

Important Information

Initial Notification	November 30, 2015
Reminder Notification	January 8, 2016
Updated Notification	January 13, 2016

On November 11, 2015, the Board of Trustees of the Federated Prudent Bear Fund (the “Fund”) approved a 1-for-10 reverse share split of issued and outstanding shares for which Shareholder approval was not required.

Shareholders of record in the Fund at the close of business on February 5, 2016, will participate in the reverse share split. Please see the hypothetical example below:

Hypothetical Example	Pre-Reverse Split	Post-Reverse Split
Number of Shares Owned	2,500	250
NAV Per Share	\$2.12	\$21.20
Total Investment Value	\$5,300.00	\$5,300.00

After the reverse share split, the higher NAV is expected to help minimize share price volatility and to better reflect the Fund’s daily performance. The higher NAV will also be more consistent with other bear-market type funds.

The Fund’s CUSIP numbers will change as a result of the reverse share split, as shown below:

Fund	Share Class	Pre-Reverse Split CUSIP	Post-Reverse Split CUSIP	Fund Number
Federated Prudent Bear Fund	A	314172354	31421N709	409
Federated Prudent Bear Fund	C	314172347	31421N600	415
Federated Prudent Bear Fund	IS	314172339	31421N501	418

The Post-Reverse Split CUSIPs will be effective with the CUSIP Bureau after close of business on Friday, February 5, 2016. The Fund’s daily activity, NAV, and the reverse share split on Friday, February 5, will be processed using the Pre-Reverse Split CUSIP numbers. The Post-Reverse Split CUSIPs will be used beginning Monday, February 8, following the settlement of DCC&S trading activity and for all trading going forward. Please see below for the impact on trading.

DTCC Transactions

Date	Event
Monday, February 1, 2016	T+1 settlement will be effective for the Fund.
Saturday, February 6, 2016	DTCC Daily Activity Records (F55s) will be generated.
Monday, February 8, 2016	The Fund will return to T+3 settlement.

Dates subject to change

Note: Refresher files will be sent; however, due to the processing of the share split, files may be delayed. This does not apply to the networking refresher files.

Please refer to the [Supplement to the Prospectus](#), dated November 30, 2015, which is available at FederatedInvestors.com, for additional information regarding the reverse share split. If you have any questions, please contact your Federated Client Service Team.

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