 6, information barriers have been implemented between the Advisory Companies to prevent the exchange of material non-public information between the Federated Advisory Companies and the Hermes Advisory Companies, and which requires that all investment-related activities, including trading activity and the allocation and aggregation of trades, of the Federated Advisory Companies are operated independent of, and are not integrated with, the investment related activities of the Hermes Advisory Companies. (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 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 has been restated as follows:

**Our Basic Fee Schedules --
Separate Accounts, Managed Accounts, and Model Portfolio Management Services**

Federated Investment Counseling’s basic fee schedules are as follows:

Large Cap Accounts; Balanced Accounts:

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

Managed Risk Accounts:

85 basis points - first \$5 million in assets under management (AUM)
75 basis points - over \$5 million to \$25 million in AUM
65 basis points - over \$25 million to \$50 million in AUM
55 basis points - over \$50 million to \$100 million in AUM
50 basis points - over \$100 million in AUM

Money Market Accounts:

10 basis points - first \$500 million in assets under management (AUM)
8 basis points - over \$500 million in AUM

Active Cash Fixed Income Accounts:

20 basis points - first \$50 million in assets under management (AUM)
15 basis points - over \$50 million to \$100 million in AUM
12 basis points - over \$100 million in AUM
\$50 million minimum

Low Duration Fixed Income Accounts:

25 basis points - first \$25 million in assets under management (AUM)
20 basis points - over \$25 million to \$100 million in AUM
18 basis points - over \$100 million in AUM
\$25 million minimum

General Fixed Income Accounts:

35 basis points - first \$5 million in assets under management (AUM)
30 basis points - on the first \$25 million in AUM
25 basis points - over \$25 million to \$100 million in AUM
22.5 basis points - over \$100 million in AUM

Core Plus Fixed Income Accounts:

35 basis points - first \$25 million in assets under management (AUM)
30 basis points - over \$25 million to \$100 million in AUM
27.5 basis points - over \$100 million in AUM

Opportunistic Corporate Fixed Income Accounts:

35 basis points - first \$25 million in assets under management (AUM)
30 basis points - over \$25 million to \$75 million in AUM
25 basis points - over \$75 million in AUM

High Yield Fixed Income Accounts:

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

International Fixed Income Accounts:

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

Trade Finance Fixed Income Accounts:

85 basis points - first \$25 million in assets under management (AUM)
75 basis points - on the next \$25 million to \$50 million in AUM
65 basis points - on the next \$50 million to \$75 million in AUM
50 basis points - over \$75 million in AUM

Floating Rate Strategic Multi-Sector Fixed Income Accounts:

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

Bond Ladders:

25 basis points - first \$100 million in assets under management (AUM)
20 basis points - over \$100 million in AUM

Short Municipal Accounts:

25 basis points - on the first \$25 million in assets under management (AUM)
22.5 basis points - over \$25 million to 100 million in AUM
20 basis points - over \$100 million in AUM

Intermediate to Long Municipal Accounts:

35 basis points - first \$5 million in assets under management (AUM)

30 basis points - on the first \$25 million in AUM

27.5 basis points - over \$25 million to \$50 million in AUM

25 basis points - over \$50 million to \$100 million in AUM

22.5 basis points - over \$100 million in AUM

Institutional Separate Accounts that Include Project and Trade Finance Investments as Part of Investment Strategy:

For any institutional separate account that may be invested in Project and Trade Finance investments as part of its investment strategy, Federated Investment Counseling reserves the right to increase its standard fee schedule noted above as follows:

- If exposure to project and trade finance investments in the strategy is intended to be at 5% up to 10%, each tier of the applicable standard fee schedule may be raised by 5 basis points (so 35 basis points on the first \$25 million becomes 40 basis points, etc.);
- If exposure to project and trade finance investments in the strategy is intended to be at 10% or above, each tier of the standard fee schedule may be raised by 10 basis points.
- This structure applies regardless of whether the actual exposure fluctuates, and regardless of whether the exposure to project and trade finance investments is achieved through investments in individual securities, investments in Investment Companies, Private Investment Companies, or other Pooled Investment Vehicles, or a combination of individual securities and funds.

For accounts sourced through our affiliate, Federated Clover Investment Advisors,

a division of Federated Global Investment Management Corp. (Federated Clover division):

50 basis points - first \$3.0 million in assets under management (AUM)

40 basis points - next \$7.0 million in AUM

35 basis points - next \$15.0 million in AUM

30 basis points - next \$25.0 million in AUM

25 basis points - over \$50.0 million in AUM

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 Pooled Investment Vehicles, Proprietary Accounts and Subadvised Accounts”): This section has been revised to reflect the updated fee ranges for Pooled Investment Vehicles. Accordingly, the section has been restated as follows:

This section sets forth information regarding Federated Investment Counseling’s fees for Pooled Investment Vehicles, Proprietary Accounts and Subadvised Accounts. We charge asset-based fees, which are determined as a percentage of AUM or average net assets. We also may charge performance-based fees. Managing accounts for performance-based fees creates various conflicts of interest for us and our employees and supervised persons. (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.)

Pooled Investment Vehicles

Federated Investment Counseling’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 (private fund, collective or common fund, local government investment pool, etc.) and the scope of services being provided. The asset-based fees we currently receive generally range from 0.020% to 0.35% (0.08% to 0.40% for current sub-advised Pooled Investment Vehicles). We do not require any Pooled Investment Vehicles to prepay investment advisory fees (therefore, our fees are not refundable).

Federated Investment Counseling's fees for non-U.S. investment companies (*i.e.*, Pooled Investment Vehicles) also are based on the client's average net assets. The fees we currently receive generally range from 0.20% to 2.0%, plus, in certain cases, a performance-based fee, as provided in each client's investment management agreement. 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 Investment Counseling'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.

Proprietary Accounts

When Federated Investment Counseling provides Investment Supervisory Services with respect to Proprietary Accounts, we may not charge an advisory fee. If we charge an advisory fee, our fees generally are consistent with the basic fee information and terms discussed above for the type of investment product that constitutes the Proprietary Account (*e.g.*, Separate Accounts, Managed Accounts, or other Pooled Investment Vehicles). This includes regarding whether our fees may be charged in advance and are refundable. Our fees, however, may vary (and could be lower or higher) depending upon the investment strategy or style, types of investment securities and number of portfolios or accounts for which services are provided, the purpose for which the Proprietary Account is established and maintained and other relevant factors.

Subadvised Accounts

When Federated Investment Counseling provides Investment Supervisory Services as a sub-adviser or in another capacity to Other Advisors, our fees generally are consistent with the basic fee information and terms discussed above for the type of client (*e.g.*, Separate Accounts, Managed Accounts, or other Pooled Investment Vehicles). This includes regarding whether our fees may be charged in advance and are refundable. Our fees may be payable daily, monthly or quarterly. When our fee is negotiated, it may vary based on discussions with an Other Adviser or the governing bodies or managers of the client.

Item 6 Section C.3 ("Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Voting Securities Held in Client Accounts"): This section has been updated to describe the stewardship services provided by Hermes EOS (as defined below) and the related conflicts of interest. Accordingly, the section has been restated as follows:

As discussed under "Voting Client Securities" in Item 17 of this brochure Federated Investment Counseling will accept the authority to vote securities held in client accounts. Conflicts of interest arise from time to time between the interests of Federated Investment Counseling, and our affiliates (*e.g.*, the other Advisory Companies), and the interests of our clients. Federated Investment Counseling 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 Investment Counseling or our affiliates. (Please refer to "Voting Client Securities" in Item 17 of this brochure for a discussion of these conflicts of interest and how they are addressed.)

In addition, Federated Investment Counseling and our affiliates may retain Hermes EOS to provide stewardship and engagement services in connection with the advisory services we provide. Conflicts may arise to the extent that Hermes EOS consequently benefits from the opportunity to broaden the scope of its business and engagement with companies due to this expanded asset base.

Item 6 Section C.4 (“Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Information Sharing Among Affiliates”): This section has been revised to describe the implementation of controls related to the sharing of material non-public information among certain Federated Advisory Companies (as defined below) and their affiliates. Accordingly, the section has been restated as follows:

Actual or potential conflicts of interest could arise to the extent that Federated Investment Counseling, or our affiliates (e.g., the other Advisory Companies and Hermes EOS), share material non-public information related to a security (“MNPI”). In order to address such potential conflicts and protect client interests, information barriers have been established between the Federated Advisory Companies, the Hermes Advisory Companies, and Hermes EOS such that personnel of the Federated Advisory Companies, the Hermes Advisory Companies, and Hermes EOS are generally precluded from sharing investment-related information, including MNPI, across the barriers. The entities will generally operate their investment management and trading functions independently, and will be subject to their own internal personal dealing, trade allocation, and side by side management policies. The Federated Advisory Companies, the Hermes Advisory Companies, and Hermes EOS may from time to time share internally-generated research that does not contain MNPI or information regarding trading for client accounts. It is possible that future investment products may be mutually developed by the Advisory Companies or that specific engagements may be entered between the two groups. These new products or engagements will be structured with appropriate information sharing limitations specific to that product or engagement.

Federated Investment Counseling and the other Advisory Companies will frequently be required by law in the U.S., the U.K. and certain other jurisdictions, to make regulatory filings based on the investments made and resulting fund ownership in securities when the ownership of such securities exceeds thresholds specified in relevant law. It is possible that services provided by Hermes EOS may from time to time necessitate similar filings. These filings may in turn require the sharing of certain information between the Hermes Advisory Companies and the Federated Advisory Companies. This information may contain detailed holdings or positions data that would not otherwise be shared between the two groups and could constitute MNPI. To address this potential conflict, the Advisory Companies have implemented internal controls which require that such information will be shared only among such limited personnel as is necessary to make accurate and timely regulatory filings and to maintain proper trading limitations. Similar controls have been established to appropriately manage other instances of information sharing, to the extent that personnel of a Federated Advisory Company must receive certain investment-related information from a Hermes Advisory Company (or vice versa). To mitigate any potential conflicts, such personnel will generally be subject to the codes of ethics of both the Federated Advisory Companies and the Hermes Advisory Companies.

Item 6 Section C.5 (“Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Hermes EOS”): This section has been added to describe certain conflicts of interest that may arise to the extent that the Federated Advisory Companies engage Hermes EOS to provide stewardship services. Accordingly, the section is as follows:

Actual or potential conflicts of interest may arise to the extent that the Federated Advisory Companies engage Hermes EOS to provide some or all of its stewardship services in connection with Investment Supervisory Services provided by the Federated Advisory Companies. For example, to the extent that the Federated Advisory Companies retain Hermes EOS to provide stewardship services, Hermes EOS may benefit from the opportunity to broaden the asset base that it represents with respect to these services in the aggregate, and consequently broaden the scope of its business. In addition, certain stewardship services provided by EOS may be contrary to the personal views of our clients as they relate to ESG or other stewardship matters. In order to mitigate this potential conflict, the Federated Advisory Companies will use Hermes EOS stewardship services ultimately to seek to increase the value of positions held in the Federated Advisory Companies’ client accounts. To the extent advocacy is determined not to result in an increase in value, Federated may request that its holdings not be included in any advocacy with an issuer. While there is no intent on the part of the Federated Advisory Companies to act jointly with other Hermes EOS clients on any matter, it is also possible that certain stewardship services entered into by Hermes EOS may be viewed as joint action by Hermes EOS and/or its clients, including the Federated Advisory Companies. Hermes EOS and the Federated Advisory Companies seek to mitigate this potential conflict of interest through policies that provide that the Federated Advisory Companies will not direct Hermes EOS with respect to the companies with which it engages or the positions that inform its engagement. Hermes EOS also maintains policies and procedures related to client engagement and voting that are intended, in part, to limit the reporting obligations of Hermes EOS and its clients under U.S. securities laws.

Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”): The subsection “Environmental, Social, and Governance Characteristics” has been added to describe the extent to which the Federated Advisory Companies will take into consideration environmental, social, and governance characteristics when implementing certain investment strategies. Accordingly, the subsection is as follows:

To the extent consistent with its fiduciary responsibilities, Federated Investment Counseling may integrate environmental, social, and governance (“ESG”) characteristics into its investment analysis and decision-making process when implementing certain investment strategies. As part of the assessment of quality and its approach to risk management, risks associated with a company’s approach to ESG issues are actively addressed. By taking ESG characteristics into account, Federated Investment Counseling intends to promote responsible governance practices and corporate behavior that may contribute to the long-term growth and sustainability of certain issuers and ultimately to an increase in the value of securities in its client accounts. Notwithstanding the foregoing, the Federated Advisory Companies do not intend to invest exclusively in issuers that do (or do not) take into consideration ESG issues. As discussed under “Other Service Providers” in Item 10.C.5 of this brochure, we may take into account internal research on ESG issues obtained from Hermes EOS, among other sources.

Item 10 Section C.5 (“Other Financial Industry Activities and Affiliations - Relationships with Certain Related Persons - Other Service Providers”): This section has been added to describe the stewardship services provided to the Federated Advisory Companies by Hermes EOS. Accordingly, the section is as follows:

Hermes EOS, a sister company of our affiliated Advisory Company, Hermes Investment Management Limited, is dedicated to the provision of certain stewardship services, including engagement on environmental, social, corporate governance, strategic and financial matters, as well as proxy voting recommendations and administrative services, and research services. With respect to its stewardship services, Hermes EOS’s purpose is to assist asset owners and asset managers in adding long-term value to their investments and managing their risks, by engaging with companies and policy-makers on environmental, social, governance, strategic and financial matters. Hermes EOS also provides engagement-led proxy voting research and recommendations, and publishes research on ESG issues and reports regarding the aggregate stewardship activities it has performed on behalf of its clients. (Please refer to “Conflicts of Interest Relating to Hermes EOS” in Item 6 of this brochure for a discussion of conflicts of interest that arise as a result of this relationship.)

Item 10 Section D (“Other Financial Industry Activities and Affiliations - Relationships with Certain Investment Advisers”): Disclosure in this section has been revised to reflect that certain Federated Advisory Companies may from time to time solicit on behalf of the Hermes Advisory Companies (as defined below). Accordingly, the section has been restated as follows:

Federated Investment Counseling does not typically recommend or select other investment advisers for our clients for either direct or indirect compensation. As discussed above, however, Federated Investment Counseling, and/or our affiliates, do have business relationships with affiliated investment advisers (e.g., the other Advisory Companies). Registration does not imply a certain level of skill or training. As such, Federated Investment Counseling, or another Advisory Company, may from time to time solicit clients on behalf of the Hermes Advisory Companies, for which Federated Investment Counseling and/or our affiliates may receive direct or indirect compensation. These business relationships can create conflicts of interest for Federated Investment Counseling, the other Advisory Companies, and our employees, supervised persons, and related persons. For example, we may advise a client to invest in an investment product that is sponsored, managed, distributed or serviced by these other investment advisers to benefit them rather than serve the best interests of our clients or potential clients. (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 11 Section A (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Our Code of Ethics”): This section has been revised to clarify that, with certain exceptions, personnel of the Federated Advisory Companies and the Hermes Advisory Companies are generally subject to separate codes of ethics. Accordingly, the section has been restated as follows:

Federated Investment Counseling and the Federated Advisory Companies have adopted a Code of Ethics for Access Persons (“Code of Ethics”), which sets forth restrictions and safeguards on certain activities such as personal trading, insider trading, misuse of client information, serving on boards of directors by investment personnel, disclosure of

conflicts of interest and receiving/giving gifts and political and charitable contributions. We will provide a copy of our Code of Ethics to any client or prospective client upon request. With the exception of certain personnel who collaborate with the Hermes Advisory Companies on regulatory or certain other matters and who are subject to the Code of Ethics, the employees of the Hermes Advisory Companies are subject to a separate code of ethics adopted by the Hermes Advisory Companies.

Item 6 of this brochure, “Performance-Based Fees And Side By Side Management”, contains a detailed discussion of Federated Investment Counseling’s Code of Ethics and how it addresses conflicts related to Federated Investment Counseling’s participation or interest in client transactions and personal trading. (Please refer to “Conflicts of Interest Relating to Personal Trading” in Item 6 of this brochure for further information regarding our Code of Ethics.)

Item 11 Section B.1 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Participation or Interest in Client Transactions - Client Investments in Affiliated Investment Vehicles”): Disclosure in this section has been updated to reflect that Federated Investment Counseling generally does not waive or reimburse fees when it does not exercise discretion to invest cash in certain Affiliated Investment Vehicles (as defined below). Accordingly, the section has been restated as follows:

Federated Investment Counseling and the other Federated Advisory Companies may, from time to time, invest client assets in or recommend investments in Affiliated Investment Vehicles, including, for example, with respect to uninvested cash. (Please refer to “The Types of Accounts/Products We Manage” in Item 6 of this brochure as well as “Sponsor or Syndicator of Limited Partnerships” in Item 10 of this brochure for further information.) Federated Investment Counseling and the other Federated Advisory Companies will receive compensation for management of the Affiliated Investment Vehicles; consequently, Federated Investment Counseling may have an incentive to allocate client funds to Affiliated Investment Vehicles in lieu of other investment opportunities. Except in connection with Managed Accounts or our Model Portfolio Management Services, as required by our policies and applicable law, Federated Investment Counseling generally waives or reimburses a portion of its advisory fee equal to the advisory fee paid to the Affiliated Investment Vehicle into which we invest client assets to mitigate this conflict. We generally do not have discretion over the investment of uninvested cash in Managed Accounts, and in certain Separate Accounts; such cash is typically invested in money market mutual funds or other liquid investments selected by the client, the client’s agent, or the Sponsor. The money market mutual funds into which uninvested cash may be invested may include, in certain cases, Affiliated Investment Vehicles or money market mutual funds serviced by certain of our affiliates. We generally do not waive or reimburse fees when we do not exercise discretion to invest cash into such vehicles. (Please refer to “Conflicts of Interest Relating to Affiliated Investment Vehicles” and “Conflicts Of Interest Related to Uninvested Cash Positions” in Item 6 of this brochure for further information.)

Item 12-B (“Brokerage Practices - Trade Aggregation and Allocation Policy”): This section has been updated to reflect the potential impact of limitations imposed by certain issuers and intermediaries, including retail order periods, on the management of a Managed Account. Accordingly, the section has been restated as follows:

Federated Investment Counseling has adopted written policies (Allocation Policies) for the allocation of securities transactions among our clients. The Allocation Policies are premised on Federated Investment Counseling’s general practice of aggregating the transactions executed on behalf of our clients and clients of the other Federated Advisory Companies. We may, but are not obligated to, aggregate transactions. The type of client account or investment product (*e.g.*, direct Separate Account versus Managed Accounts), client transactions, client instructions (*e.g.*, directed brokerage/trading), the investment strategies applicable to client accounts, system capabilities and constraints, and other factors may result in transactions for certain client accounts not being aggregated. If a client transaction is not aggregated, the client may pay higher brokerage commissions, may receive a less favorable price, or incur other costs, which also may affect the performance of the client’s account. (Please refer to “Other Conflicts of Interest Relating to Certain Investment and Brokerage Practices” in Item 6 of this brochure for a further discussion of factors that may result in trades not being aggregated, and related conflicts of interest and how they are addressed.)

To the extent that Federated Investment Counseling aggregates client transactions, the Allocation Policies state that Federated Investment Counseling and the other Federated Advisory Companies must do so in a manner:

- Consistent with the duty to seek best execution of client orders;
- That treats all clients fairly; and

- That does not systematically disadvantage any client.

The Allocation Policies expressly prohibit consideration of compensation or other benefits received by Federated Investment Counseling or the other Federated Advisory Companies in allocating transactions among clients.

The Allocation Policies set forth procedures for allocating primary and secondary market transactions among clients. The Allocation Policies also provide investment management personnel with guidelines for allocating securities among portfolios with common investment objectives. In some cases, the Allocation Policies may adversely affect the price paid or received by a client or amount of securities purchased or sold by a client. However, we believe that coordination and the ability to participate in volume transactions generally benefits clients.

The amount of assets in a Managed Account may impact the management of a Managed Account, including in ways that may adversely impact account liquidity and/or performance. For example, accounts with smaller assets may not be able to hold as many securities as accounts with larger assets or may have to hold a higher level of working capital. In certain circumstances, issuers and intermediaries also impose limitations or preferences on various classes of investors related to holding, trading, participating in primary offerings, and/or participating in corporate actions. For example, in some offerings of municipal securities, a “retail order period” may be designated during which orders will be accepted solely for retail customers, as defined by the issuer of the securities (or, in some cases, small orders for any type of customer). Due to minimum bond denomination requirements and other limitations and preferences, smaller fixed income or balanced accounts may not be able to hold certain bonds or may not be able to participate in certain corporation actions such as voluntary tenders. While Federated Investment Counseling seeks to take reasonable steps to prevent adverse consequences, there is no guarantee that Federated Investment Counseling will be successful. A variety of events or circumstances, including events or circumstances beyond Federated Investment Counseling’s control such as withdrawal requests and below minimum bond denomination securities being in a predecessor account that was transitioned to Federated Investment Counseling, can arise or exist that would prevent Federated Investment Counseling’s efforts from being successful.

Federated Investment Counseling periodically reviews the aggregate allocation of our clients’ transactions among brokers/dealers and the aggregate amount of commissions paid. Upon request, we will provide a client with aggregate allocation information relating to such client’s transactions. Compliance personnel review the Allocation Policies annually with senior trading and investment management personnel. We will furnish a summary of the Allocation Policies upon request.

The trading desk for certain institutional and high net worth separate accounts sourced through the Federated Clover Investment Advisors division of Federated Global Investment Management Corp., may be separate and apart from Federated Investment Counseling’s trading desk, so it is therefore possible that certain trades for such accounts may not be able to be batched or aggregated with trades of Federated Investment Counseling’s other clients. There will be no aggregation or allocation of trades between the Federated Advisory Companies and the Hermes Advisory Companies.

Item 14 Section B (“Client Referrals and Other Compensation - Arrangements Where Compensation is Paid to Another Person for Client Referrals”): Disclosure in this section has been updated to reflect that certain Hermes Advisory Companies may be compensated by the Federated Advisory Companies in connection with non-U.S. solicitation activities. Accordingly, the section has been restated as follows:

Federated Investment Counseling and our affiliates (*e.g.*, certain other Advisory Companies) may enter into various arrangements pursuant to which employees, or affiliated and unaffiliated third parties, including, with respect to non-U.S. solicitation activities, certain Hermes Advisory Companies, may be compensated, directly or indirectly, for referring clients to Federated Investment Counseling or our affiliates. (Please refer to “Arrangements Involving Receipt of Economic Benefits from Non-Clients” in Item 14 of this brochure and “Sales Compensation” in Item 5 of this brochure for further information.) Such compensation will not result in a charge to investment advisory clients, or in any differential in the level of advisory fees customarily charged, unless specifically disclosed to clients.

While not advisory clients of the Advisory Companies (unless a separate advisory relationship exists), we and our affiliates may enter into arrangements pursuant to which potential shareholders are solicited for investment in Investment Companies or other investment products sponsored, managed serviced or distributed by Federated Investors or the Advisory Companies (including Affiliated Investment Vehicles).

Arrangements where we, or our affiliates (*e.g.*, certain other Advisory Companies), pay compensation to solicitors for referrals create conflicts of interest for us, and our affiliates, as well as the solicitors. We, and our employees and supervised persons, and our affiliates, have an incentive to utilize or recommend the solicitor's products and services. The solicitor also has a financial incentive to favor the services of, and products sponsored, distributed or managed by, Federated Investment Counseling and our affiliates, over the interest of clients. (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 15 ("Custody"): This item has been revised to clarify the instances in which Federated Investment Counseling may be deemed to have custody of a client account and the actions that will be taken in such instances. Accordingly, the item has been restated as follows:

Under SEC Rule 206(4)-2 under the Advisers Act, Federated Investment Counseling is deemed to have custody of client funds because, in certain cases, we have arrangements that authorize us to have our advisory fees deducted from client accounts. (Please refer to "Fees and Compensation" in Item 5 of this brochure for further information regarding these fee arrangements.) We may also be deemed to have custody of a client account because we have the authority to engage custodians on behalf of Separate Account clients or Pooled Investment Vehicles, or are deemed to control Pooled Investment Vehicles. Generally, in these instances, we will annually distribute audited financial statements prepared in accordance with U.S. GAAP to all limited partners, members, or other beneficial owners pursuant to Rule 206(4)-2(b)(4) (the "Audit Exception"). To the extent that we cannot rely on the Audit Exception for such clients (*e.g.*, for clients for whom audited financials are not prepared according to U.S. GAAP), a surprise examination will be conducted annually to verify the existence of assets in the account.

To address potential conflicts of interest associated with the deduction of fees, and other possible client concerns with these arrangements, we have policies and procedures in place which we believe are reasonably designed to seek to ensure that the amount of assets under management on which our fees are billed is accurate and that our fees are consistent with the terms of our investment management agreements with our clients. For example, we either have segregated the responsibilities of employees responsible for invoicing and collecting our fees or our auditing department periodically reviews our practices. We also periodically test on a sample basis our fee calculations to confirm their accuracy.

With the exception of certain Pooled Investment Vehicles, we generally do not open accounts for our clients with qualified custodians. Clients generally are responsible for opening their own accounts directly with a qualified custodian or through an intermediary, such as a Managed Account Program Sponsor, Platform Provider or Overlay Manager. Qualified custodians include banks, savings associations, registered brokers/dealers, registered futures commission merchants, and foreign financial institutions that customarily hold financial assets for their customers on a segregated basis. For Investment Company (*i.e.*, mutual fund) shares, the Investment Company's transfer agent is considered the custodian.

Certain Managed Account Program Sponsors require us to execute trades for clients using prime brokerage arrangements. In these Managed Account Programs, we serve as a discretionary portfolio manager for clients in the Managed Account Program Sponsor's Managed Account Program. Under these prime brokerage arrangements, the Managed Account Program Sponsor, acting as the prime broker, generally requires that we only utilize clearing brokers ("Executing Brokers") with which the Managed Account Program Sponsor has prime brokerage agreements in place. In addition to our agreement with the Managed Account Program Sponsor, we are required to enter into agreements with the Executing Brokers for their execution/clearing services on behalf of the clients. These agreements with the Executing Brokers establish accounts at the Executing Broker in the name, or for the benefit, of the clients for purposes of executing trades. Under the client agreement between the Managed Account Program Sponsor and the client, in addition to other provisions relating to the prime brokerage arrangements, the client grants the authority to give instructions to each Executing Broker and to take all other actions necessary or incidental to the execution of such instructions. Based on this authorization, the Managed Account Program Sponsor also grants the authority to us to give instructions to each Executing Broker. The Managed Account Program Sponsor also has confirmed that we have the authority under the client agreement, and our agreement with the Managed Account Program Sponsor, to enter into the agreements with the Executing Brokers required by the prime brokerage arrangement. In addition to establishing accounts in the name, or for the benefit of, clients for purposes of executing trades, these agreements with the Executing Brokers purport to bind clients to arbitration clauses, confirmation waivers, consents to disclosure of financial information, acknowledgements of receipt of required disclosures, security interest grants and other provisions, all in connection with executing trades through the prime brokerage arrangement required by the Managed Account Program

Sponsor. When entering into the agreements with the Executing Brokers, and executing trades through these prime brokerage arrangements, (1) we are acting pursuant to the authority granted, and requirements imposed by, the Managed Account Program Sponsor and the clients for purposes of effecting trades in the clients' accounts under the Managed Account Program, (2) we do not have possession or control over the client assets or the authority to withdraw client cash, securities or other assets or to otherwise obtain possession of client cash, securities or other assets, and (3) we do not have ownership of or access to client cash, securities or other assets."

Clients will receive account statements from the broker/dealer, bank or other qualified custodian for their accounts and clients should carefully review those statements. If you also receive an account report from us, we urge you to compare the account statement that you receive from the qualified custodian with any report you receive from us.

Related persons of Federated Investment Counseling (*e.g.*, certain other Advisory Companies) are sometimes asked by clients for suggestions of entities to act as custodians for accounts and, in response, recommend commercial banks or brokers/dealers that act in that capacity. When asked for a recommendation concerning a custodian, we will share our views regarding a number of factors such as the ability to execute trades, the custodian's experience in acting as custodian for the type(s) of assets owned by the client, the overall cost of the custodian's services, the custodian's willingness to allow trading through other brokers or dealers, the custodian's willingness to perform the recordkeeping necessary to allow clients to pool their transactions in order to obtain the best price and execution, the custodian's geographic proximity to the client which may enhance the client's ability to deal with the custodian, the willingness and ability of the custodian to assist the client in transferring assets and distributions and overall service. In limited circumstances where we are authorized to select custodians for Pooled Investment Vehicles, consideration is given to the same factors, to the extent applicable to the Pooled Investment Vehicle in question.

Item 17 ("Voting Client Securities"): This item has been updated to describe the extent to which the Federated Advisory Companies will take into consideration certain proxy voting research and/or recommendations from Hermes EOS. Accordingly, the item has been restated as follows:

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 Investment Counseling has adopted proxy voting policies and procedures. Federated Investment Counseling'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 Investment Counseling may also take into account certain proxy voting research and/or recommendations provided by Hermes EOS. However, Federated Investment Counseling does not grant proxy voting authority to Hermes EOS and considers such research and/or recommendations among other factors it deems relevant to its proxy voting determinations.

Federated Investment Counseling also generally votes consistently on the same matter when securities of an issuer are held by multiple client portfolios, unless Federated Investment Counseling 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 Investment Counseling 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 Investment Counseling will endeavor to vote in accordance with any such written instructions that are timely communicated to Federated Investment Counseling 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 Investment Counseling and/or our affiliates (*e.g.*, the other Advisory Companies), and the interests of our clients. Federated Investment Counseling 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 Investment Counseling or our affiliates. If such potential material conflicts of interest do arise, Federated Investment Counseling will analyze and document them and shall ultimately vote the relevant proxies in what Federated Investment Counseling 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