

Federated Enhanced Treasury Income Fund  
Form SC 13D  
March 19, 2015

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549 SCHEDULE 13D

Under the Securities Exchange Act of 1934 Federated Enhanced Treasury Income Fund (FTT)

---

**(Name of Issuer)** Common Stock

---

**(Title of Class of Securities)** 314162108

---

**(CUSIP Number)** George W. Karpus, President  
Karpus Management, Inc.,  
d/b/a Karpus Investment Management  
183 Sully's Trail  
Pittsford, New York 14534  
(585) 586-4680

---

**(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)** March 19, 2015

---

Edgar Filing: Federated Enhanced Treasury Income Fund - Form SC 13D

**(Date of Event which Requires Filing of this Statement)** If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.  127

CUSIP No. 314162108

**1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).** Karpus Management, Inc., d/b/a Karpus Investment Management I.D. #16-1290558

**2. Check the Appropriate Box if a Member of a Group (See Instructions)**

- (a)  127
- (b)  32X

**3. SEC Use Only**

**4. Source of Funds (See Instructions)** AF

**5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)** N/A

**6. Citizenship or Place of Organization** New York

**Number of Shares Beneficially Owned by Each reporting Person With:**

**7. Sole Voting Power** 2,138,244 **8. Shared Voting Power** N/A **9. Sole Dispositive Power** 2,138,244 **10. Shared Dispositive Power** N/A

**11. Aggregate Amount Beneficially Owned by Each Reporting Person** 2,138,244

**12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)** N/A

**13. Percent of Class Represented by Amount in Row (11)** 24.64%

**14. Type of Reporting Person (See Instructions)** IA

**Item 1. Security and Issuer.**

Federated Enhanced Treasury Income Fund  
 Federated Investors Funds,  
 4000 Ericsson Drive,  
 Warrendale, PA 15086

**Item 2. Identity and Background.** (a) Karpus Management, Inc., d/b/a Karpus Investment Management (&#147KIM&#148), George W. Karpus, President, Director and controlling stockholder. (b) The address of KIM&#146s principal place of business and principal office is&#58 183 Sully&#146s Trail, Pittsford, New York 14534. (c) Principal business and occupation - Investment management for individuals, pension plans, profit sharing plans, corporations, endowments, trusts and others. (d) None of the Principals or KIM has been convicted in the past 5 years of any criminal proceeding (excluding traffic violations). (e) During the last 5 years none of the Principals or KIM has been a party to a civil proceeding as a result of which any of them is subject to a judgment, decree, or final order enjoining future violations of or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. (f) Each of the Principals is a United States citizen. KIM is a New York corporation. **Item 3. Source and Amount of Funds or Other Considerations.** KIM, an independent investment advisor, has accumulated 2,138,244 shares of Federated Enhanced Treasury Income Fund on behalf of accounts that are managed by KIM (the &#147Accounts&#148) under limited powers of attorney, which represents 24.64% of the outstanding shares. All funds that have been utilized in making such purchases are from such Accounts. **Item 4. Purpose of Transaction.** KIM has purchased Shares for the Accounts for investment purposes. However, KIM reserves the right to contact management with regard to concerns that they have with respect to the Fund. This may include letters to the Board and/or other communications with Fund management. Being an independent registered investment advisor, with a specialty focus in closed end funds, the profile of Federated Enhanced Treasury Income Fund fits the investment guidelines for various Accounts. Shares have been acquired since December 8, 2010. **Item 5. Interest in Securities of the Issuer.** (a) As of the date of this Report, KIM represents beneficial ownership of 2,138,244 shares or 24.64% of the outstanding shares. George W. Karpus presently owns 1,000 shares. Dana R. Consler presently owns 450 shares. Kathleen F. Crane presently owns 50 shares. Karpus Management Profit Sharing Plan presently owns 6,500 shares. Karpus Management Defined Benefit Plan presently owns 3,300 shares. None of the other principals of KIM presently own shares of Federated Enhanced Treasury Income Fund. (b) KIM has the sole power to dispose of and to vote all of such Shares under limited powers of attorney. (c) Open market transactions for the last 60 days for the Accounts. There have been no dispositions and no acquisitions, other than by such open market transactions:

Date Shares Price Per Share

1/23/2015	(250)	\$12.92
1/27/2015	(295)	\$12.94
1/30/2015	10	\$13.13
2/10/2015	(1,125)	\$13.00
2/11/2015	1,407	\$13.04
2/11/2015	(1,407)	\$13.02
2/12/2015	(25)	\$13.05
2/17/2015	(135)	\$13.00
2/26/2015	(50)	\$13.00
2/27/2015	10	\$13.00
3/2/2015	7,500	\$13.05
3/9/2015	42,275	\$12.99
3/9/2015	(1,300)	\$13.02

The Accounts have the right to receive all dividends from, and any proceeds from the sale of the Shares. None of the Accounts has an interest in Shares constituting more than 5% of the Shares outstanding. **Item 6. Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of the Issuer.** Except as described above, there are no contracts, arrangements, understandings or relationships of any kind among the Principals and KIM and between any of them and any other person with respect to any of Federated Enhanced Treasury Income Fund securities. **Item 7. Materials to be Filed as Exhibits.** As is indicated in Item 4, above, KIM has purchased Federated Enhanced Treasury Income Fund for the Accounts for investment purposes. However, KIM has reserved the right to contact management with regard to concerns that they have with respect to the Fund, including letters to the Board and/or other communications with fund management. Accordingly, KIM sent letters to the Fund, copies of which are attached.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

**Karpus Management, Inc.**

By: /s/  
 Name: Daniel Lippincott  
 Title: Senior Tax-Sensitive Manager  
 Date: March 19, 2015



**EXHIBIT 1**

**ADVANCED NOTICE OF SHAREHOLDER PROPOSAL FOR FEDERATED ENHANCED INCOME FUND**

The Depository Trust Company  
55 Water Street  
New York, New York 10041  
Attn: Proxy Department

Date: March 13, 2015

RE: Federated Enhanced Income Fund (NYSE: FTT)  
Common Shares, CUSIP 314162108  
U.S. Bank N.A. Participant account #2803

Gentlemen:

Please have your nominee, Cede & Co., sign the attached Demand with respect to submitting a shareholder proposal to be presented by Karpus Management, Inc., d/b/a Karpus Investment Management ("Karpus"), at the 2015 Annual Meeting of shareholders with respect to 900 shares of the above-referenced securities credited to our DTC Participant account on the date hereof. These shares have been retained in the referenced account since March 2011. The account currently owns the same and Karpus has indicated that it intends to hold the referenced shares through the date of the Federated Enhanced Income Trust's ("FTT" or the "Fund") next annual meeting of shareholders anticipated to be held in September 2015 (or any postponement or adjournment thereof).

In addition to acknowledging that this request is subject to the indemnification provided for in DTC Rule 6; the undersigned certifies to DTC and Cede & Co. that the information and facts set forth in the attached Demand are true and correct; including the number of shares credited to our DTC Participant account that are beneficially owned by our customer, Karpus.

Please Federal Express the signed Demand to:

U.S. Bank  
Attn: Sheldon Solbro  
60 Livingston Avenue  
St. Paul, MN 55107

Very truly yours,  
U.S. BANK N.A.

BY: \_\_\_\_\_  
NAME: Sheldon Solbro  
TITLE: Assistant Vice President

\_\_\_\_\_  
Medallion Stamp  
Enclosure

---

**EXHIBIT 2**

Cede & Co.  
c/o The Depository Trust Company  
55 Water Street  
New York, New York 10041

**VIA ELECTRONIC MAIL & FEDERAL EXPRESS** September 13, 2015

John W. McGonigle, Secretary  
Federated Enhanced Treasury Income Fund  
4000 Ericsson Drive  
Warrendale, Pennsylvania 15086-7561

**RE: Demand with respect to Submitting a Shareholder Proposal for the Federated Enhanced Income Fund ("FTT" or the "Fund"), CUSIP 314162108**

Mr. McGonigle:

Cede & Co., the nominee of The Depository Trust Company ("Cede & Co."), is a holder of record of shares of common stock (the "Common Shares"), of the Federated Enhanced Income Fund (the "Company", "Fund" or "FTT"). These shares are registered on the stock transfer books of the Company in the name of Cede & Co. Cede & Co. is informed by its Participant U.S. Bank N.A. (the "Participant"), that on the date hereof 900 Common Shares of the Company, CUSIP 314162108, which are credited to the Participant's account are beneficially owned by Karpus Management, Inc., d/b/a Karpus Investment Management ("Karpus").

Cede & Co.'s address is: c/o The Depository Trust Company, 55 Water Street, New York, NY 10041-0099.  
Participant U.S. Bank N.A.'s address is: U.S. Bank, c/o Sheldon Solbro, 60 Livingston Avenue, St. Paul, Minnesota 55107. Beneficial owner Karpus' address is: 183 Sully's Trail, Pittsford, New York 14534.

At the request of Participant, on behalf of Karpus, Cede & Co., as holder of record of Common Shares, is hereby submitting this notice (the "Notice") to the Company to submit the attached shareholder proposal pursuant to Rule 14a-8 of the Securities Exchange Act of 1934 (the "Proposal"), at the Company's 2015 Annual Meeting of Shareholders, and any postponement or adjournment thereof (the "Annual Meeting"), anticipated to be held in September 2015.

Cede & Co. has been informed by U.S. Bank that Karpus is seeking at the Annual Meeting to present the attached Proposal. Cede & Co. has also been informed by U.S. Bank that Karpus believes the Proposal, and all exhibits hereto, are proper matters for shareholder action and that Karpus intends to appear at the Meeting in person or by proxy to submit the business specified in this Notice. Cede & Co. has further been informed by U.S. Bank that Karpus is submitting the Proposal at the Meeting and in that regard Cede & Co. hereby submits the Proposal for presentation by Karpus at the Meeting.

Please advise both Karpus and Cede & Co. immediately if this Notice is deficient in any way or if any additional information is required so that we may promptly provide that information or cure any deficiency in a timely fashion.

While Cede & Co. is furnishing this Notice as the stockholder of record of the referenced Common Shares of the Company, it does so at the request of the Participant on behalf of Karpus and only as a nominal party for the true party in interest, Karpus. Cede & Co. has no interest in this matter other than to take those steps which are necessary to ensure that Karpus is not denied its rights as the owner of the Company's Common Shares, and Cede & Co. assumes no further responsibility in this matter.

Sincerely yours,

Cede & Co.

BY: \_\_\_\_\_  
Partner

**EXHIBIT 1**  
**Shareholder Proposal**

**BE IT RESOLVED**, that the Investment Management Agreement between the Federated Enhanced Income Fund ("FTT" or the "Fund") and Federated Investment Management Company (the "Adviser") shall be terminated.

**Supporting Statement**

FTT lists the Barclays U.S. Treasury Bond Index as its benchmark. Compared to this stated benchmark, the Fund's net asset value (or the full value of FTT's underlying assets minus the Fund's liabilities) has underperformed substantially since inception, as well as over 1 and 3 year time periods ending 12/31/2014.

In fact, on a 1 year basis, FTT has underperformed by 4.68%. And, on a 3 year basis and since inception (1/29/2010-12/31/2014), it has underperformed by 1.60% and 4.33%, respectively (Source: Bloomberg Finance, LP). Importantly, all of these figures are on an annualized basis. Clearly, this type of perpetual underperformance is not acceptable.

On top of this, throughout the end of 2014, the Fund has traded at an average discount of 8.5% despite the Board and Advisor recommending and implementing share repurchases, a managed distribution policy (which has been reduced), termination of the Fund's sub-adviser, a reduction in the management fee, and a change to the Fund's portfolio manager.

With the discount staying so wide, the only logical conclusion that can be drawn is that shareholders and the market have lost faith in the Adviser's ability to successfully manage the Fund, as well as the Board's ability to manage the Adviser. In fact, the results of last year's election show just that, where over 54% of votes cast (or just over 50% of the Fund's outstanding shares) withheld authority to vote for the Fund's Board nominees!

The Board and the Fund's Adviser have exhausted FTT's proverbial "bag of tricks" and we believe shareholders should be given an opportunity to realize the true value of their shares. While the Fund is likely to come up with a litany of arguments against our proposal, the simple fact of the matter is that the current Adviser has not been able to provide attractive, long-term performance for the Fund. Despite its best efforts, the Adviser has been given more than ample time to prove its value to FTT's shareholders and we believe it has fallen dramatically short of being able to do so.

It is clear that the time for change is now! If you agree and believe FTT should terminate its Investment Management Agreement with Federated Investment Management Company, please vote FOR this proposal.