



FEDERATED CASH MANAGEMENT FUNDS

Annual Long Form Report and Financial Statements

for the year ended
31 March 2017

Federated Short-Term Sterling Prime Fund

Federated Sterling Cash Plus Fund

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AUTHORISED CORPORATE DIRECTOR'S REPORT

We are pleased to present the Annual Report and Financial Statements for Federated Cash Management Funds covering the 12 months to 31 March 2017.

AUTHORISED STATUS OF THE COMPANY AND ACD

Federated Cash Management Funds (the "Company") is an investment company with variable capital incorporated in England and Wales. The Company was authorised under Regulation 14 of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations") on 6 February 2008, and is regulated by the Financial Conduct Authority (the "FCA").

We, Federated Investors (UK) LLP, act as the authorised corporate director of the Company (the "ACD"). The ACD is the sole director of the Company with responsibility for the management and administration of the Company. We are authorised and regulated by the FCA.

INFORMATION ABOUT THE COMPANY

Structure and UCITS Classification

The Company is an umbrella scheme comprising two sub-funds (the "Funds"). The Company and each Fund are classified as Undertakings for Collective Investment in Transferable Securities ("UCITS") schemes.

The Company consists of the following Funds in which shares are currently available:

- Federated Short-Term Sterling Prime Fund
- Federated Sterling Cash Plus Fund

Information regarding the investments of the Company is given in the report and financial statements of each Fund.

Fund and Shareholder Liabilities

Each Fund is operated as a distinct fund, with its own segregated portfolio of investments. The assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after the purchase price of the shares has been paid.

Money Market Fund Classification

The Federated Short-Term Sterling Prime Fund is a qualifying money market fund and is intended to be a short-term money market fund under the Guidelines on a Common Definition of European Money Market Funds (the "European MMF Guidelines") adopted by the European Securities and Markets Authority ("ESMA").

The Federated Sterling Cash Plus Fund is intended to satisfy the requirements to be a money market fund under the European MMF Guidelines adopted by ESMA as implemented in the FCA's Collective Investment Schemes (the "COLL Sourcebook").

Information regarding the Funds' investment objectives and investment policies are set out in the investment report for each Fund.

Valuation and Share Prices

The Funds described herein are valued on each UK business day at 1.30pm. Prices are published on the ACD's website (federatedinvestors.co.uk) and are available by telephoning +44 (0) 20 7292 8620. Each Fund deals on a forward pricing basis (and not on the basis of published prices).

UCITS V Remuneration policy

As a UCITS management company, the ACD is required to comply with the FCA's UCITS Remuneration Code, which implements the remuneration principles under the UCITS Directive in the UK.

In accordance with the UCITS Remuneration Code and corresponding changes to the COLL Sourcebook, the ACD is required to disclose details of the remuneration paid to its staff for the financial year.

No numerical remuneration disclosures have been provided in this report and accounts, as the ACD has not yet completed its first annual performance period in which it has had to comply with the UCITS Remuneration Code. The ACD believes that numerical remuneration disclosures for a partial financial year would not provide relevant and comparable information to shareholders.

Securities Financing Transactions Regulation

The European Regulation on Reporting and Transparency of Securities Financing Transactions requires exposure to securities financing transactions ("SFTs") and total return swaps to be disclosed in reports and accounts. During the year to 31 March 2017 and at the balance sheet date, none of the Funds used SFTs or total return swaps. Information regarding the expected usage of SFTs and total return swaps by the Funds is set out in the Prospectus.

Holdings in other Funds of the Company

As at 31 March 2017, Federated Sterling Cash Plus Fund held 33,112,444 shares in Federated Short-Term Sterling Prime Fund, with a market value of £33,112,444.

Further Information

Further details about the Company and the Funds are set out in the prospectus of the Company (the "Prospectus") which is available on the ACD's website (federatedinvestors.co.uk) or upon request.

Details of the key contacts for the Company are given under "Directory" at the end of this report.

AUTHORISED CORPORATE DIRECTOR'S REPORT (CONTINUED)

CHANGES TO THE COMPANY

Prospectus changes

During the 12 months up to 31 March 2017, the changes described below were made to the Company and reflected in the Prospectus.

The Prospectus was updated on 30 September 2016 to make a number of updates and amendments including:

- Removing the Federated US Dollar Cash Plus Fund and Federated Euro Cash Plus Fund from the list of currently available Funds of the Company.
- Updating the description of the activities undertaken by the ACD to describe the additional activities it now undertakes.
- Further to implementation of changes to the UCITS Directive known as UCITS V:
 - updating the description of the Depositary and the functions performed by the Depositary, including incorporating a list of the sub-delegates appointed by the Depositary to provide custody services, and
 - disclosing details of the ACD's remuneration policy and practices.
- Updating and/or clarifying various risk disclosures, including those regarding currency risk, interest rate risk, liquidity risk, the risk of government intervention and cyber security risk, and adding a new disclosure further to the UK referendum vote to leave the European Union.
- Clarifying the description of the arrangements for dealing in shares of the Company, including clarifying the procedure for the conversion of shares to another class and expanding the description of the requirements for investors to dealing in shares of the Company electronically.
- Disclosing the ACD's arrangements to manage liquidity risk affecting the Company.
- Updating the description of the dilution policy of the Company.
- Disclosing that additional portfolio information regarding the Funds is published on the ACD's website and will be made available to investors upon request.
- Updating the taxation section.
- Further to implementation of the European Regulation on Reporting and Transparency of Securities Financing Transactions, disclosing information regarding the securities financing transactions that may be entered into by the Company.

The Prospectus was updated on 1 March 2017 to make a number of updates and amendments including:

- Updating the taxation disclosures to reflect the proposed abolition of the requirement to deduct UK income tax from fund interest distributions scheduled to take effect from 6 April 2017.
- Adding a new risk warning relating to the European regulation on OTC derivatives, central counterparties and trade repositories known as EMIR.
- Updating the existing risk warning relating to investment risk to specifically address the risk of negative yields.
- Clarifying the description of the methods for dealing in shares in the Company to include electronic communications.
- Clarifying that the timings for the payment of redemption proceeds described in the Prospectus are not guaranteed.
- Updating the description of the activities undertaken by the ACD to describe the additional activities it now undertakes.
- Updating the ACD's remuneration policy.
- For each Fund, updating the past performance information, and adding the product reference number for the Company.
- Updating the list of sub-custodians to which the Depositary has sub-delegated the custody of assets in certain countries/markets.
- Updating the ACD's Service Centre address details, which is the address used by investors wishing to deal in shares in the Company.
- Updating the disclosure for investors in the Federal Republic of Germany to reflect a new German information agent for the Funds.

Subsequent to 31 March 2017 but prior to the date of this report, the Prospectus was updated on 22 May 2017 to make a number of updates and amendments including the following:

- Reflecting that application monies or redemption proceeds that are deemed to be client money under the FCA's handbook of rules and guidance (the "FCA Rules") will be held in a client bank account maintained by the ACD with a credit institution.

Generally money received by the ACD for the purchase of shares in the Company or payable to a Shareholder upon a redemption of shares in the Company will not be client money for the purposes of the FCA Rules. This is on the basis that all purchases and redemptions of shares in the Company are intended to proceed within the time limits permitted under the delivery versus payment ("DvP") transaction exemption under the FCA Rules, as described in more detail in the Prospectus.

AUTHORISED CORPORATE DIRECTOR'S REPORT (CONTINUED)

CHANGES TO THE COMPANY (CONTINUED)

Prospectus changes (continued)

If the ACD is deemed to be holding client money, this will be transferred to a client bank account, which will be used to hold client money on an omnibus basis for multiple clients. No interest is payable by the ACD on money credited to the client bank account or any other money held by the ACD for or in respect of an investor. Further details regarding client money and the client bank accounts, including the treatment of unclaimed client money, is set out in the updated Prospectus.

- Updating the taxation disclosures to reflect the abolition of the requirement to deduct UK income tax from fund interest distributions. This permits interest distributions payable on or after 6 April 2017 to be paid gross irrespective of the status or category of the investor.
- For each Fund, updating the past performance information.

Cessation of short reports

Further to the FCA removing the requirement for authorised fund managers of UCITS schemes to produce short reports, we will no longer issue half-yearly short reports for the Company. The obligation ceased to apply from 22 November 2016. Annual reports for the Company will continue to be made available on our website at federatedinvestors.co.uk, and a paper copy of the annual report can be made available free of charge upon request.

STATEMENT OF THE ACD'S RESPONSIBILITIES

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. Under the terms of the agreement appointing the ACD, made between the Company and the ACD, dated 11 February 2008, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Company.

The ACD is required to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the Company, and of its net revenue or expenditures and net gains or losses on the scheme property of the Company for the period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the Prospectus, and the disclosure requirements of the Statement of Recommended Practice applicable to the Financial Statements of Authorised Funds ("SORP"), issued by the Investment Management Association (now known as the "Investment Association") (the "IMA") in May 2014;
- follow United Kingdom Generally Accepted Accounting Practices (UK accounting standards and applicable law) ("UK GAAP");
- make judgements and estimates that are reasonable and prudent;

- keep proper accounting records which enable it to demonstrate that the Company complies with the Open Ended Investment Companies Regulations (the "OEIC Regulations"); and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The financial statements should comply with the disclosure requirements of the OEIC Regulations, which should then comply with the COLL Sourcebook and any relevant provisions of the Company's instrument of incorporation (the "Instrument of Incorporation").

The ACD is responsible for maintaining proper books of accounts which disclose, with reasonable accuracy at any time, the financial position of the Company. The ACD is responsible for maintaining an appropriate system of internal controls and for taking all reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each designated member of the ACD at the time this report was approved:

- so far as that designated member was aware there was no relevant available information of which the Company's auditors were unaware; and
- that designated member had taken all steps that the designated member ought to have taken as a designated member to make itself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

AUTHORISED CORPORATE DIRECTOR STATEMENT

The Annual Report and Financial Statements of the Company are approved in accordance with the requirements of the COLL Sourcebook by Federated Investors (UK) LLP as the ACD of the Company.



Gregory P. Dulski

For and on behalf of Federated Investors (UK) LLP as the authorised corporate director of Federated Cash Management Funds

27 June 2017

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE FEDERATED CASH MANAGEMENT FUNDS

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF FEDERATED CASH MANAGEMENT FUNDS FOR THE YEAR ENDED 31 MARCH 2017

BNY Mellon Trust & Depositary (UK) Limited (the "Depositary") as depositary of Federated Cash Management Funds (the "Company") must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) as amended and the Financial Services and Markets Act 2000 as amended (together "the Regulations"); and the Company's Instrument of Incorporation and the Prospectus (together "the Scheme Documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored¹ and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of Federated Investors (UK) LLP acting in its capacity as authorised fund manager of the Company are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and the Scheme Documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the authorised fund manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme Documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.



For and on behalf of BNY Mellon
Trust & Depositary (UK) Limited as depositary of
Federated Cash Management Funds

27 June 2017

¹This requirement on the Depositary has applied from 18 March 2016.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEDERATED CASH MANAGEMENT FUNDS

We have audited the financial statements of Federated Cash Management Funds ("the Company") for the year ended 31 March 2017 which comprise the accounting policies of the Company, the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables for each of the Company's Funds. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard' applicable to UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE AUTHORISED CORPORATE DIRECTOR (ACD) AND AUDITOR

As explained more fully in the ACD's responsibilities statement set out on page 5, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the ACD; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the financial position of the Company comprising each of its Funds as at 31 March 2017 and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its Funds for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard' applicable to UK and Republic of Ireland'.

OPINION ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.



Ernst & Young LLP
Statutory Auditor of the Company
London

4 July 2017

INVESTMENT MANAGER'S REPORT FOR ALL FUNDS

INTRODUCTION

Regulatory Change

In June 2016, just days before the 'Brexit' vote, an agreement on money market fund reform was reached by the European Council of Ministers. Negotiations between the European Parliament and the Council of Ministers under the aegis of the European Commission then ensued with agreement reached on a compromise in December 2016, towards the end of the Slovakian Presidency of the Council of Ministers. In the early months of 2017, this agreement was subjected to legal and translation reviews, and early in April 2017 it was ratified by the European Parliament plenary session.

Regarding the resulting European regulation, the next step is for it to be formally adopted by the European Council of Ministers, and then published in the Official Journal around the turn of the half year. It is expected that from twenty days after publication, the regulation is expected to be formally in place and Member States will be required to transpose the regulation into national law. Investment managers will then have 18 months to ensure compliance with the new regime. Accordingly, we do not currently anticipate making changes to our funds in respect of the European Money Market Fund ("MMF") Regulation until towards the end of 2018.

The European MMF Regulation is expected to require that from the end of 2018 or beginning of 2019 investment managers will no longer be able to offer constant net asset value (CNAV) money market funds (MMFs), such as the Federated Sterling Short-Term Prime Fund. At that point investors will be able to switch to a new product called a Low Volatility NAV Money Market Fund (LVNAV) that, like the current CNAV fund, is designed to maintain its par value in normal times. LVNAV are expected to have many similarities with the current CNAV fund, differing in just these following ways. The use of amortised cost accounting to value the portfolio will be restricted to securities with 75 days or less to maturity with longer maturities (typically less than 20% of the portfolio) being priced using a mark-to-market methodology. The "shadow NAV" – the NAV obtained when valuing the whole fund on a mark to market basis – is then compared with the amortised cost NAV to ensure it is within 20 basis points of the par value. Provided that the price obtained is within 20 basis points of the par value, the fund will continue to price at par as currently. Additional requirements will ensure that investment processes are even more robust and thus further reduce the likelihood of moving away from par pricing. These requirements will include greater transparency, stress testing and oversight of all MMFs as well as higher minimum liquidity requirements, a ban on sponsor support and more robust credit requirements.

'Standard MMFs', such as the Federated Sterling Cash Plus Fund will also be subject to increased supervision, stress testing, transparency and minimum liquidity limits. Currently it is not thought that these will require any changes to the Federated Sterling Cash Plus Fund, nor to its management policies.

We continue to closely monitor and respond to developments relating to the European MMF Regulation, and the impact of Brexit.

Negative yields

The world is an interesting place. In the United States, interest rates are on the rise with another three quarter point increases expected from the US Federal Reserve in 2017, following similar hikes in December 2016 and March 2017.

In the Eurozone there is, however, little sign that the deeply negative interest rates are going to change. In the UK, the Bank of England's reduction of the bank rate to 0.25 which swiftly followed the Brexit vote, is unlikely to be reversed in 2017. In fact, UK interest rates have continued to soften and even though it is equally unlikely official rates will dip into negative territory, from time to time, especially over quarter ends, negative rates have already been encountered in the market place.

At the turn of 2017, as banks tried to avoid accepting short term deposits which would prove very costly to their capital base, banks were posting deposit account rates as low as minus 1% per annum. Reverse repurchase agreements were quoted at minus 0.70% per annum, and one month UK Treasury Bills exchanged hands at minus 0.50% per annum.

Rates also plummeted at the turn of March 2017, but not to the same levels as three months earlier. But the pressure on lower short term rates persists as banks look to lengthen the average life of their liabilities, and it is quite feasible that even if official rates remain marginally positive, the rates available in the market place may fall into negative territory.

We are taking appropriate action to minimise any impact on investors from negative rates.

United Kingdom withdrawal from the European Union (Brexit)

On 23 June 2016, in a referendum on the UK's continued membership of the European Union (the "EU"), the people of the UK voted to leave the EU (so-called "Brexit"). The Prime Minister of the UK, Theresa May, duly invoked Article 50 of the Treaty of Lisbon on 29 March 2017, which formally commenced the process for the UK to withdraw from the EU. The UK Government's desired outcome is to have an agreed exit plan by the end of 2018. The Prime Minister called for a 'snap election' with a view to strengthen her position prior to entering into Brexit negotiations. However the UK General Election, which took place on 8 June 2017, resulted in a 'hung parliament' with no single party having a majority. Whilst the Conservative Party remains the largest party, it lost its narrow majority. Consequentially the Conservative Party is seeking to form a minority government and will be reliant on support from other parties, specifically the Democratic Unionist Party, to carry on the business of government. Against this backdrop, Brexit negotiations formally commenced on 19 June 2017.

The implications of leaving the EU are still unclear, possibly even more so for financial services than for other industries. Withdrawal from the EU may have a detrimental effect on the Company, particularly if the withdrawal is disorderly. Notwithstanding this uncertainty, our current expectation is that the operations of the Company will not be materially impacted by Brexit.

Summary

The Funds, confronted with the above, continued to maintain conservative limits. Using the Federated Investors Inc. specialist Money Market Fund Credit team, all issuers are regularly reviewed for credit worthiness and financial size and strength in order to justify their continued inclusion in our universe of acceptable credits.

NOTES APPLICABLE TO THE FINANCIAL STATEMENTS OF ALL FUNDS

For the year ended 31 March 2017

1 ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of Federated Cash Management Funds (the “Company”) comprise the financial statements of each of the sub-funds of the Company (the “Funds”) and have been prepared on a going concern basis in accordance with UK GAAP, including FRS 102 ‘The Financial Reporting Standard applicable to the UK and Republic of Ireland’ (FRS 102), and the Statement of Recommended Practice ‘Financial Statements of UK Authorised Funds’ issued by the Investment Association in May 2014 (the “SORP”).

The Funds have decided to early adopt the amendments to FRS 102 in relation to the Fair Value hierarchy disclosure.

B. Valuation of Investments

For the Federated Short-Term Sterling Prime Fund the investments are normally valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount (amortised costs) rather than at current market value. In respect of the Federated Sterling Cash Plus Fund each valuation is to be carried out on the normal mark to market basis.

C. Recognition of revenue

Interest on bank deposits, fixed interest and floating rate securities is recognised on an accruals basis. Revenue on debt securities is recognised on an effective yield basis which takes account of the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security.

D. Expenses

Expenses, including management expenses, are recognised on an accruals basis. The fees and expenses which are attributable to each Fund are allocated directly to that Fund. Fees and expenses that are attributable to the Company are allocated to each of the Funds based on the proportion of the assets of the Company attributable to each Fund.

E. Allocation of revenue and expenses to multiple share classes

The allocation of revenue and expenses to each share class is based on the proportion of the assets of the Company attributable to each share class of a Fund on the day the revenue is earned or the expense is incurred. For Federated Investors (UK) LLP, acting as the authorised corporate director of the Company (the “ACD”) its periodic charge and registration fees are allocated on a share-class-specific basis. For currency hedged share classes, expenses related to currency hedging transactions are allocated to the relevant currency hedged share class.

F. Taxation

Each Fund satisfied the qualifying investment test of Section 493 of the Corporation Taxes Act 2009 throughout the year. All distributions made are therefore made as interest distributions. There is no corporation tax liability in any of the Funds as interest distributions are deductible from the taxable income of the Fund.

G. Exchange rates

Transactions in foreign currencies are translated into the base currency of the relevant Fund at the rate of exchange ruling on the dates of the transactions. Where applicable, investments and other assets and liabilities denominated in foreign currencies are translated into each Fund’s base currency at the exchange rates applicable at the end of the accounting year. Exchange rate differences arising on investments are recognised in the Statement of Total Return for the year.

2. RELATED PARTY TRANSACTIONS

The ACD is a related party (under FRS 102) and acts as principal in respect of all transactions of shares in the Funds. The aggregate monies received on the creation of shares and paid on the cancellation of shares is disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any expenses paid to the ACD during the accounting period are disclosed in note 4 of the Notes to the Financial Statements for each Fund. Any amounts due to the ACD at the end of the accounting period are disclosed in note 10 of the Notes to the Financial Statements for each Fund. Additional disclosures, if required, are included in the notes to the financial statements of the individual Funds where applicable.

3. DISTRIBUTION POLICIES

Each Fund’s net revenue available for distribution at the end of each distribution period will be paid as an interest distribution. Distributions are paid gross. For income share classes, net revenue is paid to shareholders or reinvested to purchase additional shares in the Fund. Income attributable to the accumulation share classes is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the share price of the accumulation shares.

Should expenses exceed revenue there will be no distribution and the shortfall will be transferred from capital.

NOTES APPLICABLE TO THE FINANCIAL STATEMENTS OF ALL FUNDS (CONTINUED)

4. FINANCIAL INSTRUMENTS

In pursuing their respective investment objectives and investment policies, each of the Funds may hold a number of financial instruments as detailed in the Company's prospectus (the "Prospectus"), where permitted by the investment objective and investment policy of each Fund. This may include:

- fixed interest and floating rate securities;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- derivative transactions which certain of the Funds may enter into for the purpose of efficient portfolio management; and
- borrowings used to finance investment activity.

The risks arising from investment in the financial instruments include market price, foreign currency, interest rate, liquidity, credit and counterparty risks.

The ACD reviews the policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

Further information on risk warnings is set out in the Prospectus.

Market price risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds' might suffer through holding market positions in the face of price movements.

The ACD considers the asset allocation of the Funds' portfolios in order to minimise the risk associated with particular industry sectors whilst continuing to follow each Fund's investment objective. The ACD has responsibility for monitoring the Funds' portfolios selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual securities also meet the risk reward profile that is acceptable.

Foreign currency risk

Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever a Fund's portfolio includes assets that are denominated in different currencies, it is subject to currency risk if the portfolio's positions are not hedged.

The revenue and capital value of a Fund's investments can be affected by currency translation movements as a proportion of some of the Funds' assets and revenue may be denominated in currencies other than the Fund's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the Funds:

- movements in exchange rates affecting the value of investments;
- movements in exchange rates affecting short-term timing differences; and
- movements in exchange rates affecting the revenue received.

The ACD may choose to retain holdings in currencies other than the Fund's functional currency which will expose the Fund to longer term exchange rate movements. A Fund may receive revenue in currencies other than the Fund's functional currency and the functional currency value of this revenue can be affected by the movements in exchange rates. The Funds convert all receipts of revenue into their functional currency on or near the date of receipt.

Specifically, certain share classes of the Federated Sterling Cash Plus Fund use currency hedging to minimise the effect of exchange rate fluctuations between the currency in which the assets of the Fund are generally denominated and the currency of the respective Share Class (i.e. Euros and U.S. Dollars). Currency hedging techniques include entering into currency forward contracts.

Interest rate risk

Interest rate risk is the risk, variability in value, borne by an interest-bearing asset, such as a bond, due to variability of interest rates.

The Federated Short-Term Sterling Prime Fund is managed to comply with the requirements for a qualifying money market fund. As such, it invests in low risk, short-term investments. The maximum weighted average maturity of the Federated Short-Term Sterling Prime Fund is 60 days. Accordingly, it is expected that they will carry a low degree of interest rate risk.

The Federated Sterling Cash Plus Fund is managed to comply with the requirements for a money market fund under the Guidelines on a Common Definition of a European money market fund adopted by the European Securities and Markets Authority (ESMA). This means that it has a maximum weighted average maturity of six months. It therefore, also has a relatively low level of interest rate risk.

NOTES APPLICABLE TO THE FINANCIAL STATEMENTS OF ALL FUNDS (CONTINUED)

Liquidity risk

Liquidity risk refers to the possibility that a Fund may not be able to discharge its debts as they become due including to satisfy redemption requests.

In order to mitigate this liquidity risk, the Company's instrument of incorporation (the "Instrument of Incorporation") authorises payment for the issue or cancellation of shares to be made by transfer of assets other than cash but only if BNY Mellon Trust & Depositary (UK) Limited (the "Depositary") has taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of shareholders. Where a shareholder requests a redemption of shares representing in value not less than 5% of the value of the scheme property of a Fund, the ACD may by notice of election served on the shareholder, choose to transfer scheme property to him. For the Federated Sterling Cash Plus Fund, if the redemption requests for a particular dealing day exceed 20% of the Fund's value, redemption may be deferred to the next dealing day.

Additionally, the ACD may, if the Depositary agrees, and must without delay if the Depositary so requires, temporarily suspend dealings in shares in a Fund where due to exceptional circumstances it is in the interests of all the shareholders. On a suspension, the Financial Conduct Authority will be immediately informed. Any such suspension will be notified to shareholders as soon as practicable after the suspension commences, and the ACD will ensure it publishes sufficient details to keep shareholders appropriately informed about the suspension including, if known, its likely duration.

Credit risk

Credit risk is the possibility that an issuer of a fixed income security will default on a security by failing to pay interest or principal when due.

Certain transactions in securities that the Funds enter into expose them to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Funds have fulfilled their responsibilities.

The Funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly. The ACD aims to ensure that all transactions are on a delivery versus payment basis.

The ACD has appointed Federated Investment Counseling ("FIC") to provide credit research and analysis services, which are used by the ACD to manage the credit risks of the Funds. FIC has several committees including the Counterparty Risk Committee, the Bank Credit Committee, the Asset-Backed Committee, and the Corporate Credit Committee. Each committee is chaired by FIC's Director of Investment Research, and voting members include a team of portfolio managers and senior analysts. These committees are tasked with reviewing each issuer and counterparty and assigning an internal rating of "1" to "5" with 1 being the strongest (equivalent of an issuer with the highest possible short-term rating from Standard & Poor's or Moody's). The committees' decisions incorporate the recommendations of the analysts and the market view of the portfolio managers. After the initial assessment, FIC continually monitors the internal ratings assigned through ongoing analysis and coverage of major credit events, such as mergers or reorganisations, management changes, periodic financial reports from issuers and counterparties, and credit rating changes.

5. PORTFOLIO TRANSACTION COSTS

There were no transaction costs associated with the purchase or sale of investments during the accounting period within the Company, comprising its Funds (2016: £Nil).

6. CONTINGENT LIABILITIES

The Company had no contingent liabilities at the balance sheet date (2016: £Nil).

7. POST BALANCE SHEET EVENT

There are no known significant post balance sheet events impacting the Company and its Funds subsequent to 31 March 2017.

FEDERATED SHORT-TERM STERLING PRIME FUND

FUND OBJECTIVE AND POLICY

The investment objective of the Federated Short-Term Sterling Prime Fund (the “Fund”) is to maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality pound sterling denominated short-term debt and debt related instruments. The primary objective is to maintain the net asset value either constant at par (net of earnings) or at the value of the investors’ initial capital plus earnings.

The Fund may invest in fixed or floating rate instruments denominated in pound sterling. The Fund is a qualifying money market fund, and is intended to be a short-term money market fund under the Guidelines on a Common Definition of European Money Market Funds adopted by the European Securities and Markets Authority.

INVESTMENT MANAGER’S REPORT

The second quarter of 2016 was dominated by uncertainty over the outcome of the referendum on the UK’s membership of the European Union (the “EU”) on 23 June 2016. Throughout the quarter government officials, the Organisation for Economic Co-Operation and Development, the Confederation of British Industry, the International Monetary Fund, and the Governor of the Bank of England, Mark Carney, warned of the economic dangers of a vote in favour of leaving. In the event the outcome of the referendum was a vote in favour of the UK withdrawing from the EU, by 52% to 48% with a 72% voter turn out.

In the aftermath of the referendum we saw the UK political system thrown into disarray. The then Prime Minister of the UK, David Cameron, resigned triggering a Conservative leadership contest, and the referendum resulted in a vote of no confidence in the Labour party leader, Jeremy Corbyn, who was accused by the party’s ‘Remain’ MPs (Members of Parliament) of a lacklustre pro-EU campaign. Theresa May became Prime Minister of the UK in July after all other candidates for leadership of the Conservative party fell by the wayside. Perhaps more surprisingly, despite 150 Labour MPs supporting a vote of no confidence in his leadership on 28 June 2016, Jeremy Corbyn won the resulting Labour leadership election on 24 September 2016 with an increased share of the vote at 61.80%.

Following statements by the Governor of the Bank of England, Mark Carney, shortly after the Brexit result, the Bank of England acted swiftly. At the August meeting of the Bank of England’s Monetary Policy Committee (MPC), it was decided to cut the base rate to 0.25% and quantitative easing was expanded by £70bn, comprising £60bn of gilts and £10bn of corporate bonds, to be implemented over an 18 month period. The MPC left the door open for further action, stating that they saw rates at near zero levels by the end of the year. However a move to negative rates was virtually ruled out.

November was inevitably overshadowed by the U.S. presidential election. Donald Trump’s victory over Hillary Clinton caused markets to react to a potential fiscal stimulus for the U.S. economy and the possibility of higher inflation in December.

Prime Minister May triggered Article 50 of the Treaty of Lisbon on 29 March 2017, which formally commenced the process for the UK to withdraw from the EU. The terms of the exit will be negotiated between the UK and the remaining 27 Member States of the EU. Prime Minister May said that she would like ‘respectful, sincere co-operation’. The next two years will doubtless prove eventful. Spain has already said that it would not veto an application for an independent Scotland to join the EU. Spain also said that Madrid should have the right to have a say in Gibraltar’s future. Predictably this has already stirred up emotions in the Conservative party’s senior ranks. This appears to be just the start of what will be an eventful two years, which will cause uncertainty in all areas of UK policy.

In a surprise announcement on 18 April 2017, Prime Minister May called for a ‘snap’ General Election, which took place on 8 June 2017. The Prime Minister’s intention appeared to be to seek a clear mandate to continue the Brexit process, as well as to increase the size of the Government’s majority in the House of Commons. However the election resulted in a ‘hung parliament’ with no single party having a majority. Whilst the Conservative Party remains the largest party, it lost its narrow majority. Consequentially the Conservative Party is seeking to form a minority government and will be reliant on support from other parties, specifically the Democratic Unionist Party, to carry on the business of government. Against this backdrop, Brexit negotiations formally commenced on 19 June 2017.

The Fund remains invested in conservative and liquid holdings. On 31 March 2017 the Fund had assets of £2.5 billion down from £2.8 billion at 30 September 2016 but up from £2.3bn at the end of March 2016. It had a weighted average maturity (WAM) of 56 days and weighted average life (WAL) of 84 days. 17% of the portfolio was held in overnight liquidity.

MONEY MARKET AND SHORT TERM STERLING PRIME FUND NET RETURNS GBP (%)

12 MONTH PERIOD	FUND NET RETURN (%)	7 Day £ LIBID (%)
31/3/16 - 31/3/17	0.39%	0.20%
31/3/15 -31/3/16	0.48%	0.36%
31/3/14 - 31/3/15	0.43%	0.35%
31/3/13 - 31/3/14	0.42%	0.35%
31/3/12 - 31/3/13	0.61%	0.39%

Federated Short-Term Sterling Prime Fund was formerly known as Federated Prime Rate Sterling Liquidity Fund prior to 20 September 2013.

The table shows past performance information for the Fund for complete 12-month periods ending on 31 March.

Performance information is based on Share Class 3. Returns may vary on a net basis among different share classes due to differences in fund expenses.

Sources: Bloomberg, British Bankers’ Association, Federated Investors (UK) LLP, iMoneyNet.

RISK AND REWARD PROFILE

The risk and reward category of the Fund is calculated using historical data, which is not a reliable indication of the Fund's future risk profile. The risk and reward category may shift over time and is not a target or a guarantee.

The Fund is in category 1 on a scale of 1 (lower) to 7 (higher) because of the low range and low frequency of price movements (volatility) of the underlying investments that it targets to meet the Fund's objective of maintaining a constant net asset value. The lowest category (i.e. category 1) does not mean the Fund is a risk-free investment.

Please note, the category stated above is the same for each class of shares within the Fund.

The following are additional risks of the Fund not covered by the risk and reward category:

- **Capital at risk:** The Fund has no capital guarantees and your investment is entirely at risk. The value of your investment may go down as well as up. A subscription for shares in the Fund is not the same as making a deposit with a bank or other deposit taking body and the value of the Fund's shares is not guaranteed.
- **Issuer risk:** The value of the Fund may be affected by the creditworthiness of the issuers of the debt instruments the Fund invests in and, notwithstanding the policy of the Fund to invest in short dated instruments, may also be affected by substantial adverse movements in interest rates.
- **Counterparty risk:** The counterparty to a transaction involving a Fund may fail to meet its obligations, causing losses to the Fund.
- **Net asset value:** Although it is intended that the Fund will maintain a constant net asset value (net of earnings) or at the value of the investors' initial capital plus earnings, there can be no assurance that a stable net asset value will be maintained.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE

For the year ending: Share class 1 - income	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0000	1.0000	1.0000
Return before operating charges*	0.0050	0.0060	0.0053
Operating charges	(0.0002)	(0.0002)	(0.0002)
Return after operating charges	0.0048	0.0058	0.0051
Distributions	(0.0048)	(0.0058)	(0.0051)
Closing net asset value per share	1.0000	1.0000	1.0000
Performance			
Return after charges	0.48%	0.58%	0.51%
Other information			
Closing net asset value (£)	35,863,296	14,943,260	26,358,263
Closing number of shares	35,863,296	14,943,260	26,358,263
Operating charges**	0.02%	0.02%	0.02%
Prices			
Highest share price	1.0000	1.0000	1.0000
Lowest share price	1.0000	1.0000	1.0000

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 2 - income	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0000	1.0000	1.0000
Return before operating charges*	0.0050	0.0059	0.0054
Operating charges	(0.0006)	(0.0006)	(0.0006)
Return after operating charges	0.0044	0.0053	0.0048
Distributions	(0.0044)	(0.0053)	(0.0048)
Closing net asset value per share	1.0000	1.0000	1.0000
Performance			
Return after charges	0.44%	0.53%	0.48%
Other information			
Closing net asset value (£)	66,493,989	59,469,689	73,071,944
Closing number of shares	66,493,988	59,469,689	73,071,944
Operating charges**	0.06%	0.06%	0.06%
Prices			
Highest share price	1.0000	1.0000	1.0000
Lowest share price	1.0000	1.0000	1.0000

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 3 - income	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0000	1.0000	1.0000
Return before operating charges*	0.0050	0.0060	0.0055
Operating charges	(0.0011)	(0.0011)	(0.0011)
Return after operating charges	0.0039	0.0049	0.0044
Distributions	(0.0039)	(0.0049)	(0.0044)
Closing net asset value per share	1.0000	1.0000	1.0000
Performance			
Return after charges	0.39%	0.49%	0.44%
Other information			
Closing net asset value (£)	2,177,411,002	1,990,468,223	1,384,606,044
Closing number of shares	2,177,411,007	1,990,468,228	1,384,606,044
Operating charges**	0.11%	0.11%	0.11%
Prices			
Highest share price	1.0000	1.0000	1.0000
Lowest share price	1.0000	1.0000	1.0000

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 4 - income	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0000	1.0000	1.0000
Return before operating charges*	0.0050	0.0060	0.0052
Operating charges	(0.0016)	(0.0016)	(0.0016)
Return after operating charges	0.0034	0.0044	0.0036
Distributions	(0.0034)	(0.0044)	(0.0036)
Closing net asset value per share	1.0000	1.0000	1.0000
Performance			
Return after charges	0.34%	0.44%	0.36%
Other information			
Closing net asset value (£)	97,989,538	165,893,154	151,184,572
Closing number of shares	97,989,539	165,893,155	151,184,572
Operating charges**	0.16%	0.16%	0.16%
Prices			
Highest share price	1.0000	1.0000	1.0000
Lowest share price	1.0000	1.0000	1.0000

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 5 - income	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0000	1.0000	1.0000
Return before operating charges*	0.0050	0.0058	0.0056
Operating charges	(0.0021)	(0.0021)	(0.0021)
Return after operating charges	0.0029	0.0037	0.0035
Distributions	(0.0029)	(0.0037)	(0.0035)
Closing net asset value per share	1.0000	1.0000	1.0000
Performance			
Return after charges	0.29%	0.37%	0.35%
Other information			
Closing net asset value (£)	300,000	800,000	800,000
Closing number of shares	300,000	800,000	800,000
Operating charges**	0.21%	0.21%	0.21%
Prices			
Highest share price	1.0000	1.0000	1.0000
Lowest share price	1.0000	1.0000	1.0000

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 8 - accumulation	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0537	1.0486	1.0440
Return before operating charges*	0.0053	0.0062	0.0057
Operating charges	(0.0012)	(0.0011)	(0.0011)
Return after operating charges	0.0041	0.0051	0.0046
Distributions	(0.0042)	(0.0049)	(0.0047)
Retained distribution on accumulation shares	0.0042	0.0049	0.0047
Closing net asset value per share	1.0578	1.0537	1.0486
Performance			
Return after charges	0.39%	0.48%	0.44%
Other information			
Closing net asset value (£)	89,658,861	66,898,506	9,857,616
Closing number of shares	84,757,517	63,490,870	9,400,586
Operating charges**	0.11%	0.11%	0.11%
Prices			
Highest share price	1.0578	1.0537	1.0486
Lowest share price	1.0537	1.0486	1.0441

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 9 - accumulation	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0397	1.0368	1.0343
Return before operating charges*	0.0052	0.0060	0.0056
Operating charges	(0.0032)	(0.0031)	(0.0031)
Return after operating charges	0.0020	0.0029	0.0025
Distributions	(0.0020)	(0.0030)	(0.0024)
Retained distribution on accumulation shares	0.0020	0.0030	0.0024
Closing net asset value per share	1.0417	1.0397	1.0368
Performance			
Return after charges	0.20%	0.28%	0.24%
Other information			
Closing net asset value (£)	14,979,131	10,098,268	15,787,401
Closing number of shares	14,378,863	9,712,547	15,227,302
Operating charges**	0.31%	0.31%	0.31%
Prices			
Highest share price	1.0417	1.0397	1.0368
Lowest share price	1.0397	1.0368	1.0344

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 11 - accumulation	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	1.0203	1.0183	1.0171
Return before operating charges*	0.0051	0.0060	0.0052
Operating charges	(0.0041)	(0.0040)	(0.0040)
Return after operating charges	0.0010	0.0020	0.0012
Distributions	(0.0010)	(0.0020)	(0.0012)
Retained distribution on accumulation shares	0.0010	0.0020	0.0012
Closing net asset value per share	1.0213	1.0203	1.0183
Performance			
Return after charges	0.10%	0.19%	0.12%
Other information			
Closing net asset value (£)	16,076	21,460	21,418
Closing number of shares	15,741	21,033	21,033
Operating charges**	0.40%	0.40%	0.40%
Prices			
Highest share price	1.0213	1.0203	1.0183
Lowest share price	1.0203	1.0183	1.0171

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

PORTFOLIO STATEMENT

As at 31 March 2017

Holding	Investment	Value at Cost £	Percentage of total net assets %
Certificates of Deposit 41.12% (31 March 2016 - 33.61%)			
£20,000,000	Australia and New Zealand 0.31% Certificate of Deposit 22/8/2017	19,972,625	0.81
£25,000,000	Bank of America 0.41% Certificate of Deposit 11/9/2017	25,000,000	1.01
£50,000,000	Bank of America 0.42% Certificate of Deposit 01/9/2017	50,000,000	2.01
£25,000,000	Bank of America 0.42% Certificate of Deposit 04/9/2017	25,000,000	1.01
£19,000,000	Bank of America 0.47% Certificate of Deposit 20/7/2017	19,000,000	0.77
£60,000,000	Bank of Tokyo 0.2% Certificate of Deposit 07/4/2017	60,000,000	2.42
£50,000,000	Bank of Tokyo 0.28% Certificate of Deposit 03/4/2017	50,000,000	2.01
£25,000,000	BNP Paribas 0.24% Certificate of Deposit 18/4/2017	24,997,206	1.01
£7,500,000	Canadian Imperial 0.39% Certificate of Deposit 14/6/2017	7,506,199	0.30
£30,000,000	Commonwealth Bank of Australia 0.44% Certificate of Deposit 06/2/2018	30,000,000	1.21
£50,000,000	Commonwealth Bank of Australia 0.46% Certificate of Deposit 05/2/2018	50,000,000	2.01
£14,000,000	DZ Bank 0.33% Certificate of Deposit 08/9/2017	14,000,000	0.56
£50,000,000	DZ Bank 0.43% Certificate of Deposit 05/7/2017	50,000,000	2.01
£15,000,000	DZ Bank 0.54% Certificate of Deposit 06/4/2017	15,000,000	0.60
£10,500,000	ING Bank 0.36% Certificate of Deposit 03/4/2017	10,500,000	0.42
£1,000,000	Mizuho Bank 0.21% Certificate of Deposit 05/4/2017	1,000,020	0.04
£50,000,000	National Australia Bank 0.38% Certificate of Deposit 06/4/2017	50,000,000	2.01
£50,000,000	National Australia Bank 0.42% Certificate of Deposit 04/4/2017	50,000,000	2.01
£9,000,000	Nordea Bank 0.25% Certificate of Deposit 03/7/2017	9,000,000	0.36
£40,000,000	Nordea Bank 0.25% Certificate of Deposit 30/6/2017	40,000,000	1.61
£5,000,000	Rabobank Nederland 0.3% Certificate of Deposit 06/4/2017	5,000,143	0.20
£35,000,000	Sumitomo Mitsui Banking 0.23% Certificate of Deposit 26/5/2017	35,000,000	1.41
£70,000,000	Sumitomo Mitsui Banking 0.31% Certificate of Deposit 03/4/2017	70,000,000	2.82
£70,000,000	Sumitomo Mitsui Trust Bank 0.2% Certificate of Deposit 07/4/2017	70,000,000	2.82
£25,000,000	Sumitomo Mitsui Trust Bank 0.26% Certificate of Deposit 05/5/2017	25,000,000	1.01
£20,000,000	Sumitomo Mitsui Trust Bank 0.3% Certificate of Deposit 24/4/2017	20,000,628	0.81
£25,000,000	Svenska Handelsbanke 0.24% Certificate of Deposit 20/6/2017	25,000,000	1.01
£50,000,000	Svenska Handelsbanke 0.25% Certificate of Deposit 30/6/2017	50,000,000	2.01
£25,000,000	Toronto Dominion Bank 0.5% Certificate of Deposit 15/12/2017	25,000,000	1.01
£30,000,000	Toronto Dominion Bank 0.51% Certificate of Deposit 03/1/2018	30,000,000	1.21
£25,000,000	Toronto Dominion Bank 0.6% Certificate of Deposit 06/9/2017	25,000,000	1.01
£10,000,000	Toronto Dominion Bank 0.87% Certificate of Deposit 26/5/2017	10,004,038	0.40
£20,000,000	Toronto Dominion Bank 0.89% Certificate of Deposit 18/4/2017	20,000,000	0.81
£10,000,000	Wells Fargo Bank 0.23% Certificate of Deposit 07/4/2017	10,000,509	0.40
		1,020,981,368	41.12
Commercial Papers 29.35% (31 March 2016 - 27.71%)			
£85,000,000	Agence Centrale des Organismes de Securite Sociale Commercial Paper 09/5/2017	84,973,472	3.42
£30,000,000	Agence Centrale des Organismes de Securite Sociale Commercial Paper 12/4/2017	29,997,109	1.21
£5,000,000	Agence Centrale des Organismes de Securite Sociale Commercial Paper 12/5/2017	4,998,597	0.20
£35,000,000	Akademiska Hus Commercial Paper 02/5/2017	34,985,322	1.41
£32,000,000	Akademiska Hus Commercial Paper 27/7/2017	31,968,746	1.29
£50,000,000	Akademiska Hus Commercial Paper 28/7/2017	49,949,942	2.01
£50,000,000	Banque et Caisse d'Épargne de l'État Commercial Paper 05/7/2017	49,948,437	2.01
£50,000,000	BNP Paribas Commercial Paper 05/6/2017	49,971,530	2.01
£40,000,000	Caisse des Dépôts et Consignations Commercial Paper 17/7/2017	39,967,783	1.61
£32,500,000	Erste Abwicklungsanstalt Commercial Paper 01/6/2017	35,979,868	1.45
£35,000,000	Erste Abwicklungsanstalt Commercial Paper 09/5/2017	34,987,443	1.41
£35,000,000	Erste Abwicklungsanstalt Commercial Paper 09/6/2017	34,978,190	1.41
£17,000,000	Erste Abwicklungsanstalt Commercial Paper 18/4/2017	16,997,232	0.69
£30,000,000	FMS Wertmanagement Commercial Paper 06/7/2017	29,983,047	1.21
£15,000,000	Honda Finance Commercial Paper 29/8/2017	14,972,927	0.61
£30,000,000	Nordea Bank Commercial Paper 16/6/2017	29,984,393	1.21
£32,500,000	OP Corporate Bank Commercial Paper 05/5/2017	35,984,263	1.45
£20,000,000	OP Corporate Bank Commercial Paper 07/7/2017	19,982,480	0.81
£9,000,000	OP Corporate Bank Commercial Paper 18/4/2017	8,998,200	0.36
£10,000,000	OP Corporate Bank Commercial Paper 18/4/2017	9,998,976	0.40
£5,000,000	OP Corporate Bank Commercial Paper 21/8/2017	4,992,525	0.20

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

Holding	Investment	Value at Cost £	Percentage of total net assets %
Commercial Papers (continued)			
£9,000,000	OP Corporate Bank Commercial Paper 23/5/2017	8,995,390	0.36
£11,000,000	Sumitomo Mitsui Banking Commercial Paper 03/4/2017	10,999,846	0.44
£10,000,000	Toyota Kreditbank Commercial Paper 15/8/2017	9,985,682	0.40
£41,000,000	Toyota Motor Finance Commercial Paper 18/9/2017	40,930,430	1.65
£3,000,000	Toyota Motor Finance Commercial Paper 22/6/2017	2,998,182	0.12
		728,510,012	29.35
Sterling Denominated Fixed Rate Bonds 1.94% (31 March 2016 - 7.59%)			
£950,000	BASF SE 1.38% Senior European Medium Term Notes 15/12/2017	955,640	0.04
£13,224,000	BMW Finance 1.75% Senior European Medium Term Notes 20/11/2017	13,316,128	0.54
£1,700,000	Caisse des Depots et Consignations 1.5% Senior European Medium Term Notes 12/6/2017	1,703,706	0.07
£4,737,000	Toyota Motor Credit 4% Senior European Medium Term Notes 07/12/2017	4,851,341	0.19
£27,097,000	Unilever PLC 4.75% Senior European Medium Term Notes 16/6/2017	27,338,178	1.10
		48,164,993	1.94
Sterling Denominated Variable Rate Bonds 11.96% (31 March 2016 - 18.68%)			
£30,000,000	Bank of Montreal Senior European Medium Term Floating Rate Notes 05/7/2017	30,000,000	1.21
£25,000,000	Bank of Montreal Senior European Medium Term Floating Rate Notes 09/8/2017	25,000,000	1.01
£25,000,000	Bank of Montreal Senior European Medium Term Floating Rate Notes 26/01/2018	25,000,000	1.01
£25,000,000	Bank of Montreal Senior European Medium Term Floating Rate Notes 30/8/2017	24,998,966	1.01
£20,000,000	BMW Finance Senior European Medium Term Floating Rate Notes 10/8/2017	20,000,000	0.80
£25,000,000	BMW Finance Senior European Medium Term Floating Rate Notes 18/4/2017	25,000,000	1.01
£20,000,000	BMW Finance Senior European Medium Term Floating Rate Notes 28/10/2017	20,000,000	0.80
£7,000,000	Commonwealth Bank of Australia 0.61% Senior European Medium Term Floating Rate Notes 21/4/2017	7,001,000	0.28
£15,000,000	New York Life Senior European Medium Term Floating Rate Notes 13/4/2017	15,000,000	0.60
£60,000,000	Royal Bank of Canada Senior European Medium Term Floating Rate Notes 19/1/2018	60,000,000	2.42
£15,000,000	Royal Bank of Canada Senior European Medium Term Floating Rate Notes 31/8/2017	15,000,000	0.60
£30,000,000	Toyota Motor Finance Senior European Medium Term Floating Rate Notes 17/1/2018	30,000,000	1.21
		296,999,966	11.96
Overnight Deposit 11.48% (31 March 2016 - 0.43%)			
£35,072,658	Wells Fargo Bank call account*	35,072,658	1.41
£149,968,056	BNP Paribas call account*	149,968,056	6.04
£100,000,000	DZ Bank overnight deposit*	100,000,000	4.03
		285,040,714	11.48
Term Deposits 4.09% (31 March 2016 - 13.30%)			
£101,500,000	Australia and New Zealand 30 day notice Bank call account	101,500,000	4.09
		101,500,000	4.09
Portfolio of investments		2,481,197,053	99.94
Net current assets		1,514,840	0.06
Total net assets		2,482,711,893	100.00

All investments have been awarded one of the two highest available credit ratings by each recognised credit rating agency that has rated that investment.

All investments, unless otherwise stated, are admitted to official stock exchange listings or trade on a regulated market.

*Unlisted securities within the meaning of the FCA's COLL Sourcebook.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2017

	Notes	31.03.17 £	31.03.17 £	31.03.16 £	31.03.16 £
Income					
Net capital gains/(losses)	2		—		—
Revenue	3	14,627,802		12,998,402	
Expenses	4	(3,159,064)		(2,373,625)	
Interest payable and similar charges	6	(27,478)		(1,058)	
Net revenue before taxation		11,441,260		10,623,719	
Taxation	5	—		—	
Net revenue after taxation			11,441,260		10,623,719
Total return before distributions	7		11,441,260		10,623,719
Distributions			(11,441,260)		(10,623,719)
Change in net assets attributable to shareholders from investment activities			—		—

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2017

	31.03.17 £	31.03.17 £	31.03.16 £	31.03.16 £
Opening net assets attributable to shareholders		2,308,592,560		1,661,687,258
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	23,466,659,859		19,457,729,126	
Less: Amounts paid on cancellation of shares	(23,292,861,748)		(18,811,013,668)	
		173,798,111		646,715,458
Change in net assets attributable to shareholders from investment activities		—		—
Retained distribution on accumulation shares		321,222		189,844
Closing net assets attributable to shareholders		2,482,711,893		2,308,592,560

The notes on pages 26 to 30 form an integral part of these financial statements.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

BALANCE SHEET

As at 31 March 2017

	Notes	31.03.17 £	31.03.17 £	31.03.16 £	31.03.16 £
ASSETS					
Fixed assets					
Investments			2,481,197,053		2,339,143,580
Current assets					
Debtors	8	2,311,006		1,871,554	
Cash and bank balances	9	59,207		2,833,685	
Total other assets			2,370,213		4,705,239
Total assets			2,483,567,266		2,343,848,819
LIABILITIES					
Creditors					
Bank overdrafts		—		—	
Distribution payable	10	(557,194)		(1,056,604)	
Other creditors	10	(298,179)		(34,199,655)	
Total other liabilities			(855,373)		(35,256,259)
Total liabilities			(855,373)		(35,256,259)
Net assets attributable to shareholders			2,482,711,893		2,308,592,560

The notes on pages 26 to 30 form an integral part of these financial statements.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

The applicable accounting policies adopted by the Federated Short-Term Sterling Prime Fund are included on pages 9 to 11 within the Notes applicable to the Financial Statements of all Funds.

2. NET CAPITAL GAINS/(LOSSES)

There were no capital gains/(losses) during the year (2016: £Nil).

3. REVENUE

	31.03.17 £	31.03.16 £
Accretion of debt securities	3,233,012	2,310,410
Interest from money market deposits	4,919,618	6,172,395
Interest from overseas fixed interest securities	5,988,358	4,406,003
Interest from UK bank deposits	502	1,850
Interest from UK fixed interest securities	486,312	107,744
Total revenue	14,627,802	12,998,402

4. EXPENSES

	31.03.17 £	31.03.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,967,297	2,263,592
	<u>2,967,297</u>	<u>2,263,592</u>
Other expenses		
Auditors' remuneration*	7,800	8,935
Expense waiver fee	(22,529)	—
FCA fee	1,838	2,373
Legal fee	97,737	17,878
Miscellaneous fee	60,854	18,889
Printing fee	(2,738)	3,911
Rating agency fee	43,709	58,047
Transfer Agent fee	5,096	—
	<u>191,767</u>	<u>110,033</u>
Total expenses	3,159,064	2,373,625

*The audit fee for the year, excluding VAT, was £6,500 (2016: £7,446).

5. TAXATION

A. Analysis of tax charge for the year

There is no provision for corporation tax in either year as taxable revenue is fully covered by allowable deductible interest distributions.

B. Factors affecting tax charge for the year:

	31.03.17 £	31.03.16 £
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%) (2016: 20%).		
The differences are explained below:		
Net revenue before taxation	11,441,260	10,623,719
Corporation tax at 20%	<u>2,288,252</u>	<u>2,124,744</u>
Effects of:		
Tax deductible interest distributions	<u>(2,288,252)</u>	<u>(2,124,744)</u>
Total tax charge for the year	—	—

There is no corporation tax liability on the Fund as interest distributions are deductible from the taxable income of the Fund.

C. Deferred tax

At the balance sheet date the Company had no excess management expenses. Were there to be excess management expenses a potential deferred tax asset would arise.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.03.17 £	31.03.16 £
Interest	27,478	1,058
Interest payable and similar charges	27,478	1,058

7. DISTRIBUTIONS

	31.03.17 £	31.03.16 £
April distributions	1,194,740	777,969
May distributions	1,230,039	816,108
June distributions	1,211,740	743,506
July distributions	1,168,898	846,928
August distributions	1,026,505	790,741
September distributions	913,093	739,898
October distributions	852,548	842,542
November distributions	786,694	896,028
December distributions	755,994	1,014,289
January distributions	780,412	1,037,010
February distributions	608,783	1,000,875
March distributions	911,814	1,117,825
Total distributions for the year	11,441,260	10,623,719

Details of the distributions per share are set out in the distribution tables on pages 31 to 32.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEBTORS

	31.03.17	31.03.16
	£	£
Accrued revenue	2,288,123	1,870,922
Prepaid printing fee	355	557
Prepaid rating agency fee	22,528	75
Total debtors	2,311,006	1,871,554

9. CASH AND BANK BALANCES

	31.03.17	31.03.16
	£	£
Cash and bank balances	59,207	2,833,685
Total cash and bank balances	59,207	2,833,685

10. CREDITORS

	31.03.17	31.03.16
	£	£
a) Distribution payable		
Net distribution payable	557,194	1,056,604
Total distribution payable	557,194	1,056,604
b) Other creditors		
Accrued ACD's periodic charge	233,227	214,389
Accrued audit fee	7,800	7,800
Accrued Interest Payable	27,028	—
Accrued legal fee	18,467	11,503
Accrued miscellaneous fee	11,657	6,868
Purchases awaiting settlement	—	33,959,095
Total expenses	298,179	34,199,655

11. RELATED PARTY TRANSACTIONS

Federated Investors (UK) LLP, as the ACD, is a related party (per FRS 102) and acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received on the creation of shares and paid on the cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any expenses paid to the ACD during the accounting period are disclosed in note 4. Any amounts due from or due to the ACD at the end of the accounting period are disclosed in notes 8 and 10.

12. SHARE CLASSES

The Fund currently has eight share classes in issue. The current annual ACD charge as a percentage of the daily net asset value is as follows:

Share class 1 - income*	0.00%
Share class 2 - income**	0.05%
Share class 3 - income	0.10%
Share class 4 - income	0.15%
Share class 5 - income	0.20%
Share class 8 - accumulation	0.10%
Share class 9 - accumulation	0.30%
Share class 11 - accumulation	0.40%

Details of the net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables. The distribution per share class is given in the distribution tables.

All share classes have the same rights on winding up.

**Investment may only be made into Share class 1 - income by investors who have a segregated mandate with the ACD.*

***Investment may only be made into Share class 2 - income when specifically offered by the ACD.*

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS

A. Efficient portfolio management

The Fund may employ techniques and instruments which are used for the purpose of efficient portfolio management.

No techniques or derivatives were used for efficient portfolio management purposes during the reporting period.

B. Currency risk

Refer to Note 4 (Financial Instruments) on page 10 under the sub-heading "Foreign currency risk" for a description of the risk.

For the year ended 31 March 2017 and 31 March 2016, the Fund was not exposed to currency risk.

C. Interest rate risk profile of financial assets and liabilities

Refer to Note 4 (Financial Instruments) on page 10 under the sub-heading "Interest rate risk" for a description of the risk and the Fund's process for mitigating this risk.

The interest rate risk profile of investment assets and liabilities as at 31 March 2017 was as follows:

	Floating rate financial investments £	Fixed rate investments £	Non-interest bearing investments £	Total £
Investment assets	582,040,680	1,899,156,373	—	2,481,197,053

The interest rate risk profile of investment assets and liabilities as at 31 March 2016 was as follows:

	Floating rate financial investments £	Fixed rate investments £	Non-interest bearing investments £	Total £
Investment assets	748,203,535	1,590,940,045	—	2,339,143,580

Using duration analysis, an increase/decrease of 0.25% (2016: 0.25%) in interest rates, with all other variables remaining constant, is likely to result in a 0.01% (2016: 0.02%) decrease/increase respectively in the portfolio valuation.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

D. Credit risk

Refer to Note 4 (Financial Instruments) on page 11 under the sub-heading "Credit risk" for a description of the risk and the Fund's process for mitigating this risk.

At 31 March 2017, the Fund's credit quality ratings composition* was as follows:

S&P Short-Term Ratings as Percentage of Total Investments	%
A-1+	62.9
A-1	37.1
Not Rated by S&P	0.0
Total	100.0

Moody's Short-Term Ratings as Percentage of Total Investments	%
P-1	100.0
Not Rated by Moody's	0.0
Total	100.0

At 31 March 2016 the Fund's credit quality ratings composition* was as follows:

S&P Short-Term Ratings as Percentage of Total Investments	%
A-1+	55.9
A-1	44.1
Not Rated by S&P	0.0
Total	100.0

Moody's Short-Term Ratings as Percentage of Total Investments	%
P-1	100.0
Not Rated by Moody's	0.0
Total	100.0

*These tables depict the short-term credit-quality ratings assigned to the Fund's portfolio holdings by S&P and Moody's. Rated securities include a security with an obligor and/or credit enhancer that has received a rating from a recognised credit rating agency with respect to a class of debt obligations that is comparable in priority and security with the security held by the Fund. Credit-quality ratings are an assessment of the risk that a security will default in payment and do not address other risks presented by the security.

E. Fair value of financial assets and financial liabilities

There are no material differences between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

The amortised cost of the investments is not significantly different from their fair value on a mark to market basis.

There were no derivatives of a material nature held by the Fund during the accounting period.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

F. Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £	Liabilities £
31 March 2017		
Level 1: Quoted prices for identical instruments in active markets	—	—
Level 2: Valuation techniques using observable market data	2,481,197,053	—
	2,481,197,053	—

	Assets £	Liabilities £
31 March 2016		
Level 1: Quoted prices for identical instruments in active markets	99,996,179	—
Level 2: Valuation techniques using observable market data	2,239,147,401	—
	2,339,143,580	—

G. Leverage

The Fund did not employ any leverage during the year.

H. Liquidity risk

Refer to Note 4 (Financial Instruments) on page 11 under the sub-heading “Liquidity risk” for a description of the risk and the Fund's process for mitigating this risk.

14. PORTFOLIO TRANSACTION COSTS

There were no transaction costs associated with the purchase or sale of investments during the accounting period (2016: £Nil).

15. SHARE MOVEMENT TABLE

	Share class 1 - Income	Share class 2 - Income	Share class 3 - Income	Share class 4 - Income	Share class 5 - Income
Opening shares	14,943,260	59,469,689	1,990,468,228	165,893,155	800,000
Shares issued	744,090,036	222,214,269	20,113,196,388	2,349,649,694	—
Shares redeemed	(723,170,000)	(215,189,970)	(19,926,253,609)	(2,417,553,310)	(500,000)
Closing shares	35,863,296	66,493,988	2,177,411,007	97,989,539	300,000
	Share class 8 - Accumulation	Share class 9 - Accumulation	Share class 11 - Accumulation		
Opening shares	63,490,870	9,712,547	21,033		
Shares issued	43,938,253	10,615,042	—		
Shares redeemed	(22,671,606)	(5,948,726)	(5,292)		
Closing shares	84,757,517	14,378,863	15,741		

16. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the balance sheet date (2016: £Nil).

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

DISTRIBUTION TABLES

DISTRIBUTIONS PAID

For the year ended 31 March 2017

	Share class 1 - income* £ per share	Share class 2 - income* £ per share	Share class 3 - income* £ per share	Share class 4 - income* £ per share	Share class 5 - income* £ per share
April 2016 distribution	0.0005	0.0005	0.0004	0.0004	0.0004
May 2016 distribution	0.0005	0.0005	0.0004	0.0004	0.0004
June 2016 distribution	0.0005	0.0005	0.0004	0.0004	0.0003
July 2016 distribution	0.0005	0.0005	0.0004	0.0004	0.0004
August 2016 distribution	0.0004	0.0004	0.0004	0.0003	0.0003
September 2016 distribution	0.0004	0.0003	0.0003	0.0003	0.0002
October 2016 distribution	0.0004	0.0003	0.0003	0.0002	0.0002
November 2016 distribution	0.0003	0.0003	0.0003	0.0002	0.0002
December 2016 distribution	0.0003	0.0003	0.0003	0.0002	0.0002
January 2017 distribution	0.0003	0.0003	0.0003	0.0002	0.0002
February 2017 distribution	0.0003	0.0003	0.0002	0.0002	0.0001
March 2017 distribution	0.0003	0.0003	0.0002	0.0002	0.0001

	Share class 8 - accumulation** £ per share	Share class 9 - accumulation** £ per share	Share class 11 - accumulation** £ per share
April 2016 distribution	0.0005	0.0003	0.0002
May 2016 distribution	0.0005	0.0003	0.0002
June 2016 distribution	0.0005	0.0003	0.0002
July 2016 distribution	0.0005	0.0003	0.0002
August 2016 distribution	0.0004	0.0002	0.0001
September 2016 distribution	0.0003	0.0001	0.0001
October 2016 distribution	0.0003	0.0001	0.0000
November 2016 distribution	0.0003	0.0001	0.0000
December 2016 distribution	0.0003	0.0001	0.0000
January 2017 distribution	0.0003	0.0001	0.0000
February 2017 distribution	0.0002	0.0001	0.0000
March 2017 distribution	0.0002	0.0001	0.0000

*The Fund accrues distributions on a daily basis and funds are paid out on a monthly basis.

**Income attributable to the Accumulation Share classes is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the share price of the Accumulation Shares.

FEDERATED SHORT-TERM STERLING PRIME FUND (CONTINUED)

DISTRIBUTION TABLES (CONTINUED)

DISTRIBUTIONS PAID

For the year ended 31 March 2016

	Share class 1 - income* £ per share	Share class 2 - income* £ per share	Share class 3 - income* £ per share	Share class 4 - income* £ per share	Share class 5 - income* £ per share
April 2015 distribution	0.0004	0.0004	0.0004	0.0003	0.0003
May 2015 distribution	0.0005	0.0004	0.0004	0.0003	0.0003
June 2015 distribution	0.0004	0.0004	0.0004	0.0003	0.0003
July 2015 distribution	0.0005	0.0004	0.0004	0.0003	0.0003
August 2015 distribution	0.0005	0.0004	0.0004	0.0004	0.0003
September 2015 distribution	0.0005	0.0004	0.0004	0.0004	0.0003
October 2015 distribution	0.0005	0.0005	0.0004	0.0004	0.0003
November 2015 distribution	0.0005	0.0004	0.0004	0.0004	0.0003
December 2015 distribution	0.0005	0.0005	0.0004	0.0004	0.0003
January 2016 distribution	0.0005	0.0005	0.0004	0.0004	0.0003
February 2016 distribution	0.0005	0.0005	0.0004	0.0004	0.0003
March 2016 distribution	0.0005	0.0005	0.0005	0.0004	0.0004
			Share class 8 - accumulation** £ per share	Share class 9 - accumulation** £ per share	Share class 11 - accumulation** £ per share
April 2015 distribution			0.0004	0.0002	0.0001
May 2015 distribution			0.0004	0.0002	0.0001
June 2015 distribution			0.0004	0.0002	0.0001
July 2015 distribution			0.0004	0.0002	0.0001
August 2015 distribution			0.0004	0.0002	0.0002
September 2015 distribution			0.0004	0.0002	0.0002
October 2015 distribution			0.0004	0.0003	0.0002
November 2015 distribution			0.0004	0.0003	0.0002
December 2015 distribution			0.0004	0.0003	0.0002
January 2016 distribution			0.0004	0.0003	0.0002
February 2016 distribution			0.0004	0.0003	0.0002
March 2016 distribution			0.0005	0.0003	0.0002

*The Fund accrues distributions on a daily basis and funds are paid out on a monthly basis.

**Income attributable to the Accumulation Share classes is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the share price of the Accumulation Shares.

FEDERATED STERLING CASH PLUS FUND

FUND OBJECTIVE AND POLICY

The investment objective of the Federated Sterling Cash Plus Fund (the “Fund”) is to provide investors with stability of capital and income through investment in short term fixed income and variable rate securities.

The Fund may invest in a broad range of liquid securities, instruments and obligations denominated in pound sterling from both within and outside the UK. The Fund is intended to be a money market fund under the Guidelines on a Common Definition of European Money Market Funds adopted by the European Securities and Markets Authority.

INVESTMENT MANAGER’S REPORT

The Fund aims to provide capital stability and income through investment in short term fixed income and variable rate securities. The Fund invests in high quality, liquid securities from both within and outside the UK, aiming to achieve capital preservation with money market returns. The Fund is a European Securities and Market Authority (“ESMA”) Money Market Fund and, as such, may invest in securities for no longer than 2 years and, maintain a maximum 1 year weighted average life (WAL) and 6 months weighted average maturity (WAM).

The second quarter of 2016 was dominated by uncertainty over the outcome of the referendum on the UK’s membership of the European Union (the “EU”) on 23 June 2016. In the event, the outcome of the referendum was a vote in favour of the UK withdrawing from the EU, by 52% to 48% with a 72% voter turn out.

In the aftermath of the referendum we saw the UK political system thrown into disarray. The then Prime Minister of the UK, David Cameron, resigned triggering a Conservative leadership contest, and the referendum resulted in a vote of no confidence in the Labour party leader, Jeremy Corbyn, who was accused by the party’s ‘Remain’ MPs (Members of Parliament) of a lacklustre pro-EU campaign. Theresa May became Prime Minister of the UK in July after all other candidates for leadership of the Conservative party fell by the wayside. Perhaps more surprisingly, despite 150 Labour MPs supporting a vote of no confidence in his leadership on 28 June 2016, Jeremy Corbyn won the resulting Labour leadership election on 24 September 2016 with an increased share of the vote at 61.80%.

Following statements by the Governor of the Bank of England, Mark Carney, shortly after the Brexit result, the Bank of England acted swiftly. At the August meeting of the Bank of England’s Monetary Policy Committee (MPC), it was decided to cut the base rate to 0.25% and quantitative easing was expanded by £70bn.

Prime Minister May triggered Article 50 of the Treaty of Lisbon on 29 March 2017, which formally commenced the process for the UK to withdraw from the EU. The terms of the exit will be negotiated between the UK and the remaining 27 Member States of the EU. Prime Minister May said that she would like ‘respectful, sincere co-operation’. The next two years will doubtless prove eventful. Spain has already said that it would not veto an application for an independent Scotland to join the EU. Spain also said that Madrid should have the right to have a say in Gibraltar’s future. Predictably this has already stirred up emotions in the Conservative party’s senior ranks. This appears to be just the start of what will be an eventful two years, which will cause uncertainty in all areas of UK policy.

In a surprise announcement on 18 April 2017, Prime Minister May called for a ‘snap’ General Election, which took place on 8 June 2017. The Prime Minister’s intention appeared to be to seek a clear mandate to continue the Brexit process, as well as to increase the size of the Government’s majority in the House of Commons. However the election resulted in a ‘hung parliament’ with no single party having a majority. Whilst the Conservative Party remains the largest party, it lost its narrow majority. Consequentially the Conservative Party is seeking to form a minority government and will be reliant on support from other parties, specifically the Democratic Unionist Party, to carry on the business of government. Against this backdrop, Brexit negotiations formally commenced on 19 June 2017.

Economic data, however, remained encouraging, with buoyant readings coming from the September Purchasing Managers’ Index (PMI) reports.

During the year the 7 day London Interbank Bid Rate (“LIBID”) dropped from 0.36% to 0.11% and the 6 month LIBID dropped from 0.62% to 0.39%.

At the end of March 2017 the Fund’s weighted average maturity (WAM) was 131 days, with a weighted average life (WAL) of 230 days. Assets had decreased to £732m from £742m at month end September 2016 and increased from £519m at the end of March 2016. The Fund continues to prove an attractive alternative for investors with longer term cash holdings.

MONEY MARKET AND STERLING CASH PLUS FUND NET RETURNS GBP (%)

12 MONTH PERIOD	FUND NET RETURN (%)	7 Day £ LIBID plus 50bps (%)	6 Month £ LIBID (%)
31/3/16 - 31/3/17	0.80%	0.70%	0.46%
31/3/15 - 31/3/16	0.72%	0.86%	0.61%
31/3/14 - 31/3/15	0.67%	0.85%	0.56%
31/3/13 - 31/3/14	0.60%	0.85%	0.48%
31/3/12 - 31/3/13	1.24%	0.89%	0.78%

Federated Sterling Cash Plus Fund was formerly known as Federated Prime Rate Sterling Cash Plus Fund prior to 20 September 2013.
The table shows past performance information for the Fund for complete 12-month periods ending on 31 March.

Performance information is based on Share Class 3. Return is shown net of 15bp management fee. Performance may vary on a net basis among different share classes due to differences in fund expenses.

Source: Bloomberg, British Bankers’ Association, Federated Investors (UK) LLP, iMoneyNet.

RISK AND REWARD PROFILE

The risk and reward category of the Fund is calculated using historical data, which is not a reliable indication of the Fund's future risk profile. The risk and reward category may shift over time and is not a target or a guarantee.

The Fund is in category 1 on a scale of 1 (lower) to 7 (higher) because of the low range and low frequency of price movements (volatility) of the underlying investments that it targets to meet the Fund's objective of maintaining a constant net asset value. The lowest category (i.e. category 1) does not mean the Fund is a risk-free investment.

Please note, the category stated above is the same for each class of shares within the Fund.

The following are additional risks of the Fund not covered by the risk and reward category:

- **Capital at risk:** The Fund has no capital guarantees and your investment is entirely at risk. The value of your investment may go down as well as up. A subscription for shares in the Fund is not the same as making a deposit with a bank or other deposit taking body and the value of the Fund's shares is not guaranteed.
- **Issuer risk:** The value of the Fund may be affected by the creditworthiness of the issuers of the debt instruments the Fund invests in and, notwithstanding the policy of the Fund to invest in short dated instruments, may also be affected by substantial adverse movements in interest rates.
- **Counterparty risk:** The counterparty to a transaction involving a Fund may fail to meet its obligations, causing losses to the Fund.
- **Currency risk:** Whilst the Fund will hedge underlying securities not denominated in pound sterling, the effect of fluctuations in currency exchange rates may still adversely affect the value of that security.
- **Hedging currency:** The currency hedging used for foreign currency Share Classes to minimise the effect of certain exchange rate fluctuations may not be completely successful and currency hedging transactions will involve counterparty risk.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE

For the year ending: Share class 2 - Accumulation	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	104.04	103.27	102.54
Return before operating charges*	0.96	0.88	0.84
Operating charges	(0.11)	(0.11)	(0.11)
Return after operating charges	0.85	0.77	0.73
Distributions	(0.77)	(0.80)	(0.70)
Retained distribution on accumulation shares	0.77	0.80	0.70
Closing net asset value per share	104.89	104.04	103.27
Performance			
Return after charges	0.82%	0.75%	0.71%
Other information			
Closing net asset value (£)	91,764,405	80,923,847	73,672,566
Closing number of shares	874,881	777,816	713,421
Operating charges**	0.11%	0.11%	0.11%
Prices			
Highest share price	104.89	104.04	103.27
Lowest share price	104.04	103.26	102.54

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 3 - Accumulation	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	103.81	103.09	102.41
Return before operating charges*	0.96	0.89	0.84
Operating charges	(0.17)	(0.17)	(0.16)
Return after operating charges	0.79	0.72	0.68
Distributions	(0.72)	(0.75)	(0.65)
Retained distribution on accumulation shares	0.72	0.75	0.65
Closing net asset value per share	104.60	103.81	103.09
Performance			
Return after charges	0.76%	0.70%	0.66%
Other information			
Closing net asset value (£)	571,081,755	311,770,651	240,961,072
Closing number of shares	5,459,493	3,003,315	2,337,396
Operating charges**	0.16%	0.16%	0.16%
Prices			
Highest share price	104.60	103.81	103.09
Lowest share price	103.81	103.08	102.41

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 3 - EUR Accumulation*	31.03.17 € per share	31.03.16 € per share	31.03.15 € per share
Change in net assets per share			
Opening net asset value per share	100.05	100.24	100.09
Return before operating charges**	(0.22)	(0.03)	0.31
Operating charges	(0.16)	(0.16)	(0.16)
Return after operating charges	(0.38)	(0.19)	0.15
Distributions	(0.57)	(0.51)	(0.64)
Retained distribution on accumulation shares	0.57	0.51	0.64
Closing net asset value per share	99.67	100.05	100.24
Performance			
Return after charges	(0.38)%	(0.19)%	0.15%
Other information			
Closing net asset value (€)	115,520	165,983	451,982
Closing number of shares	1,159	1,659	4,509
Operating charges***	0.16%	0.16%	0.16%
Prices			
Highest share price	100.05	100.24	100.26
Lowest share price	99.67	100.04	100.09

*Currency hedged share class.

**There were no direct transaction costs associated with the purchase and sale of investments.

***The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 3 - USD Accumulation*	31.03.17 \$ per share	31.03.16 \$ per share	31.03.15 \$ per share
Change in net assets per share			
Opening net asset value per share	100.89	100.40	100.09
Return before operating charges**	1.37	0.65	0.47
Operating charges	(0.16)	(0.16)	(0.16)
Return after operating charges	1.21	0.49	0.31
Distributions	(0.60)	(0.46)	(0.63)
Retained distribution on accumulation shares	0.60	0.46	0.63
Closing net asset value per share	102.10	100.89	100.40
Performance			
Return after charges	1.20%	0.49%	0.31%
Other information			
Closing net asset value (\$)	6,066,886	31,362,262	34,382,281
Closing number of shares	59,420	310,856	342,453
Operating charges***	0.16%	0.16%	0.16%
Prices			
Highest share price	102.10	100.89	100.40
Lowest share price	100.89	100.39	100.09

*Currency hedged share class.

**There were no direct transaction costs associated with the purchase and sale of investments.

***The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 4 - Accumulation	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	102.66	102.00	101.38
Return before operating charges*	0.95	0.87	0.83
Operating charges	(0.22)	(0.21)	(0.21)
Return after operating charges	0.73	0.66	0.62
Distributions	(0.66)	(0.69)	(0.59)
Retained distribution on accumulation shares	0.66	0.69	0.59
Closing net asset value per share	103.39	102.66	102.00
Performance			
Return after charges	0.71%	0.65%	0.61%
Other information			
Closing net asset value (£)	53,475,411	69,005,051	56,017,442
Closing number of shares	517,197	672,163	549,198
Operating charges**	0.21%	0.21%	0.21%
Prices			
Highest share price	103.39	102.66	102.00
Lowest share price	102.66	101.99	101.38

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 4 - EUR Accumulation*	31.03.17 € per share	31.03.16 € per share	31.03.15 € per share
Change in net assets per share			
Opening net asset value per share	100.00	100.00	100.00
Return before operating charges**	0.21	0.21	0.21
Operating charges	(0.21)	(0.21)	(0.21)
Return after operating charges	0.00	0.00	0.00
Distributions	0.00	(0.04)	0.00
Retained distribution on accumulation shares	0.00	0.04	0.00
Closing net asset value per share	100.00	100.00	100.00
Performance			
Return after charges	0.00%	0.00%	0.00%
Other information			
Closing net asset value (€)	100	100	100
Closing number of shares	1	1	1
Operating charges***	0.21%	0.21%	0.21%
Prices			
Highest share price	100.00	100.00	100.00
Lowest share price	100.00	100.00	100.00

*Currency hedged share class.

**There were no direct transaction costs associated with the purchase and sale of investments.

***The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 4 - USD Accumulation*	31.03.17 \$ per share	31.03.16 \$ per share	31.03.15 \$ per share
Change in net assets per share			
Opening net asset value per share	100.00	100.00	100.00
Return before operating charges**	0.21	0.21	0.21
Operating charges	(0.21)	(0.21)	(0.21)
Return after operating charges	0.00	0.00	0.00
Distributions	0.00	0.00	0.00
Retained distribution on accumulation shares	0.00	0.00	0.00
Closing net asset value per share	100.00	100.00	100.00
Performance			
Return after charges	0.00%	0.00%	0.00%
Other information			
Closing net asset value (\$)	100	100	100
Closing number of shares	1	1	1
Operating charges***	0.21%	0.21%	0.21%
Prices			
Highest share price	100.00	100.00	100.00
Lowest share price	100.00	99.99	100.00

*Currency hedged share class.

**There were no direct transaction costs associated with the purchase and sale of investments.

***The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

COMPARATIVE TABLE (CONTINUED)

For the year ending: Share class 6 - Income	31.03.17 £ per share	31.03.16 £ per share	31.03.15 £ per share
Change in net assets per share			
Opening net asset value per share	100.03	100.00	100.00
Return before operating charges*	0.88	0.54	0.03
Operating charges	(0.16)	(0.03)	(0.03)
Return after operating charges	0.72	0.51	0.00
Distributions	(0.70)	(0.48)	(0.00)
Closing net asset value per share	100.05	100.03	100.00
Performance			
Return after charges	0.72%	0.51%	0.00%
Other information			
Closing net asset value (£)	10,559,840	35,611,230	100
Closing number of shares	105,547	356,009	1
Operating charges**	0.16%	0.16%	0.15%
Prices			
Highest share price	100.19	100.10	100.01
Lowest share price	100.02	100.00	100.00

*There were no direct transaction costs associated with the purchase and sale of investments.

**The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

PORTFOLIO STATEMENT

As at 31 March 2017

Holding	Investment	Value at Cost £	Percentage of total net assets %
Certificates of Deposit 49.66% (31 March 2016 - 32.12%)			
£10,000,000	ABN Amro Bank 0.62% Certificate of Deposit 18/8/2017	9,983,919	1.36
£10,000,000	ABN Amro Bank 0.62% Certificate of Deposit 22/8/2017	9,983,189	1.36
£12,000,000	ABN Amro Bank 0.71% Certificate of Deposit 17/11/2017	11,958,272	1.63
£1,500,000	ABN Amro Bank 0.59% Certificate of Deposit 27/2/2018	1,499,065	0.21
£10,000,000	Bank of Tokyo-Mitsubishi 0.79% Certificate of Deposit 30/6/2017	10,011,058	1.37
£20,000,000	Bank of Tokyo-Mitsubishi 0.7% Certificate of Deposit 26/9/2017	20,020,296	2.74
£8,000,000	Bank of Tokyo-Mitsubishi 0.74% Certificate of Deposit 06/11/2017	8,009,478	1.09
£20,000,000	BNP Paribas 0.9% Certificate of Deposit 19/4/2017	20,006,520	2.73
£4,400,000	Credit Agricole 0.59% Certificate of Deposit 07/3/2018	4,395,984	0.60
£25,000,000	Credit Agricole 0.62% Certificate of Deposit 08/2/2018	24,992,351	3.42
£20,000,000	Credit Industriel et Commercial 0.69% Certificate of Deposit 19/1/2018	20,009,314	2.73
£15,000,000	Credit Industriel et Commercial 0.71% Certificate of Deposit 01/2/2018	14,919,109	2.04
£5,000,000	Credit Industriel et Commercial 0.65% Certificate of Deposit 21/3/2018	4,997,322	0.68
£12,000,000	Credit Suisse 1.06% Certificate of Deposit 12/6/2017	12,017,465	1.64
£8,000,000	Credit Suisse 0.84% Certificate of Deposit 30/6/2017	8,009,830	1.09
£2,500,000	Credit Suisse 0.74% Certificate of Deposit 21/9/2017	2,503,156	0.34
£10,000,000	Credit Suisse 1.04% Certificate of Deposit 07/6/2017	10,013,278	1.37
£15,000,000	Lloyds Bank 0.99% Certificate of Deposit 20/4/2017	15,005,777	2.05
£20,000,000	Lloyds Bank 0.73% Certificate of Deposit 16/1/2018	20,016,111	2.74
£5,000,000	Lloyds Bank 0.68% Certificate of Deposit 14/3/2018	4,999,191	0.68
£30,000,000	Mizuho Bank 0.73% Certificate of Deposit 25/1/2018	29,843,982	4.08
£25,000,000	Rabobank 0.6% Certificate of Deposit 11/7/2017	25,016,715	3.42
£7,500,000	Societe Generale 0.62% Certificate of Deposit 05/3/2018	7,496,120	1.02
£10,000,000	Societe Generale 0.99% Certificate of Deposit 04/5/2017	10,006,549	1.37
£20,000,000	Sumitomo Mitsui Banking 0.70% Certificate of Deposit 06/12/2017	20,016,542	2.74
£15,000,000	UBS 0.95% Certificate of Deposit 04/5/2017	15,009,282	2.05
£5,700,000	UBS 0.62% Certificate of Deposit 31/7/2017	5,705,587	0.78
£14,000,000	UBS 0.71% Certificate of Deposit 06/9/2017	14,015,285	1.92
£3,000,000	UBS 0.62% Certificate of Deposit 12/3/2018	2,997,896	0.41
		363,458,643	49.66
Commercial Papers 2.86% (31 March 2016 - 4.42%)			
£21,000,000	Societe Generale Commercial Paper 03/11/2017	20,933,520	2.86
		20,933,520	2.86
Sterling Denominated Fixed Rate Bonds 8.47% (31 March 2016 - 22.38%)			
£5,740,000	ABN Amro Bank 2.25% Senior European Medium Term Notes 11/9/2017	5,784,341	0.79
£4,821,000	Rabobank 3.25% Senior European Medium Term Notes 01/11/2017	4,895,701	0.67
£1,376,000	Daimler 1.25% Senior European Medium Term Notes 01/12/2017	1,380,947	0.19
£6,686,000	Daimler 1.75% Senior European Medium Term Notes 08/11/2017	6,728,724	0.92
£12,446,000	General Electric Capital UK Funding 4.13% Senior European Medium Term Notes 28/9/2017	12,657,084	1.73
£12,938,000	National Australia Bank 3.63% Senior European Medium Term Notes 08/11/2017	13,172,048	1.80
£14,545,000	Svenska Handelsbanken 1.88% Senior European Medium Term Notes 29/8/2017	14,624,125	2.00
£2,530,000	UBS 6.63% Senior European Medium Term Notes 11/4/2018	2,682,850	0.37
		61,925,820	8.47
Sterling Denominated Variable Rate Bonds 34.17% (31 March 2016 - 38.17%)			
£25,670,000	ASB Finance Senior European Medium Term Floating Rate Notes 01/5/2018	25,734,817	3.52
£20,000,000	Bank of Nova Scotia Senior European Medium Term Floating Rate Notes 20/2/2018	20,035,500	2.74
£3,000,000	Bank of Montreal Senior European Medium Term Floating Rate Notes 03/5/2018	3,005,175	0.41
£25,000,000	Bank of Montreal Senior European Medium Term Floating Rate Notes 05/7/2017	25,002,375	3.42
£35,000,000	BMW International Investment Senior European Medium Term Floating Rate Notes 15/2/2019	35,007,175	4.78
£5,000,000	Credit Suisse Senior European Medium Term Floating Rate Notes 30/8/2017	5,001,250	0.68
£25,000,000	DZ Bank Senior European Medium Term Floating Rate Notes 27/6/2018	25,006,250	3.42
£21,600,000	ING Senior European Medium Term Floating Rate Notes 27/11/2017	21,603,888	2.95

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

PORTFOLIO STATEMENT (CONTINUED)

As at 31 March 2017

Holding	Investment	Value at Cost £	Percentage of total net assets %
Sterling Denominated Variable Rate Bonds (continued)			
£24,000,000	New York Life Global Funding Senior European Medium Term Floating Rate Notes 28/9/2017	24,013,440	3.28
£25,000,000	OP Corporate Bank Senior European Medium Term Floating Rate Notes 11/1/2018	24,996,000	3.41
£16,600,000	Royal Bank of Canada Senior European Medium Term Floating Rate Notes 31/8/2017	16,600,664	2.27
£1,160,000	Royal Bank of Canada Senior European Medium Term Floating Rate Notes 09/10/2018	1,168,741	0.16
£3,500,000	Toronto Dominion Bank Senior European Medium Term Floating Rate Notes 19/1/2018	3,504,323	0.48
£19,350,000	Westpac Banking Senior European Medium Term Floating Rate Notes 28/11/2017	19,383,766	2.65
		250,063,364	34.17
Term Deposits 0.00% (31 March 2016 - 0.01%)			
Forward Currency Contracts 0.00% (31 March 2016 - (0.05)%)			
€115,617	Forward Currency Contract 17/05/2017: Euro 115,617 vs UK Sterling 98,350	692	0.00
€100	Forward Currency Contract 17/05/2017: Euro 100 vs UK Sterling 85	1	0.00
\$6,057,950	Forward Currency Contract 17/05/2017: US Dollar 6,057,950 vs UK Sterling 4,856,683	(9,722)	0.00
\$100	Forward Currency Contract 17/05/2017: US Dollar 100 vs UK Sterling 80	0	0.00
		(9,029)	0.00
Qualifying Money Market Fund 4.52% (31 March 2016 - 2.35%)			
£33,112,444	Federated Short-Term Sterling Prime Fund**	33,112,444	4.52
		33,112,444	4.52
Portfolio of investments		729,484,762	99.68
Net current assets		2,355,320	0.32
Total net assets		731,840,082	100.00

All investments have been awarded one of the two highest available credit ratings by each recognised credit rating agency that has rated that investment.

All investments, unless otherwise stated, are admitted to official stock exchange listings or trade on a regulated market.

*Unlisted securities within the meaning of the FCA's COLL Sourcebook.

**Related party.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2017

	Notes	31.03.17 £	31.03.17 £	31.03.16 £	31.03.16 £
Income					
Net capital gains/(losses)	2		1,845,434		(737,836)
Revenue	3	5,918,358		4,296,060	
Expenses	4	(1,129,599)		(768,710)	
Interest payable and similar charges	6	(136)		(395)	
Net revenue before taxation		4,788,623		3,526,955	
Taxation	5	—		—	
Net revenue after taxation			4,788,623		3,526,955
Total return before distributions			6,634,057		2,789,119
Distributions	7		(4,788,623)		(3,526,955)
Change in net assets attributable to shareholders from investment activities			1,845,434		(737,836)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 March 2017

	31.03.17 £	31.03.17 £	31.03.16 £	31.03.16 £
Opening net assets attributable to shareholders		519,238,075		394,244,164
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	907,363,005		469,189,156	
Less: Amounts paid on cancellation of shares	(701,096,572)		(346,811,715)	
		206,266,433		122,377,441
Change in net assets attributable to shareholders from investment activities		1,845,434		(737,836)
Retained distribution on accumulation shares		4,490,140		3,354,306
Closing net assets attributable to shareholders		731,840,082		519,238,075

The notes on pages 47 to 52 form an integral part of these financial statements.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

BALANCE SHEET

As at 31 March 2017

	Notes	31.03.17 £	31.03.17 £	31.03.16 £	31.03.16 £
ASSETS					
Fixed assets					
Investments			729,494,484		516,409,055
Current assets					
Debtors	8	2,212,630		3,188,425	
Cash and bank balances	9	286,931		9,244	
Total other assets			2,499,561		3,197,669
Total assets			731,994,045		519,606,724
LIABILITIES					
Investment liabilities			(9,722)		(273,971)
Creditors					
Other creditors	10	(144,241)		(94,678)	
Total other liabilities			(144,241)		(94,678)
Total liabilities			(153,963)		(368,649)
Net assets attributable to shareholders			731,840,082		519,238,075

The notes on pages 47 to 52 form an integral part of these financial statements.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

The applicable accounting policies adopted by the Federated Short-Term Sterling Cash Plus Fund are included on pages 9 to 11 within the Notes applicable to the Financial Statements of all Funds.

2. NET CAPITAL GAINS/(LOSSES)

	31.03.17	31.03.16
	£	£
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative investments	446,697	(106,625)
Gains/(losses) on forward exchange contracts	1,398,737	(631,211)
Net capital gains/(losses)	1,845,434	(737,836)

3. REVENUE

	31.03.17	31.03.16
	£	£
Amortisation of debt securities	(1,888,255)	(2,120,383)
Interest from money market deposits	1,671,602	1,479,240
Interest from overseas interest securities	2,573,400	4,901,604
Interest from UK interest securities	3,561,611	35,599
Total revenue	5,918,358	4,296,060

4. EXPENSES

	31.03.17	31.03.16
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,041,587	726,272
	1,041,587	726,272
Other expenses		
Auditors' remuneration*	7,800	8,936
Expense waiver fees	(36,121)	—
FCA fee	438	535
Legal fee	86,705	16,283
Miscellaneous fee	18,842	6,103
Printing fee	749	50
Rating agency fee	9,599	9,600
Registration fee	—	931
	88,012	42,438
Total expenses	1,129,599	768,710

*The audit fee for the year, excluding VAT, was £6,500 (2016: £7,447).

5. TAXATION

A. Analysis of tax charge for the year

There is no provision for corporation tax in either year as taxable revenue is fully covered by allowable deductible interest distributions.

B. Factors affecting tax charge for the year:

	31.03.17	31.03.16
	£	£
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%) (2016: 20%).		
The differences are explained below:		
Net revenue before taxation	4,788,623	3,526,955
Corporation tax at 20%	957,725	705,391
Effects of:		
Tax deductible interest distributions	(957,725)	(705,391)
Total tax charge for the year	—	—

There is no corporation tax liability on the Fund as interest distributions are deductible from the taxable income of the Fund.

C. Deferred tax

At the balance sheet date the Company had no excess management expenses. Were there to be excess management expenses a potential deferred tax asset would arise.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.03.17	31.03.16
	£	£
Interest	136	395
Interest payable and similar charges	136	395

7. DISTRIBUTIONS

	31.03.17	31.03.16
	£	£
April distributions	359,359	234,716
May distributions	425,779	252,203
June distributions	420,683	249,329
July distributions	449,307	270,622
August distributions	424,613	282,312
September distributions	418,754	287,857
October distributions	418,875	304,895
November distributions	406,561	317,311
December distributions	403,765	324,603
January distributions	371,226	320,623
February distributions	325,851	308,272
March distributions	363,850	374,212
Total distributions for the year	4,788,623	3,526,955

Details of the distributions per share are set out in the distribution tables on pages 53 to 54.

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEBTORS

	31.03.17	31.03.16
	£	£
Accrued revenue	2,211,221	3,186,305
Prepaid printing fee	1,409	2,120
Total debtors	2,212,630	3,188,425

9. CASH AND BANK BALANCES

	31.03.17	31.03.16
	£	£
Cash and bank balances	286,931	9,244
Total cash and bank balances	286,931	9,244

10. CREDITORS

	31.03.17	31.03.16
	£	£
Other creditors		
Accrued ACD's periodic charge	117,610	67,996
Accrued audit fee	7,800	7,800
Accrued legal fees	15,245	12,403
Accrued miscellaneous fee	3,045	6,479
Bank interest payable	541	—
Total creditors	144,241	94,678

11. RELATED PARTY TRANSACTIONS

Federated Investors (UK) LLP, as the ACD, is a related party (per FRS 102) and acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received on the creation of shares and paid on the cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any expenses paid to the ACD during the accounting period are disclosed in note 4. Any amounts due from or due to the ACD at the end of the accounting period are disclosed in notes 8 and 10.

12. SHARE CLASSES

The Fund currently has eight share classes in issue. The current annual ACD charge as a percentage of the daily net asset value is as follows:

Share class 2 - Accumulation*	0.10%
Share class 3 - Accumulation	0.15%
Share class 3 EUR - Accumulation**	0.15%
Share class 3 USD - Accumulation**	0.15%
Share class 4 - Accumulation	0.20%
Share class 4 EUR - Accumulation**	0.20%
Share class 4 USD - Accumulation**	0.20%
Share class 6 - Income	0.15%

Details of the net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables. The distribution per share class is given in the distribution tables.

All share classes have the same rights on winding up.

**Investment may only be made into Share class 2 - Accumulation by investors who have a segregated mandate with the ACD.*

***Currency hedged share class.*

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS

A. Efficient portfolio management

The Fund may employ techniques and instruments which are used for the purpose of efficient portfolio management.

Certain share classes of the Fund use currency hedging to minimise the effect of exchange rate fluctuations between the currency in which the assets of the Fund are generally denominated and the currency of the respective Share Class (i.e. Euro and U.S. Dollars). Currency hedging techniques include entering into currency forward contracts.

B. Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibility.

Refer to Note 4 (Financial Instruments) on page 11 under the sub-heading “Credit risk” for a description of the risk and the Fund’s process for mitigating this risk.

At 31 March 2017, the Fund's credit quality ratings composition* was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		%
A-1+		24.8
A-1		70.7
Not Rated by S&P		4.5
Total		100.0

Moody's Short-Term Ratings as Percentage of Total Investments		%
P-1		95.5
Not Rated by Moody's		4.5
Total		100.0

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

B. Credit risk (continued)

At 31 March 2016 the Fund's credit quality ratings composition* was as follows:

S&P Short-Term Ratings as Percentage of Total Investments	%
A-2	7.2
A-1+	40.5
A-1	49.9
Not Rated by S&P	2.4
Total	100.0

Moody's Short-Term Ratings as Percentage of Total Investments	%
P-2	5.3
P-1	92.3
Not Rated by Moody's	2.4
Total	100.0

*These tables depict the short-term credit-quality ratings assigned to the Fund's portfolio holdings by S&P and Moody's. Rated securities include a security with an obligor and/or credit enhancer that has received a rating from a recognised credit rating agency with respect to a class of debt obligations that is comparable in priority and security with the security held by the Fund. Credit-quality ratings are an assessment of the risk that a security will default in payment and do not address other risks presented by the security.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivatives Transactions	Forwards £	Total Exposure £
The Bank of New York Mellon	4,946,168	4,946,168

There was no collateral received from this counterparty in respect of derivative contracts. There was no collateral pledged to this counterparty in respect of derivative contracts.

C. Currency risk

Refer to Note 4 (Financial Instruments) on page 10 under the sub-heading "Foreign currency risk" for a description of the risk.

Class hedging transactions entered into for a Currency Hedged Share Class will be attributable only to that Currency Hedged Share Class, and the effect of class hedging transactions shall be attributable only to the Shareholders of the relevant Currency Hedged Share Class. Assets, liabilities, expenses, costs and charges in respect of class hedging transactions entered into for a Fund will be attributed to the relevant Currency Hedged Share Class issued by the Fund.

For Funds that issue Currency Hedged Share Classes, the currency hedging techniques used by the Fund for the purposes of those share classes may include the use of derivatives including foreign exchange forward transactions.

The currency profile for the Fund's net assets at 31 March 2017 was:

	Net foreign currency assets		Total £
	Monetary exposures £	Non-monetary exposures £	
Euro	545	99,128	99,673
US Dollar	—	4,847,041	4,847,041

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

C. Currency risk (continued)

The currency profile for the Fund's net assets at 31 March 2016 was:

	Net foreign currency assets		Total £
	Monetary exposures £	Non-monetary exposures £	
Euro	504	131,693	132,197
US Dollar	—	21,772,565	21,772,565

If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased £549,635 (31 March 2016: £2,433,862).

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased £449,701 (31 March 2016: £1,991,342).

D. Interest rate risk profile of financial assets and liabilities

Refer to Note 4 (Financial Instruments) on page 10 under the sub-heading "Interest rate risk" for a description of the risk and the Fund's process for mitigating this risk.

The interest rate risk profile of investment assets and liabilities as at 31 March 2017 was as follows:

	Floating rate financial investments £	Fixed rate investments £	Non-interest bearing investments £	Total £
Investment assets	283,175,807	446,317,984	693	729,494,484
Investment liabilities	—	—	(9,722)	(9,722)

The interest rate risk profile of investment assets and liabilities as at 31 March 2016 was as follows:

	Floating rate financial investments £	Fixed rate investments £	Non-interest bearing investments £	Total £
Investment assets	210,477,342	305,919,352	12,361	516,409,055
Investment liabilities	—	—	(273,971)	(273,971)

Using duration analysis, an increase/decrease of 0.25% (2016: 0.25%) in interest rates, with all other variables remaining constant, is likely to result in a 0.07% (2016: 0.09%) decrease/increase respectively in the portfolio valuation.

E. Fair value of financial assets and financial liabilities

There are no material differences between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

The amortised cost of the investments is not significantly different from their fair value on a mark to market basis.

F. Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £	Liabilities £
31 March 2017		
Level 2: Valuation techniques using observable market data	729,494,484	(9,722)
	729,494,484	(9,722)
	Assets £	Liabilities £
31 March 2016		
Level 2: Valuation techniques using observable market data	516,409,055	(95,676)
	516,409,055	(95,676)

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

G. Leverage

The Fund did not employ any leverage during the year.

H. Liquidity risk

Refer to Note 4 (Financial Instruments) on page 11 under the sub-heading "Liquidity risk" for a description of the risk and the Fund's process for mitigating this risk.

14. PORTFOLIO TRANSACTION COSTS

There were no transaction costs associated with the purchase or sale of investments during the accounting period (2016: £Nil).

15. SHARE MOVEMENT TABLE

	Share class 2 - accumulation	Share class 3 - accumulation	Share class 3 EUR - accumulation*	Share class 3 USD - accumulation*	Share class 4 - accumulation
Opening shares	777,816	3,003,315	1,659	310,855	672,164
Shares issued	879,715	6,150,857	—	—	1,247,145
Shares redeemed	(782,650)	(3,694,679)	(500)	(251,435)	(1,402,112)
Closing shares	874,881	5,459,493	1,159	59,420	517,197

	Share class 4 EUR - accumulation*	Share class 4 USD - accumulation*	Share class 6 - income
Opening shares	1	1	356,009
Shares issued	—	—	610,229
Shares redeemed	—	—	(860,691)
Closing shares	1	1	105,547

*Currency hedged share class.

16. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the balance sheet date (2016: £Nil).

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

DISTRIBUTION TABLES

DISTRIBUTIONS PAID

For the year ended 31 March 2017

	Share class 2 - Accumulation* £ per share	Share class 3 - Accumulation* £ per share	Share class 3 EUR - Accumulation* € per share**	Share class 3 USD - Accumulation* \$ per share**	Share class 4 - Accumulation* £ per share
April 2016 distribution	0.0724	0.0680	0.0502	0.0462	0.0630
May 2016 distribution	0.0737	0.0692	0.0501	0.0653	0.0641
June 2016 distribution	0.0720	0.0675	0.0495	0.0435	0.0626
July 2016 distribution	0.0742	0.0696	0.0561	0.0497	0.0645
August 2016 distribution	0.0713	0.0668	0.0528	0.0478	0.0616
September 2016 distribution	0.0640	0.0596	0.0488	0.0425	0.0547
October 2016 distribution	0.0625	0.0579	0.0495	0.0545	0.0529
November 2016 distribution	0.0591	0.0546	0.0440	0.0429	0.0498
December 2016 distribution	0.0614	0.0568	0.0459	0.0500	0.0518
January 2017 distribution	0.0587	0.0541	0.0445	0.0529	0.0491
February 2017 distribution	0.0486	0.0444	0.0349	0.0668	0.0400
March 2017 distribution	0.0528	0.0482	0.0398	0.0381	0.0432

	Share class 4 EUR - Accumulation* € per share**	Share class 4 USD - Accumulation* \$ per share**	Share class 6 - Income £ per share
April 2016 distribution	—	—	0.0634
May 2016 distribution	—	—	0.0712
June 2016 distribution	—	—	0.0627
July 2016 distribution	—	—	0.0675
August 2016 distribution	—	—	0.0603
September 2016 distribution	—	—	0.0478
October 2016 distribution	—	—	0.0648
November 2016 distribution	—	—	0.0565
December 2016 distribution	—	—	0.0601
January 2017 distribution	—	—	0.0691
February 2017 distribution	—	—	0.0365
March 2017 distribution	—	—	0.0446

**Income attributable to the Accumulation Share classes is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the share price of the Accumulation Shares.*

***Currency hedged share class.*

FEDERATED STERLING CASH PLUS FUND (CONTINUED)

DISTRIBUTION TABLES (CONTINUED)

DISTRIBUTIONS PAID

For the year ended 31 March 2016

	Share class 2 - Accumulation* £ per share	Share class 3 - Accumulation* £ per share	Share class 3 EUR - Accumulation* € per share***	Share class 3 USD - Accumulation* \$ per share***	Share class 4 - Accumulation* £ per share
April 2015 distribution	0.0623	0.0579	0.0393	0.0333	0.0531
May 2015 distribution	0.0649	0.0604	0.0411	0.0343	0.0554
June 2015 distribution	0.0630	0.0587	0.0411	0.0372	0.0539
July 2015 distribution	0.0654	0.0609	0.0405	0.0377	0.0559
August 2015 distribution	0.0661	0.0616	0.0398	0.0378	0.0566
September 2015 distribution	0.0651	0.0608	0.0404	0.0346	0.0559
October 2015 distribution	0.0677	0.0632	0.0433	0.0412	0.0582
November 2015 distribution	0.0669	0.0625	0.0414	0.0388	0.0577
December 2015 distribution	0.0700	0.0654	0.0458	0.0390	0.0604
January 2016 distribution	0.0694	0.0648	0.0460	0.0422	0.0598
February 2016 distribution	0.0679	0.0637	0.0443	0.0402	0.0589
March 2016 distribution	0.0745	0.0700	0.0493	0.0466	0.0649
			Share class 4 EUR - Accumulation* € per share***	Share class 4 USD - Accumulation* \$ per share***	Share class 6 - Income** £ per share
April 2015 distribution			0.0400	0.0011	—
May 2015 distribution			—	—	—
June 2015 distribution			—	—	—
July 2015 distribution			—	—	—
August 2015 distribution			—	—	0.0344
September 2015 distribution			—	—	0.0589
October 2015 distribution			—	—	0.0626
November 2015 distribution			—	—	0.0597
December 2015 distribution			—	—	0.0632
January 2016 distribution			—	—	0.0625
February 2016 distribution			—	—	0.0603
March 2016 distribution			—	—	0.0765

*Income attributable to the Accumulation Share classes is not paid out but is automatically added to (and retained as part of) the capital assets of the Fund on each income allocation date and is reflected in the share price of the Accumulation Shares.

**Share class 6 launched on 23 January 2015. For Share class 6, income is allocated and becomes payable on a monthly basis in accordance with the income allocation provisions under the Prospectus.

***Currency hedged share class.

IMPORTANT INFORMATION

GENERAL

This document does not constitute an offer or invitation to purchase shares in a Fund. Before investing in a Fund, you should read the prospectus, the relevant key investor information document and the latest annual and interim reports. Potential investors are recommended to consult their own advisers before investing in a Fund.

Past performance is not a guide to future performance and yields may vary. The value of investments and income from them is not guaranteed and may fall as well as rise. Investors may not get back the amount originally invested.

Any opinions expressed in the investment reports are those of the ACD and are subject to change without notice. This report should not be relied upon as indicating any guarantee of or representation regarding the future performance of the Funds. The information provided is not intended to be, and should not be, construed as investment advice.

PRICE OF SHARES

The price of shares in each share class of each Fund are available daily on the ACD's website (federatedinvestors.co.uk) and can be obtained by telephone on 020 7292 8620. Calls may be recorded for training or monitoring purposes.

IN MEMORIAM - JOHN F. DONAHUE

(Former Chairman and President, and Emeritus Director/Trustee, of the Federated Funds, and Founder, Former Chairman, President and Chief Executive Officer, and Chairman Emeritus, of Federated Investors, Inc.)

With profound sadness, Federated announces the passing of John F. ("Jack") Donahue, who founded, along with Richard B. Fisher, Federated in 1955 and served as a leader and member of the Boards of Directors/Trustees of the Federated Funds and the Board of Directors of Federated Investors, Inc. Mr. Donahue was a family man of deep faith with exemplary character and fealty, who served his religion, family, community, and the Federated Funds and Federated, as well as their shareholders, officers and employees, with distinction. His integrity, intelligence, and keen sense of fiduciary duty, coupled with his faith, family and background as a West Point graduate and Strategic Air Command B-29 pilot, served as a foundation for his strong business acumen and leadership. Among his many achievements, Mr. Donahue's steadfast and innovative leadership of the Federated Funds and Federated, as well as within the investment management industry, led to the birth of money market funds in the 1970s and their growth as an innovative, efficient and effective cash management vehicle throughout the 1980s, 1990s, 2000s and beyond. Federated expresses deep gratitude to Mr. Donahue for his inspiring leadership, distinguished service and contributions as a husband, father, founder, Board member and officer, colleague and friend. He will be greatly missed.

DIRECTORY

AUTHORISED CORPORATE DIRECTOR

Federated Investors (UK) LLP

Head office
Nuffield House
41-46 Piccadilly
London W1J 0DS

Registered office
5th Floor, One New Change
London EC4M 9AF

(Authorised and regulated by the Financial Conduct Authority)

MEMBERS OF THE ACD

Federated Holdings (UK) Limited
Federated Global Holdings LLC

ADMINISTRATOR AND REGISTRAR

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

(Authorised and regulated by the Financial Conduct Authority)

DEPOSITARY OF THE COMPANY

BNY Mellon Trust & Depositary (UK) Limited

Head office:
One Canada Square
London E14 5AL

Registered office:
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

AUDITOR OF THE COMPANY

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Federated Investors (UK) LLP

Nuffield House
41-46 Piccadilly
London W1J 0DS
Phone +44 (0) 20 7292 8620
Fax +44 (0) 20 7292 8655
Email info@federatedinvestors.co.uk
Website federatedinvestors.co.uk

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ACD SERVICE CENTRE FOR DEALING IN SHARES

Standard Post

Federated Investors (UK) LLP
PO Box 368
Darlington
DL1 9RH

Fax: +44 (0) 20 7964 2621

Telephone: 0344 892 0977
(or +44 203 528 4092 if calling from overseas)

Courier or Signed For Post

Federated Investors (UK) LLP
368/9RH
Stead House
Faverdale West
Darlington
DL3 0PS