

Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

14 February 2018

Federated High Income Advantage Fund

(the “Fund”), a sub-fund of Federated International Funds plc (the “Company”) (an umbrella fund with segregated liability between sub-funds) Class I Shares – GBP DIS (the “Series”) (ISIN: IE00B76PQN20)

The Fund is managed by Federated International Management Limited, part of the Federated Investors, Inc. group of companies

Objectives and Investment Policy

- The Fund is actively managed and aims to achieve high current income and will accumulate income and gains through its portfolio of investments.
- We invest primarily in lower-rated bonds issued by U.S. companies.
- Our portfolio of mid-to-long term bonds will be rated below BBB, which is considered to be below investment-grade.
- In choosing our investments, we use a “bottom up” approach, which focuses mainly on the fundamentals of a specific company rather than on the industry in which that company operates or on the economy as a whole.
- We perform both a qualitative and quantitative analysis of the issuer. The qualitative analysis focuses on a company’s products and the markets in which the company competes, whereas the quantitative analysis focuses on free cash flow generation and free cash flow relative to overall debt.
- We enter into financial transactions (“derivatives”) for investment purposes as well as for purposes of efficient portfolio management, such as hedging (limiting the effect of changes in the value of currencies), reducing risks or costs, or for increasing capital or income returns.
- Shares of this Series are denominated in pound sterling (GBP) and are hedged in an attempt to minimise the effect of fluctuation in the exchange rate between the U.S. dollar (the Fund’s base currency) and the GBP.
- You may redeem your shares on any working day the New York Stock Exchange is open for business (or such other days, such as “Special Dealing Days”, as determined by the directors) by submitting your request to your Financial Intermediary by such time as agreed with the Financial Intermediary so it can forward your request to the Fund’s Administrator before the close of the New York Stock Exchange (normally 4.00 p.m. (U.S. Eastern Time)). You should visit our website or contact the Administrator for further information regarding Special Dealing Days as defined in the Prospectus.
- This Series declares dividends daily and pays them monthly.

Risk and Reward Profile



- This Fund’s risk rating is 4 since it produces typically higher rewards than other bond funds but presents higher risk because it invests in lower-rated debt securities which may also be more volatile.
- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may shift over time.
- The lowest risk category does not mean the investment is “risk free”.

The risks materially relevant to the Fund which are not adequately captured by the indicator are as follows:

- **Risk of Investing in Non-Investment Grade Securities.** Lower-rated securities have increased credit risk and a higher risk of default than securities with higher ratings. They are also more sensitive to changes in interest rates, which may result in increased price volatility.
- **Interest Rate Risk.** The prices of debt securities that pay a fixed rate of interest rise and fall in response to changes in interest rates. Generally, when interest rates rise, the prices of debt securities fall.
- **Credit Risk.** Credit risk is the possibility that interest or an amount owed will not be paid when due, and therefore the Fund could lose money. The failure to receive interest or an amount owed can prevent the Fund from selling or buying other securities to implement its investment strategy. To compensate for greater credit risk, debt securities with higher credit risk will generally pay interest at a higher rate than securities with lower credit risk.
- **Derivatives Risk.** The Fund’s investments may include financial derivative instruments. Such instruments may be used to obtain, increase or reduce exposure to underlying assets and may create leverage. Therefore, their use may result in greater fluctuations of the NAV of the Fund.
- **Risk Associated with Hedging.** Hedging is intended to minimise the impact of exchange rates on the value of the Shares. Over-hedged or under-hedged positions may arise due to factors outside of the control of the Fund.

Charges for this Fund

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

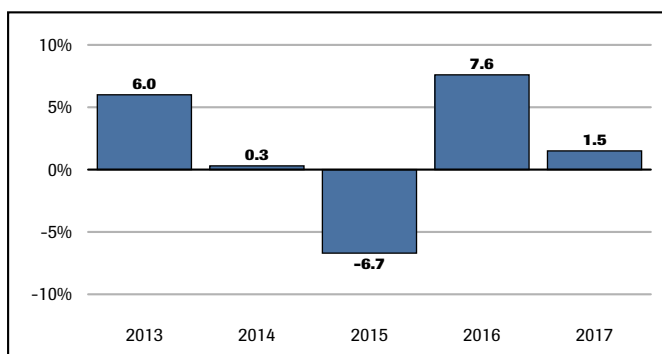
One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investments are paid out.	
Charges taken from the Fund over a year	
Ongoing charges	0.75%
Charges taken from the Fund under certain specific conditions	
Performance Fee	None

The **entry and exit charges** shown are the maximum figure that may be charged. Contact your Financial Intermediary for details regarding the actual entry and exit charges charged.

The **ongoing charges** figure is based on expenses for the year ended 31 December 2017, and is the sum of all annual charges and other payments taken from the assets of the Fund over that period. The ongoing charges figure also excludes portfolio transaction costs. The figure may vary from year to year.

For more information about charges, please see the sections “How to Purchase Shares” and “How to Redeem Shares” in the Company’s prospectus.

Past Performance



- Past performance is not a guide to nor a guarantee of future performance.
- Returns are calculated net of tax but do not include entry and exit charges.
- The Fund was launched in 1995. The Series commenced operations in December 2012.
- The currency in which past performance is calculated is pound sterling.

Practical Information

Umbrella Fund	Federated International Funds plc is an umbrella fund with segregated liability between its sub-funds. This means that the assets of the Fund are maintained separately from the assets of the other sub-funds.
Depository	BNY Mellon Trust Company (Ireland) Limited
Further Information	Further information about the Fund, series of shares or sub-funds (including the prospectus and the most recent annual or semi-annual reports of the Company) is available at BNY Mellon Fund Services (Ireland) Designated Activity Company, One Dockland Central, Guild Street, IFSC, Dublin 1, D01 E4X0 Ireland, in English, German, French, Finnish and Spanish, as applicable, and at fiml.federatedinvestors.com free of charge. Information on the remuneration policy of the Company is available at fiml.federatedinvestors.com . A paper copy of the policy is available free of charge upon request from the Administrator.
Prices of Shares	The latest sale and redemption prices are available at the office of the Manager and at fiml.federatedinvestors.com .
Tax	Irish tax legislation may have an impact on your personal tax position. For further details, please contact your tax adviser.
Responsibility of Manager	Federated International Management Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the Company.
Information Relating to Conversion	You can exchange shares in the Fund for shares in other sub-funds of Federated International Funds plc. An entry charge may apply for an exchange into another sub-fund. See the Prospectus for details.
Share Classes	Federated High Income Advantage Fund offers six series of shares: Class A Shares – USD ACC; Class A Shares – EUR ACC; Class I Shares – USD DIS; Class I Shares – EUR DIS; Class I Shares – GBP DIS; and Class A Shares – EUR DIS. This key investor information relates to Class I Shares – GBP DIS.

The Fund is a UCITS authorised in Ireland and regulated by the Central Bank of Ireland. Federated International Management Limited is authorised in Ireland and regulated by the Central Bank of Ireland. The key investor information is accurate as at 14 February 2018.