

Federated Short-Term U.S. Prime Fund

Investment-Dividend Series

28 February 2017

Standard & Poor's AAAM rated
Moody's Aaa-mf rated
Fitch AAAMmf rated

INVESTMENT OBJECTIVE AND STRATEGY

The investment objective of Federated Short-Term U.S. Prime Fund is to achieve current income while maintaining stability of principal and liquidity. The fund pursues its objective by investing in a portfolio of high quality (i.e., awarded one of the two highest short-term credit ratings of each recognised statistical rating organisation that has rated the security or been determined by the Adviser to be of comparable quality to securities having such ratings) US dollar denominated short-term debt instruments which comply with the criteria for money market instruments as set out in the UCITS regulations. The maximum weighted average maturity of the securities in the fund's portfolio will not exceed 60 days. The weighted average life of the fund's portfolio will be limited to 120 days or less. The types of debt securities in which the fund may invest, but is not limited to, include transferable securities listed or traded on regulated markets such as commercial paper & notes, repurchase agreements, variable rate instruments, and bank instruments, as well as shares of other short-term money market funds. The Central Bank has authorised the fund to invest up to 100% of its assets in US Government Agency Securities and US Treasury Securities on the basis that such securities will be comprised of at least six different issues and any one issue will not account for more than 30% of the net assets of the fund. The fund is considered a Short-Term Money Market Fund in accordance with the requirements of the Central Bank Notices on money market funds. The securities in which the fund invests are restricted to securities which have a residual maturity until the legal redemption date of less than or equal to 397 days.

INVESTMENT MANAGER'S REPORT

US Federal Reserve Chair Janet Yellen has sounded more hawkish of late, possibly preparing the markets for a rate hike at the mid-March Federal Open Market Committee (FOMC) meeting. If so, she must be careful. If she, her Fed colleagues or unexpectedly impressive economic reports get the markets to believe in a March move and then the Fed doesn't make one, the Fed could lose serious credibility.

If policymakers do forgo a hike-especially if it is close-the conventional wisdom that June's meeting would be next in line for the Fed to act might be wrong. The FOMC meeting in May might be in play, even though there is no scheduled press conference afterward. Traditionally the Fed has not made major policy moves at such meetings.

The data-dependent Fed certainly has positive economic reports to point to whenever it does raise rates. Consumers have found confidence, manufacturing has found its footing and employers can't find enough workers. Even stubborn inflation is starting to pick up.

With the London interbank offered rate (Libor) continuing to tick up, in the middle of February we decided to bring in our target range for our weighted average maturity (WAM) from 40-50 days to 35-45 days for our government funds. We wanted to have more dry powder for what we think will be attractive floating-rate paper coming into the marketplace. We have not yet lowered the WAM range for our prime funds mainly because we are still of the opinion that prime securities have enough relative value to compensate for the extra days. In a rising-rate environment, shortening WAM not only captures extra yield potential, but also helps to stabilise funds.

PERFORMANCE

Average Annual Total Returns (%) (See Important Legal Information)

Cumulative 3 Month	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception
0.00	0.00	0.00	0.00	0.00	0.54	1.02

Past performance is no guarantee of future performance and the value of investments and income (yield) from them may fall as well as rise and investors may not get back the amount originally invested.

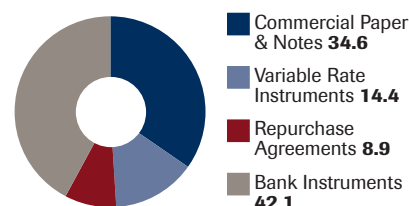
Although the fund attempts to maintain a stable net asset value of US\$1.00, there is no guarantee it will be able to do so. The fund's yield may vary.

TOP PORTFOLIO ISSUERS

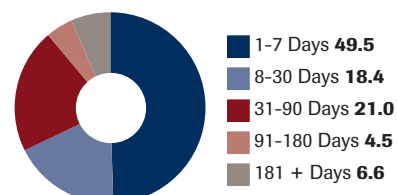
DZ Bank AG Deutsche Zentral-Genossenschaftsbank
Australia & New Zealand Banking Group, Melbourne
Netherlands, Government of
Credit Agricole Group
Sumitomo Mitsui Financial Group, Inc.
Mitsubishi UFJ Financial Group, Inc.
Wells Fargo & Co.
JPMorgan Chase & Co.
Bank of Montreal
Agence Centrale des Organismes de Securite Sociale

These holdings may not be indicative of future portfolio composition. Because this is a managed portfolio, the investment mix will change. References to specific securities or industries should not be considered investment advice or a recommendation.

PORTFOLIO COMPOSITION (%)



EFFECTIVE MATURITY SCHEDULE (%)



WEIGHTED AVERAGE MATURITY

39 Days

WEIGHTED AVERAGE LIFE

61 Days

LIQUIDITY*

Daily	28.56%
Weekly	47.77%

**Calculated according to the Institutional Money Market Funds Association (IMMFA) guidelines.*

Federated®

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SHARE CLASS DETAILS

ISIN	WKN	Bloomberg	Dividend	Ongoing Charges*
IE00B065YD98	A0D8JV	FEDSUDS	Declared daily and paid monthly	0.69%

ABOUT FEDERATED

A financial industry pioneer since 1955, Federated is one of the largest US investment managers, with assets under management of approximately US\$365 billion. Known for our stability, diligence and diverse product line, Federated takes the long view, believing that doing business the right way over time will present opportunity for future growth. We apply the same approach to managing our international undertakings, which began in 1984 with the launch of one of the first international equity funds. Since then the Pittsburgh-based firm has established a host of international funds and offices, including Federated International Management Limited ("FIML") in Dublin to manage Irish domiciled UCITS, Federated Asset Management GmbH in Frankfurt to service German-speaking countries, Federated Investors (UK) LLP, to manage UK-domiciled UCITS, as well as Federated Investors Canada ULC, to manage a Canadian fund and the Federated Short-Term Daily U.S. Dollar Fund, Ltd., based in the Cayman Islands. Highly experienced investment professionals direct our operations, and we continually look to increase our robust global footprint through organic growth and strategic acquisitions.

IMPORTANT LEGAL INFORMATION

* As of 31 December 2016. Federated International Management Limited, as a manager of the Company, receives an annual management fee equal to the sum of 1.00% of the fund's average daily net assets which fee shall accrue daily and be paid monthly in arrears. The management agreement provides that the manager may voluntarily undertake to reduce or waive its management fee or to make other arrangements to reduce expenses of the fund to the extent that such expenses exceed such lower expense limitation as the manager may, by notice to the Company, voluntarily declare to be effective.

Federated International Funds plc (the "Company") is organised pursuant to the Companies Acts 1963 to 2005, Part 2 and 3 of the Investment Funds, Companies, and Miscellaneous Provisions Act 2006, the Companies (Amendment) Act 2009, the Companies (Miscellaneous Provisions) Act 2009 and the Companies (Amendment) Act 2012, and the Companies (Miscellaneous Provision) Act 2013 (the "Companies Acts"), and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations"). The Company is incorporated in Ireland under C.R.O. No. 168193. The Company is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds.

Source: Federated Investors, Inc. Past performance may not be a reliable guide to future performance. The value of an investment can go down as well as up and return on your investment will therefore be variable. Income (yield) may fluctuate in accordance with market conditions and taxation arrangements. Changes in exchange rates may have an adverse effect on the value price or income of the product, depending on an investor's home currency.

An AAAM rating by Standard & Poor's is obtained after S&P evaluates a number of factors, including credit quality, market price exposure and management. S&P monitors the portfolio weekly for developments that could cause changes in the ratings. Money market funds rated Aaa-mf by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. Fitch's money market fund ratings are an assessment of a money market fund's capacity to preserve principal and provide liquidity through limiting credit, market and liquidity risk. Ratings are based on an evaluation of several factors, including credit quality, diversification, and maturity of assets in the portfolio, as well as management strength and operational capabilities. Ratings are subject to change and do not remove market risks.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Total return was not calculated according to the BVI method.

These shares have not been registered under the US Securities Act of 1933 (the "1933 Act"), as amended, or the US Investment Company Act of 1940, as amended, and may not be directly or indirectly offered or sold in the US or for the benefit of a US Person (as determined by Regulation S under the 1933 Act). This document is produced for information purposes only and does not constitute an offer to buy or a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or to be taken as investment advice. Potential investors should read the key investor information document (KIID) and the prospectus for the fund carefully and consult their own advisors before investing in the fund.

For more information about the fund, please call your financial intermediary for a prospectus, KIID, semi-annual report and/or annual report, or visit fiml.federatedinvestors.com. The prospectus is available in English, French and German, and the KIID is available in English, French and German. You should carefully consider the fund's investment objectives, risks, charges, and expenses before you invest. Full details of this fund are set out in the prospectus, which you should read carefully before investing. Any objective of the fund will be treated as a target only and should not be considered as an assurance or guarantee of performance of the fund or any part of it.

In Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, Postfach 1928 8021 Zürich, Switzerland has been authorised by the Swiss Financial Market Supervisory Authority (FINMA) as Swiss representative and as paying agent of the Company.

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G28196-16 (3/17)

FUND INFORMATION

Launch Date 14 February 2005

Dealing Cut Off Close of the NYSE
normally 4:00 p.m. (US Eastern Time)

Fund Currency US Dollar

Benchmark IMMFA USD Prime
MMFs Stable NAV

Sales Charge None

Fund Volume US\$2.8 billion

PORTFOLIO MANAGERS



Deborah Cunningham, CFA
Executive Vice President
Chief Investment Officer
Global Money Markets
Senior Portfolio Manager



Paige Wilhelm
Senior Vice President
Senior Portfolio Manager
Head of Prime Money
Market Group

FURTHER INFORMATION

Federated International Funds plc
Federated International Management Limited
c/o BNY Mellon Fund Services (Ireland) Limited
Designated Activity Company
Guild House
Guild Street
International Financial Services Centre
Dublin 1, D01 E4X0
Ireland
+353 (0) 21 4380600 (Outside the United States)
+1 800 861 3430 (Within the United States)
fiml.federatedinvestors.com