



August 10, 2017

Important Capital Preservation Fund Reminder

The Offering Circular for the Capital Preservation Fund (the “Fund”) was recently updated. The Fund is a collective investment fund maintained by Federated Investors Trust Company (FITC) for eligible employee benefit plans. The following information is being highlighted as a reminder of certain requirements associated with investing in the Fund:

1. **Delivery of Disclosure Documents:** Intermediaries shall deliver or cause to be delivered to each Participating Trust, at or prior to the purchase of any units and annually thereafter, a copy of the Fund’s disclosure documents which include the Offering Circular for the Capital Preservation Fund and Declaration of Trust.
2. **12-Month Notice for Employer-Initiated Withdrawals: Please be aware that employer-initiated liquidations from the Fund require 12-months advance written notice to the Trustee.**

Transfers resulting from employer initiated events are not considered participant directed exchanges and require 12-months advance written notice to the Trustee. Among other things, an employer-initiated event includes:

- a. The partial or complete termination of the Participating Trust (e.g. removing the Fund from a plan’s fund line-up; plan termination; etc.);
- b. The elimination of the Fund from the Participating Trust’s plan line-up or Intermediary’s platform;
- c. A termination of employment resulting from:
 - (i) The transfer or other change of employment from an employer to the parent, subsidiary or any company under common ownership or control with the employer;
 - (ii) Any change of employer as the result of a spin-off, sale or merger of any unit of the employer or Plan Sponsor;
 - (iii) Any termination of employment that, either in its own right, or as part of a series of terminations of employment, is a partial plan termination under Section 411(d)(3) of the Internal Revenue Code;
- d. The exclusion from coverage of a group of employees by the sponsor for the Participating Trust;
- e. The implementation of an early retirement program by the sponsor of the Participating Trust;
- f. Changes made to a Trustee approved asset allocation model or similar program;
- g. Transfers or redemptions resulting from employer initiated events are not considered

participant directed exchanges;

h. Any total withdrawal requests by a Participating Trust

To the extent that a fiduciary to a Participating Trust, or a consultant or recordkeeping agent retained by the Participating Trust, intentionally and specifically advises participants in writing to withdraw from the Fund, resulting withdrawal requests by participants will be considered to have resulted from an employer initiated event. The Trustee has absolute discretion to determine that a transfer is the result of an employer initiated event.

The Trustee may waive or reduce the 12-month notice requirement to the extent that the Trustee determines, in its sole discretion, that such waiver or reduction would not negatively impact the Fund or the Participating Trusts. In order for a waiver or reduction of the 12-month notice requirements, a request must be submitted, in writing, to obtain approval.

3. Qualified Participants: The Fund is exempt from federal income taxation and from registration with the Securities and Exchange Commission. In order to preserve these exemptions, the Fund may only accept assets of Qualified Participants which include:

- a. Certain employee benefit trusts exempt from federal income taxation under Code Section 501(a);
- b. Certain governmental plans or units described in Code Section 414(d), Code Section 457(b) and Code Section 818(a)(6);
- c. Certain church plans described in Code Section 414(e) that are either exempt from federal income taxation under Code Section 501 or described in Code Section 403(b)(9)
- d. Certain commingled trust funds exempt from federal income taxation under Code Section 501(a) which consist solely of the assets of eligible employee benefit plans and trusts; and
- e. Certain assets of insurance companies that are segregated in a separate account, provided that the assets in the separate account consist solely of assets of eligible employee benefit plans and trusts (each, a "Separate Account Plan").
- f. Qualified Participants also include any other pension plan, trust or other investment entity whose investment in the Fund would not jeopardize the Fund's tax exemption under Section 501(a) of the Code, its treatment as a group trust or its exemption from the registration requirement of the federal and state securities laws, as determined by the Trustee in its sole discretion.
- g. The Fund may be used in an asset allocation model program (e.g., target-risk and/or target-date) or similar program, offered by a Participating Trust, subject to the prior review and written approval of the Trustee which Trustee will make in its sole discretion.
- h. The Fund does not accept investments from defined benefit plans, individual retirement accounts (IRAs) or 403(b) plans, except as noted above. The Fund also does not accept investments from Keogh Plans (directly or through commingled funds or separate accounts).

Intermediaries, particularly those offering omnibus accounts, are required to determine the qualified status of each Participating Trust to ensure it meets the definition of a Qualified Participant as described in the Fund's Offering Circular and Declaration of Trust.

Please review the Offering Circular and Declaration of Trust documents at

FederatedInvestors.com. To access these documents from our homepage, locate the “Products” tab and select “Collective Investment Funds,” from the drop down menu. Once you agree to the “Qualified Investor Certification,” click on “All” under “Asset Class,” then select “Capital Preservation Fund.” These documents can be found under the “Literature” tab.

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