

Attribution Analysis

USD

Federated High Yield Trust vs. Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index

	Portfolio	Benchmark	Management Effect
Gross Reported Return	2.19	1.97	0.28

Management Summary

Duration	0.02
Sector	0.16
Yield Curve	0.00
Security Selection	0.04
System Variance	0.06
Total Reported Management Return	0.28

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. For current to the most recent month-end performance, visit the product section of the web site.

[Click here for recent standard fund performance.](#)

Please see next page for more complete information on attribution data.

Federated Securities Corp., Distributor

This report is not complete without the attached disclosure.

45030 (10/17)

**Federated High Yield Trust vs. Barclays High Yield 2% Issuer Capped Index
Credit Quality Summary – 9/29/2017**

Rating Agency Breakout

	<i>FHYT</i>	<i>Barclays High Yield 2% Issuer Capped I</i>	<i>Variance</i>
<i>Credit Quality</i>	<i>Weight (%)</i>	<i>Weight (%)</i>	<i>Weight (%)</i>
Cash	1.59		1.59
BBB	0.13		0.13
BB	27.87	44.27	-16.40
B	43.10	39.45	3.65
CCC/and Below	27.22	15.94	11.28
NR	0.09	0.34	-0.25
Total	100.00	100.00	

EFFECTIVE SPREAD BREAKOUT

	<i>FHYT</i>	<i>Barclays High Yield 2% Issuer Capped I</i>	<i>Variance</i>
	<i>Weight (%)</i>	<i>Weight (%)</i>	<i>Weight (%)</i>
<1.00 – 2.32			
Low Effective Spread	34.27	44.27	-10.00
2.32 – 4.80			
Mid Effective Spread	50.36	39.45	10.91
> 4.80			
High Effective Spread	15.37	16.28	-0.91
Total	100.00	100.00	

The rating agency that provided the ratings is Moody's. Credit ratings of Baa (BBB) and above are investment grade and credit ratings of Ba (BB) and below are below investment grade (lower-rated securities).

Effective Spread Breakout: The effective spreads of the high yield bonds in the portfolio (differences between their yields and the Treasury bond yield). Low Effective Spread reflects securities trading between 100 and 232 bp over U.S. Treasuries. Mid Effective Spread reflects securities trading between 232 and 480 bp over U.S. Treasuries. High Effective Spread reflects securities trading 480 bp and higher over U.S. Treasuries.

Yield to Worst vs. Comparable Maturity Treasury: The yield of high yield bonds compared to treasury bonds of the same maturity to determine spread differences.

Attribution Disclosure:

Performance attribution is an analytical process used to understand the factors contributing to a portfolio's relative performance. For equity portfolios, it dissects a portfolio's relative performance into sector weighting and security decisions. For fixed income portfolios, performance attribution provides insight into how much of the relative over- and under-performance is due to Federated's decisions tools: duration management, yield curve analysis, sector allocation, and security selection decisions. For global portfolios, country and currency dimensions are added.

Active return: equals the fund's gross total return minus the benchmark's total return.

Adjustment: unexplainable accounting differences.

Average Weight Difference: the difference between the average weight of the fund and benchmark.

Average Weight: the average weight of each group in the portfolio.

Base Return: the weighted average holding period return for the securities (or benchmark) in each group. This weighted average is calculated for each link period using beginning weights and then the resulting values are linked together to calculate the displayed value.

Benchmark Impact: the difference between the official benchmark and daily rebalanced benchmark.

Beta Positioning: reflects the impact of the fund's net exposure to the equity market.

Contribution: contribution to total return.

Futures: futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a Reference Instrument at a specified price, date and time.

Group Weighting Variance: indicates the result of weighting decisions in each group vs. the benchmark.

Intelligent core: is an actively managed portfolio, implemented primarily through baskets of securities and ETFs. Its objective is to provide broad asset class exposure.

Management Summary: decisions are based on the close management of following decision tools:

Duration Management: the measure of a security's particular sensitivity to interest rate changes.

Sector Allocation: based on an evaluation of security categories the team believes can deliver the most reward for the amount of risk taken.

Yield Curve Analysis: a key determinant in how the fixed income team structures its portfolios is based on how they believe the interest rate yield curve may reshape.

Currency Management: the team seeks to exploit inefficiencies in currency values, interest rates and market trends to maximize performance in our bond portfolios.

Security Selection: decisions are made only after an intensive, fundamentally focused review of every potential holding.

Interest Rate Effect: analysis of various key rate duration marks ranging from 6 months to 30 years.

Industry: based on an evaluation of security categories the team believes can deliver the most reward for the amount of risk taken.

Credit Quality: based on an evaluation of a security's credit quality rating relative to an index.

Other Variance: can include measuring a security's term spread, pre-payment, volatility, mortgage type and convexity.

System Variance & Trading Costs: allows for differences in return provided from Wilshire system and our firm's official return. The Wilshire system alone is unable to capture intra-day trading. Comparing Wilshire data and our internal data provides takes into system variances in return and daily trading costs into consideration relative to an index.

Yield: based on accrual of a security's coupon relative to that of an index.

Management Effect: the amount (in basis points) of over- or under-performance relative to the index.

Net Contribution: the difference between the contribution of the fund and benchmark.

Options: also called option contracts, are rights to buy or sell a reference instrument for a specified price (the exercise price) during, or at the end of, a specified period. The seller (or writer) of the option receives a payment, or premium, from the buyer, which the writer keeps regardless of whether the buyer uses (or exercises) the option.

Rel. Ind. Stock Sel.: is the stock selection relative to the industry group. (Weight of Security in Fund - Weight of Security in Benchmark) (Return of Security in Fund - Return of Industry Group in Benchmark)

Stock Selection Variance: result of each selection decision by comparing the return for the security with the group to which the security belongs.

Tactical asset allocation strategies: are a series of long-short strategies that are combined with the intelligent core to achieve the fund's desired asset allocations. They are designed to be the primary source of alpha generation and are implemented primarily through derivatives.

Total Reported Management Return: total amount (in basis points) of over- or under-performance relative to the index based on the selected calls for each decision tool.

Total Variance: is the sum of group weighting and stock selection variance. This represents the amount of total variance that is explained by the selection and allocation decisions for each group. The sum of total variance is the difference between the portfolio return and the benchmark return.

Unexplained: represents the difference between the sum of the estimated portfolio contributions shown on the report and the official fund return.

General Disclosure:

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the prospectus or summary prospectus before investing.

Past performance is no guarantee of future results.

Performance returns are gross of management and other fees. Deduction of fees and expenses over time reduces a client's return.

The holdings percentages are based on net assets at the close of business on the date shown above and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Risk Disclosure:

Mutual funds are subject to risks and fluctuate in value.

Diversification does not assure a profit nor protect against loss.

Federated Absolute Return Fund may make short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested.

Federated Prudent Bear Fund regularly makes short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested. The fund may also use options and future contracts, which have risks associated with unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. However, a mutual fund investor's risk is limited to one's amount of investment in a mutual fund. The fund may also hold restricted securities purchased through private placements. Such securities may be difficult to sell without experiencing delays or additional costs. Please see the prospectus for further details. Considering the increased risks, the fund may not be suitable for all investors.

Federated Prudent DollarBear Fund is a non-diversified investment company. As such it will likely invest in fewer securities or securities issued by fewer foreign governments than diversified investment companies and its performance may be more volatile. If the securities in which the Federated Prudent DollarBear Fund invests perform poorly, the Federated Prudent DollarBear Fund could incur greater losses than it would have had it invested in a greater number of securities.

Funds that have the ability to make short sales of securities involve unlimited risk including the possibility that losses may exceed the original amount invested.

Because certain funds may allocate relatively more assets to certain industry sectors than others, their performance may be more susceptible to any developments which affect those sectors emphasized by the funds.

The value of equity securities will fluctuate and, as a result, fund share prices may decline suddenly or over a sustained period of time.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment grade securities.

International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards. Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

Investment in gold and precious metals, put options, call options and commodities are subject to additional risks.

Investments in real estate investment trusts ("REITs") involve special risks associated with an investment in real estate, such as limited liquidity and interest rate risks.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

When homeowners prepay their mortgages in response to lower interest rates, some funds will be required to reinvest the proceeds at the lower interest rates available. Also, when interest rates fall, the price of mortgage-backed securities may not rise to as great an extent as that of other fixed income securities.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend paying stocks.

Mid-capitalization companies often have narrower markets and limited managerial and financial resources compared to larger, more established companies

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks.

Ultrashort products are not "money market" funds. Some money market mutual funds attempt to maintain a stable net asset value through compliance with relevant SEC rules. Ultrashort funds are not governed by those rules, and their shares will fluctuate in value.

Use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance, particularly in late stages of a market advance.

Investing in IPO's involves special risks such as limited liquidity and increased volatility.

Index Definitions:

[Click here to view index definitions.](#)

Not FDIC Insured

May Lose Value

No Bank Guarantee

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