Federated Prime Cash Obligations Fund
Wealth Shares

Nasdaq Symbol: PCOXX | Cusip Number: 60934N625 | Newspaper Listing: FedPmCshObl WS

Product Highlights
- Pursues current income consistent with stability of principal and liquidity.
- Invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in the highest short-term category or of comparable quality.
- Offers the potential for higher yield than a money market fund portfolio limited to Treasury or government fixed-income securities.
- Holds AAAm, Aaa-mf and AAAmmf ratings from Standard & Poor's, Moody's and Fitch, respectively.
- On National Association of Insurance Commissioners (NAIC) List.*

Credit Ratings
AAAm - Standard & Poor's
Aaa-mf - Moody's
AAAmmf - Fitch
NAIC List*

Portfolio Manager(s)
Deborah Cunningham
Paige Wilhelm

Portfolio Assets
$18.3 billion

Top Ten Holdings
Sumitomo Mitsui Financial Group, Inc.
Mitsubishi UFJ Financial Group, Inc.
Bank of New York Mellon Corp.
Toronto Dominion Bank
Wells Fargo & Co.
Royal Bank of Canada
Credit Suisse Group AG
Australia & New Zealand Banking Group
Standard Chartered PLC
JPMorgan Chase & Co.

Total % of Portfolio: 44.1%

Share Class Statistics
Inception Date
2/6/93

Federated Fund Number
851

Cut-Off Times
4:00 p.m. ET — Purchases
4:00 p.m. ET — Redemptions

Dividends
Declared Daily/Paid Monthly

Fund Performance
Net Performance (%)
Jan 0.04 Feb 0.04 Mar 0.05 Apr 0.06 May 0.07 June 0.07 July 0.08 Aug 0.09 Sept 0.10 Oct 0.09 Nov 0.12 Dec 0.24

Effective Maturity Schedule (%)
1-7 Days 48.4
8-30 Days 20.7
31-90 Days 25.4
91-180 Days 5.3
181 + Days 0.2

Credit Quality Composition (%)
A-1 35.9
A-1+ 64.1

2a-7 Liquidity
Daily 24.14%
Weekly 40.85%

Weighted Average Maturity
27 Days

Weighted Average Life
55 Days

Performance quoted represents past performance, which is no guarantee of future results. Investment return will vary. An investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, contact us or visit our Web site at FederatedInvestors.com.

Although not contractually obligated to do so, the adviser and/or certain fund service providers waived all or a portion of their fees or reimbursed the fund for certain operating expenses. These voluntary waivers and reimbursements may be modified or terminated at any time; accordingly, the fund’s expenses may vary (i.e., increase or decrease) during the fund’s fiscal year. These waivers increase income to the fund and result in a higher return to investors. Otherwise, the 7-day yield would have been .13% and total return would have been lower.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Yield quotations more closely reflect the current earnings of the fund than the total return quotation.

The 2010 amendments to Rule 2a-7 dictate that money market funds maintain a 10% daily liquidity bucket and a 30% weekly liquidity bucket. Both requirements are ‘point of purchase’ requirements. Thus, it is permissible and probable that money market funds may, at any given time, have liquidity percentages reflecting less than the 10% and 30% thresholds. In such circumstances, the portfolio manager will be required to purchase securities to fill the requisite liquidity bucket prior to purchasing longer-dated securities. Additionally, the SEC requirements for what may be defined as ‘daily’ and ‘weekly’ differs from the standard maturities used in calculating the ‘Effective Maturity Schedule.’ Therefore, the percentages in the 2a-7 Liquidity table will generally not equal the amounts shown in the ‘Effective Maturity Schedule.’

*This fund is on the National Association of Insurance Commissioners’ list as a Class 1 listing. This designation denotes that the fund meets certain quality and pricing guidelines such as: a rating of A or better by a Nationally Recognized Statistical Rating Organization (NRSRO), maintain a constant NAV $1.00 at all times, allow a maximum 7 day redemption of proceeds, invest 99% in US government securities or securities rated in the highest short-term rating category by an NRSRO, or unrated securities determined by the fund’s board to be of comparable quality or other registered money market funds or collateralized repurchase agreements with the remaining 5% in Second Tier securities from Rule 2a-7. This is subject to an annual review.
The fourth quarter of 2015 was dominated by the U.S. Federal Reserve, from lingering disappointment over its decision not to raise interest rates in its September Federal Open Market Committee (FOMC) meeting to the growing consensus (fueled by Fed officials) that liftoff would come in December. Finally, action did come to pass with a 25 basis-point hike to a target range of 0.25-0.50% near the end of the year, the first time rates moved from near zero in seven years.

Fed Chair Janet Yellen made clear that the decision came in large part from policymaker confidence in the improving domestic economy. The housing market further solidified, with starts continuing an upward trend over the course of the quarter, construction strengthening and house sales firming, in part from the long-awaited arrival of first-time buyers. Also, retail sales grew, led by vehicle purchases and restaurant spending, with the holiday shopping season expected to be solid.

But the best sign that the U.S. is on a sustainable path to recovery—and the data that most influenced the Fed’s action—was the performance of the labor market. Jobless claims, which had been at near historical lows for much of the year, were finally joined by the rest of the employment reports in the fall. Payrolls beat expectations handily, the benchmark unemployment rate fell to 5.0%, job openings increased, wages rose and even the consistently low participation rate ticked up. Although manufacturing performance remained poor, the greatest negative of the quarter was stubbornly low inflation. Because the Fed posited that the weakness was largely caused by a temporary phenomenon of low energy prices, it was less concerned than it might otherwise have been. If anything, the Fed harbored more anxiety over the continued slowdown of the Chinese economy.

The London interbank offered rate (Libor) and the yield on short-term Treasuries jumped. One-month Libor rose from 19 basis points to 43, three-month increased from 33 basis points to 61 and six-month vaulted from 53 basis points to 85; Treasuries leapt from zero basis points to 17 and from one-and-a-half basis points to 26 for the 1-month and 3-month, respectively.

Flexible 12/31/15, the fund’s Institutional Share class was re-designated as Wealth Shares.

Performance shown is for Wealth Shares. The fund offers additional share classes whose performance will vary due to differences in charges and expenses. Please consult your financial institution regarding your eligibility to purchase these classes.

A Word About Risk

The value of some asset-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 guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations. Current and future portfolio holdings are subject to risk.

Definitions

Net yields are based on the average daily income dividend and average net asset value for the 7 days ended on the date of calculation. The 7-day net annualized yield is based on the average net income per share for the 7 days ended on the date of calculation and the offering price on that date.

The fund is a managed portfolio and its holdings are subject to change. The holdings percentages are based on net assets at the close of business on 12/31/15 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Weighted Average Maturity is the mean average of the periods of time remaining until the securities held in the fund’s portfolio (a) are scheduled to be repaid, (b) would be repaid upon a demand by the fund or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates if their scheduled maturity is 397 days or less, and the later of the two dates if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

Weighted Average Life is calculated in the same manner as the Weighted Average Maturity (WAM), but is based solely on the periods of time remaining until the securities held in the fund’s portfolio (a) are scheduled to be repaid or (b) would be repaid upon a demand by the fund without reference to when interest rates of securities within the fund are scheduled to be readjusted.

Repurchase agreements consist of a financial institution selling securities to a fund and agreeing to repurchase them at a mutually agreed upon price and time.

Ratings And Rating Agencies

Money market ratings are an assessment of the safety of invested principal and the ability to maintain a stable market value of the fund’s shares. 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. A money market fund rated AAAm by Standard & Poor’s is granted after evaluating a number of factors, including credit quality, market price, exposure and management. 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 the safety of invested principal and the ability to maintain a stable market value of the fund’s shares. For more information on credit ratings, visit standardandpoors.com, v3.moodys.com and fitchratings.com.

Ratings are subject to change and do not remove market risk.

Credit ratings do not provide assurance against default or other loss of money and can change. A Short-term obligation rated A-1 is rated in the highest category by Standard & Poor’s. The obligor’s capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor’s capacity to meet its financial commitment on these obligations is extremely strong.