



Federated

WORLD-CLASS INVESTMENT MANAGER[®]

FEDERATED INTERNATIONAL FUNDS PLC

(an umbrella fund with segregated liability between sub-funds)

COMBINED ANNUAL REPORT AND AUDITED ACCOUNTS

For the year ended December 31, 2009

NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY

Federated Short-Term U.S. Government Securities Fund

Federated Short-Term U.S. Treasury Securities Fund

Federated Short-Term U.S. Prime Fund

Federated Short-Term Euro Fund

Federated High Income Advantage Fund

Federated U.S. Bond Fund

Federated Kaufmann Growth Fund

Federated Market Opportunity Value Fund

Federated Strategic Value Equity Fund

Federated International Funds plc

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Background Information

Federated International Funds plc (the “**Company**”), an umbrella fund with segregated liability between sub-funds, is an investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Acts 1963 to 2005, Part 2 and 3 of the Investment Funds, Companies & Miscellaneous Provisions Act 2006 and the Companies (Amendment) Act 2009 (the “**Companies Acts**”), and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (the “**UCITS Regulations**”).

As of the date of this report, the sub-funds established by the Company are: Federated Short-Term U.S. Government Securities Fund; Federated Short-Term U.S. Treasury Securities Fund; Federated Short-Term U.S. Prime Fund; Federated Short-Term Euro Fund; Federated High Income Advantage Fund; Federated U.S. Bond Fund; Federated Kaufmann Growth Fund; Federated Market Opportunity Value Fund; and Federated Strategic Value Equity Fund (collectively, the “**Funds**” and each a “**Fund**”). Additionally, effective June 5, 2009, Federated MDT All Cap U.S. Stock Fund was approved by the Irish Financial Services Regulatory Authority (the “**Financial Regulator**”), however, no operations commenced during the 12-month reporting period.

The Company’s Articles of Association provide that shares (“**Shares**”) of any one Fund may be offered in any one or more series. As of the date of this report, classes of Shares and series of the Funds established are set forth below.

CLASSES AND SERIES

Federated Short-Term U.S. Government Securities Fund

Institutional Services-Dividend Series

Institutional Series

Investment-Dividend Series

Investment-Growth Series

Federated Short-Term U.S. Treasury Securities Fund

Institutional Series

Institutional Service Series

Federated Short-Term U.S. Prime Fund

Institutional Service Series

Institutional Series

Investment-Dividend Series

Institutional Services-Dividend Series

Accumulating Shares-Institutional Series

Federated Short-Term Euro Fund

Institutional Service Series

Institutional Series

Accumulating Shares-Institutional Service Series

Accumulating Shares-Institutional Series

Federated High Income Advantage Fund

U.S. Dollar Shares-Institutional Service Series

Euro Shares-Institutional Series

Federated U.S. Bond Fund

Euro Shares-Institutional Series

Federated Kaufmann Growth Fund

Class A (dis) Shares-USD

Class C (dis) Shares-USD

Federated Market Opportunity Value Fund

Class A (dis) Shares-USD

Class C (dis) Shares-USD

Federated Strategic Value Equity Fund

Class A (dis) Shares-USD

Class C (dis) Shares-USD

Each class of Shares was marketed during the 12-month reporting period.

With the prior approval of the Financial Regulator, the Company may from time to time establish additional funds and on prior notification to the Financial Regulator create additional series of classes.

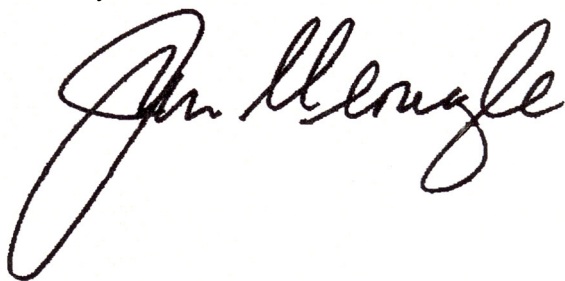
Chairman's Message

Dear Investor:

I am pleased to present the Annual Report to Shareholders of Federated International Funds plc. This report covers the 12-month period ended December 31, 2009. The Annual Report begins with overviews of the U.S. economy, European economy and an overview of the U.S. high yield market. Following the overviews are the Funds' Financial Statements, Portfolios of Investments and Statements of Significant Portfolio Changes.

We thank you for your confidence in the Company and the Funds as you pursue your financial goals, and we urge you to review this Annual Report carefully, including the economic overviews, which address the difficult global economic conditions existing during the reporting period.

Sincerely,



John W. McGonigle
Chairman

Directors

John W. McGonigle
Denis McAuley III
Michael Boyce
John Lyons
Ronan Walsh

Officers

John W. McGonigle
Chairman
C. Todd Gibson
Company Secretary
Bradwell Limited
Assistant Company Secretary

U.S. Economic Overview (for the twelve-month reporting period ended December 31, 2009)

U.S. Fixed Income Market

Investors remained nervous during much of the first quarter of 2009, and world financial markets were volatile and unsettled as worsening news about employment, housing, manufacturing and global trade and the severity of the recession sent stocks to new cycle lows. There was some shifting in investor sentiment toward quarter-end amid numerous reports that suggested the U.S. economy was in a bottoming process: home sales and construction rose; consumer spending was stronger than expected; and manufacturers saw orders pick up. On the policy front, the U.S. Congress approved and President Obama signed into law a U.S.\$787 billion fiscal stimulus package that was expected to start impacting the U.S. economy in the spring, and the U.S. Federal Reserve (the “Fed”) ramped up historic monetary stimulus measures by acting to buy longer-term U.S. Treasury securities and more than doubling its purchases of U.S. government agency-backed mortgage securities. Interest rates moved up across the yield curve during the quarter, with the bigger increases coming on the longer-term securities.

Risk taking returned to the marketplace in the second quarter of 2009 as investors, encouraged by signs that the economic downturn may be bottoming, ventured out of the haven of U.S. Treasury securities in search of better returns elsewhere. This shift came amid numerous economic reports indicating that the worst U.S. recession since the Great Depression was nearing an end. These included upticks in home sales and housing starts, a jump in consumer confidence and leading indicators, and a marked slowing in manufacturing’s contraction. The labour market also improved, though June’s weak unemployment report cast doubt about the timing and strength of a recovery that forecasters already expected to be sub-par. The improved outlook in the U.S. caused interest rates to rise significantly across the yield curve, ranging from about 31 basis points on two-year U.S. Treasury notes to 80 basis points on the 30-year U.S. Treasury bonds.

The third and fourth quarters of 2009 were strong for the financial markets, with very positive rates of return and price appreciation across most asset classes. Areas of the fixed-income market that may be considered sensitive to the economy, notably corporate and emerging market bonds, generated strong absolute returns and even stronger relative returns compared to the U.S. Treasury market. Yield spreads tightened between comparable-maturity U.S. Treasury securities and U.S. corporate bonds as the search for safety gave way to the desire for better returns.

The Fed, while effectively acknowledging a recovery was underway, appeared intent on doing its part to continue to promote growth by maintaining the federal funds target rate at virtually zero and supporting various lending and government securities markets. However, the Fed also said it would allow various emergency liquidity facilities to expire, continuing the process of beginning to remove the extraordinary measures adopted to prop up the economy at the height of the global financial crisis. The Fed’s actions and the broadening recovery caused yield spreads between corporate and comparable-maturity U.S. Treasury securities to narrow.

In the above environment, the U.S. bond market with the exception of Treasuries experienced positive returns. For the 12-month reporting period, the broad U.S. bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index, gained 5.93%. Sector returns, in descending order, were: commercial mortgage-backed 28.45%; asset-backed 24.72%; investment grade credit 16.04%; mortgage-backed 5.89%; agencies 1.53%; and Treasuries -3.57%.

U.S. Economic Overview (for the twelve-month reporting period ended December 31, 2009)

U.S. Equity Market

The stock market as a whole posted significant positive returns during the reporting period ended December 31, 2009, but it was a tale of two markets. The financial market crisis intensified in late 2008 and early 2009, with the stress spilling into the non-financial sectors of the economy, including the consumer sector. The year 2009 started with global economies falling further into recession. Equity markets hit record high levels of volatility and suffered significant losses. In response, governments around the world coordinated efforts on interest rate cuts and implemented a variety of capital- and financial-guarantee programs aimed at restoring the functioning of credit markets. The Fed lowered the federal funds target rate to a historic low, a range between 0% and 0.25%. Economies across the world continued to slow as credit contracted. In response to the credit crisis, many countries continued to cut their discount rates.

Equity indexes declined during the first two months of 2009, then rose in March but remained net negative for the first quarter. Mounting evidence of a bottoming in economic activity appeared during the last several weeks of the quarter as housing sales and starts exceeded muted expectations and a steep plunge in inventories indicated an inevitable restocking. Commodity prices remained steady and emerging market currencies rebounded. Cash balances at commercial banks crested and fell, suggesting lending activity had revived. By the end of the first quarter the U.S. government's Troubled Assets Relief Program, as well as a number of other programs, began strengthening the capital structure of the financial system. Consumer spending rose, jobless insurance claims leveled off, and durable goods orders increased. The Standard & Poor's 500 Index bottomed in March and began a 63%-plus rally to the end of the reporting period.

The second quarter of 2009 saw a strong run-up in equities early on, and investors anticipated a near-term end to the recession, but a decline in June showed the market beginning to doubt the strength and immediacy of the economic rebound. The consumer sector, representing 70% of gross domestic product, was still under pressure. With

unemployment at 9.5% and rising and real estate values continuing to decline, consumers were pressured to hold back on spending and increase saving.

By mid-year, positive data on productivity, corporate profits and trade appeared, indicating there was light at the end of the tunnel, and the stock market continued its strong advance in the third quarter. The decline in home prices slowed and single-family housing starts rose. A first-time home buyers credit and the "cash for clunkers" program in the U.S. Automobile industry contributed to the optimism. Many stimulus and rescue efforts increased access to capital and benefitted the most distressed companies disproportionately. Economic reports improved as government stimulus measures helped third-quarter gross domestic product rise by 2.2%.

Economic indicators began to show signs of stabilisation, and in some cases improvement, in the fourth quarter of 2009. The Factory sector began to build inventories and consumer spending rose. The end of the period saw an unprecedented upswing in global growth that was much stronger than the two previous post-recession periods, as evidenced by positive economic data on industrial production, increases in consumer net worth and income, and increases in retail sales. Emerging market nations appeared poised for fast growth, and commodities in particular had another strong quarter. The year ended with 10% unemployment and a bottoming of the U.S. real estate market, but the market maintained its upward trajectory and the S&P 500 Index ended the entire reporting period with a return of 26.46% and the major equity indices capped their best year in the last six years.

U.S. Economic Overview (for the twelve-month reporting period ended December 31, 2009)

High Yield Market

The high yield market staged a spectacular rally during the 12-month period ended December 31, 2009. This rally started from severely depressed levels brought about by global financial deterioration which led to the worst recession in the post-World War II era. Despite rising default rates and very weak economic growth in the first half of 2009, the high yield market bottomed in mid-December 2008, then moved aggressively higher, discounting near-term economic weakness and looking forward to rebounding economic growth in the second half of 2009. Unprecedented global fiscal and monetary policy stimuli, coupled with worldwide government intervention to stabilise financial institutions, was the primary driver of economic recovery and high-yield performance. For the overall period, the Barclays Capital High Yield 2% Issuer Constrained Index ("**BCHY2%ICI**") returned 58.76% compared to 5.93% for the Barclays Capital U.S. Aggregate Bond Index, a measure of high-quality bond performance. Indicative of this substantial outperformance by the BCHY2%ICI was the decline in yield spreads between high-yield bonds and U.S. Treasuries. For example, the spread between the Credit Suisse High Yield Bond Index and comparable U.S. Treasuries declined from 17.06% on December 31, 2008 to 6.34% on December 31, 2009.

Within the high-yield market during the reporting period, major industry sectors that substantially outperformed the BCHY2%ICI included Financial Institutions, Services, Technology, Retail, Chemicals and Automotive. Despite substantial absolute returns, the Electric Utility, Food and Beverage, Packaging, Aerospace and Defense, Healthcare and Natural Gas Utility sectors underperformed the BCHY2%ICI. From a ratings quality perspective, the CCC-rated sector of the BCHY2%ICI returned 95.28%, outdistancing the BB-rated sector which returned 45.88% and the B-rated sector which returned 44.83%.

U.S. Economic Overview (for the twelve-month reporting period ended December 31, 2009)

Federated U.S. Bond Fund

The investment objective of the fund is to achieve capital appreciation.

In its efforts to outperform its benchmark index, the Barclays Capital Aggregate Index (hedged into euro), the fund invests in a portfolio of U.S. investment grade debt securities hedged into euro.

The fund's return of 8.02% outperformed the 5.87% return of its benchmark for the year ended December 31, 2009. The primary driver of performance for the year was sector allocation, specifically the fund's overweights to spread product, including credit rated A and BBB. Security selection also helped performance, specifically the fund's allocations to Treasury Inflation Protection Securities and to commercial mortgage-backed securities. Yield curve positioning was a modest positive during the year, and duration was a modest negative, as the portfolio duration was actively managed on either side of neutral.

At the end of 2009, the fund's portfolio was short of its benchmark duration, expecting interest rates to trend higher in 2010. Driven by valuation and fundamental credit improvement, current sector strategy is overweight investment-grade credit and commercial mortgage-backed securities, and underweight mortgage-backed securities, U.S. government agencies and U.S. Treasuries.

Federated Short-Term U.S. Government Securities Fund

The investment objective of the fund is to achieve current income while maintaining stability of principal and liquidity.

While data suggested that an economic recovery was underway, the U.S. Federal Reserve continued its effort to promote economic growth by maintaining the federal funds target rate within a range of 0% and 0.25% and supporting various lending and government securities markets. The fund's average maturity target range remained unchanged at 45 to 55 days throughout 2009, but portfolio composition changes were fairly significant. At year-end 2009, holdings of overnight repurchase agreements were increased to 41% of the portfolio from 32% at year-end 2008. Term repurchase agreements were reduced, but the average maturity of those term holdings was lengthened. The fund's position in floating rate securities was reduced from 28% of the fund to 16%, reflecting fund management's belief that rates were to remain very low into the foreseeable future. The remainder of the fund's assets were invested in discount and fixed rate agency securities.

In light of the historically low short-term interest rate environment for money market fund instruments held during 2009, the Manager, on behalf of the Federated Short-Term U.S. Government Securities Fund, voluntarily reimbursed other operating expenses for the Fund in the amount of \$6,618,883. However, there can be no assurance that the level of reimbursements reflected in the Statement of Operations will be maintained in the future.

Investment Reviews (for the twelve-month reporting period ended December 31, 2009)

Federated Short-Term U.S. Treasury Securities Fund

The investment objective of the fund is to achieve current income while maintaining stability of principal and liquidity.

Throughout 2009, portfolio management remained conservative because of the fund's concentrated client base and the lack of investment opportunities in the U.S. Treasury market. From a relative value perspective, U.S. Treasury securities eligible for purchase by the fund remained very expensive. As a result, the fund maintained large overnight repurchase agreement holdings throughout the year. At the end of the reporting period, 77% of the fund was invested in overnight and very short-term repurchase agreements. The fund's average maturity target range remained at 20 to 30 days throughout 2009. The remainder of the portfolio was invested in U.S. Treasury notes and bills with an average maturity of approximately three months. The fund's management attempts to define a core asset base for the fund and manage this portion to the defined target maturity range; however, overall average maturity of the portfolio typically falls well below the target range because of cash flow volatility.

In light of the historically low short-term interest rate environment for money market fund instruments held during 2009, the Manager, on behalf of the Federated Short-Term U.S. Treasury Securities Fund, voluntarily reimbursed other operating expenses for the Fund in the amounts of \$2,172,807. However, there can be no assurance that the level of reimbursements reflected in the Statement of Operations will be maintained in the future.

Federated Short-Term U.S. Prime Fund

The investment objective of the fund is to achieve current income while maintaining stability of principal and liquidity.

During 2009, the fund maintained its weighted average maturity target range as the U.S. Federal Reserve maintained the federal funds target rate in the unprecedented 0% to 0.25% range. The fund remained heavily weighted in the Asset-backed and Financial Services sectors from an issuer perspective. Overall credit performance for the fund was comparatively excellent in a market that had more than historic volatility.

In light of the historically low short-term interest rate environment for money market fund instruments held during 2009, the Manager, on behalf of the Federated Short-Term U.S. Prime Fund, voluntarily reimbursed other operating expenses for the Fund in the amount of \$2,583,748. However, there can be no assurance that the level of reimbursements reflected in the Statement of Operations will be maintained in the future.

Investment Reviews (for the twelve-month reporting period ended December 31, 2009)

Federated High Income Advantage Fund

The investment objective of the fund is to provide high current income.

The fund's total return, based on net asset value, for the 12-month reporting period ended December 31, 2009 was 52.43%. The total return of the Barclays Capital U.S. High Yield 2% Issuer Constrained Index ("BCHY2%ICI"), a broad-based securities market index, was 58.76%. The fund's total return for the most recently completed fiscal year reflected actual cash flows, transaction costs and other expenses which were not reflected in the total return of the BCHY2%ICI.

Two main factors led to the fund's underperformance versus the BCHY2%ICI. First, the fund was underweight in the Financial Institutions sector, which returned 105.8% during the period. Financial Institutions has historically been a relatively small sector of the high-yield market. Given the distress in the financial industry in 2008 and 2009, the sector expanded rapidly in size as distressed issuers were downgraded into the high yield category entering the benchmark at relatively low dollar prices. Many of these financial institutions subsequently benefitted from government intervention which caused their bond prices to rise substantially. Second, the fund, while overweight the strong performing CCC-rated sector, generally had more exposure to lower-yielding CCC-rated securities versus the higher-yielding distressed sector of the CCC-rated universe which exhibited the strongest performance. This was especially true in the Chemical, Gaming, Energy and Wireline Telecommunications industry sectors. The fund was also negatively impacted by overweights to more conservative industry sectors such as Aerospace/Defense, Healthcare, Industrial-Other and Food and Beverage. Specific fund holdings that substantially underperformed the BCHY2%ICI included Eurofresh, a greenhouse tomato producer; Aleris International, an aluminum fabricator; World Directories, a publisher of print and online directories; Fairpoint Communications, a provider of communications services in rural areas; and Panolam Industries, a manufacturer of decorative laminates.

During the reporting period, the fund benefited from strong security selection in the Healthcare, Food and Beverage and Aerospace/Defense sectors which helped to offset overweights in these more defensive underperforming sectors. The fund also experienced strong security selection in the Services and Media Cable sectors. The fund benefited from underweights in the weak performing Electric Utility, Wireline Telecommunications and Energy sectors, and an overweight in the strong performing Technology sector. Specific fund holdings that substantially outperformed the BCHY2%ICI included Pilgrim's Pride Corp., a producer of fresh and prepared chicken products; Univision Television Group, a Spanish language television network; Nuveen Investments; XM Satellite Radio; Open Solutions, a provider of e-business solutions to financial institutions; Freescale Semiconductor, a supplier of microprocessors used in automotive, consumer, networking and wireless applications; and Unisys Corp., a developer of information technology systems.

Investment Reviews (for the twelve-month reporting period ended December 31, 2009)

Federated Kaufmann Growth Fund

The investment objective of the fund is to provide capital appreciation.

The fund's Class A (dis) Shares-USD returned 28.09% for the reporting period ended December 31, 2009. The fund's benchmark index, the Russell Midcap[®] Growth Index, had a total return of 46.29% for the same period. The fund's total return for the reporting period reflected transaction costs and other expenses which were not reflected in the total return of the Russell Midcap[®] Growth Index.

The fund's performance was driven by bottom-up stock selection and sector weightings. Six out of the top 10 contributing companies across multiple sectors each returned over 100% during the reporting period. Specifically, Hypermarcas (+302%); Lee & Man Paper Manufacturing (+435%); Ford Motor Company (+102%); Goldman Sachs (+103%); Nine Dragons Paper (+467%); and Endologix (+340%) all contributed strongly to performance. In addition, Dresser-Rand Group (+83%); Warner Chilcott (+96%); Mastercard (+80%) and Chimera Investment Corp. (+26%) were among the portfolio's top 10 contributing companies.

Six of the 10 laggard companies declined more than 20%. Specifically, General Electric (-37%); Osi Pharmaceuticals (-21%); AMR Corp. (-79%); Progenics Pharmaceutical (-57%); Isis Pharmaceutical (-22%); and Merck & Co. (-22%) all detracted from performance. Additional laggards included Wells Fargo (-6%); Bank America Corp. (-13%); Alkermes (-12%); and Loews Corp. (-13%). While it is interesting to know how specific stocks performed during the reporting period, the success of such holdings remain unknown until they are sold, typically over longer periods.

The higher-than-average level of cash during the year significantly hurt the fund's performance. In addition, the sector exposures that resulted from fund management's bottom-up investment process may provide some additional insight into the relative performance of the fund. The fund's underweighting in the Information Technology sector and overweighting in the Financials sectors hurt performance and the fund's overweighting in the Consumer Staples sector relative to the benchmark helped performance.

Investment Reviews (for the twelve-month reporting period ended December 31, 2009)

Federated Market Opportunity Value Fund

The investment objective of the fund is to seek moderate capital appreciation and high current income.

The fund's total return, based on net asset value, for the 12-month reporting period ended December 31, 2009, was -1.58%. The total return for the fund's market benchmark index, comprising 70% Russell 3000® Value Index / 30% Merrill Lynch 91-Day Treasury Bill Index, was 14.39% for the reporting period. The fund's total return reflected transaction costs, and other expenses which were not reflected in the total return of the index.

After the initial equity market collapse in the early part of the year, valuations on stocks appeared much more compelling, and the fund's management substantially increased the fund's equity holdings. This increased exposure to the stock market and generated solid gains for the portfolio.

As the sharp rebound in stock prices advanced later in the fiscal year, the fund's management reduced the fund's net exposure to the stock market and eventually took a net short position around the middle of the fiscal year, in anticipation of a decline in stock prices. The history of stock market bubbles, and stock market valuations in general, supported a highly risk-averse environment and led to this shift in strategy. With economic and financial conditions still precarious in fund management's assessment, there was substantial fundamental support for this strategy. Since stock prices continued to rise sharply into the end of the fiscal year, however, this negative (short) position relative to stock prices resulted in losses to the portfolio.

Investment Reviews (for the twelve-month reporting period ended December 31, 2009)

Federated Strategic Value Equity Fund

The investment objective of the fund is to achieve income and long-term capital appreciation.

The calendar year 2009 was a challenging environment for an equity income strategy as the U.S. marked the bottom of the longest recession in the post-World War II era and endured a low-quality post-recession rally. Over the course of the year, the stock market was buffeted by multiple head winds as almost every major indicator trended downward, from retail sales and industrial production to record lows for home sales, home prices and home building. On the employment front, the jobless rate hit a 26-year high, fueled by the worst job losses in decades. Attempting to stem further declines were the nearly U.S.\$1trillion in financial stimulus and the U.S. government's intervention into numerous failing financial institutions. Investor focus shifted from relief over avoiding economic Armageddon to debate about the strength and timing of a recovery. The reality is, despite a stock market rally that added more than U.S.\$1 trillion to household net worth in the second quarter of 2009, households ended the year still down some U.S.\$11 trillion from the collapse in stock and home prices and household debt was a near-record 122% of disposable income. It is difficult to envision a suddenly robust consumer under these weighty yokes. Further, without adequate consumer participation, it is difficult to envision an upside-surprise recovery.

The fund's Class A (dis) Shares-USD produced a total return of 9.70%, based on net asset value. The total returns of the Dow Jones Select Dividend Index and the S&P 500 Index were 11.13% and 26.46%, respectively. The fund continued its focus on companies that offer high yield, the potential for dividend growth, and attractive valuations. To this end, the fund finished the reporting period with a weighted median 5.0% yield. This compared to a 3.8% yield for the Dow Jones Select Dividend Index, and a 1.7% for the S&P 500 Index. Though the widespread dividend declines in the marketplace impaired the fund's overall dividend growth profile, the portfolio still benefited from 30 dividend increases and only three dividend cuts during the reporting period. Underperformance to the S&P 500 Index was driven by the market's preferences in the post-recession rally. Following the bounce off the market bottom in early March 2009, investors favoured features contrary to fund management's style, including low yield, high beta, small caps, and the lowest quality stocks. Relative to the Dow Jones Select Dividend Index, the fund benefited notably from its comparative avoidance of the Financials sector, the worst performing sector in the Dow Jones Select Dividend Index. The fund realised further gains from an overweight position in Consumer Staples, the second-best performing sector in the Dow Jones Select Dividend Index. Positive stock selection within the Energy sector was noted as fund holdings Chevron, BP Amoco and Total posted returns notably higher than the benchmark's Energy return. Areas of weakness included the fund's underweight positions in the outperforming Materials, Industrials and Consumer Discretionary sectors. The fund's management continues to find little opportunity in these sectors to meet the specific objectives of the strategy.

Euro Market Economic Overview and Investment Review

(for the twelve-month reporting period ended December 31, 2009)

European Market

The first quarter of 2009 began with a continuation of the severe global recession. As the year progressed, global economic growth stabilised as the unprecedented fiscal and monetary policy stimulus measures had their desired effect and the world began to see signs of a healthy, yet moderate, economic recovery. As the recovery progressed, European economic data remained mixed with some indicators—notably employment data—pointing to further deterioration in the economy and other data showing stabilisation and some showing improvements in economic activity. The European Central Bank (“ECB”) maintained the repo rate at 1% and made no indications that it would change the current accommodative monetary policy anytime soon. The ECB’s last assessment of economic conditions in the eurozone in 2009 included the following observations: “medium to longer-term inflation expectations remain firmly anchored in line with the Governing Council’s aim of keeping inflation rates below, but close to, 2% over the medium term...”

Federated Short-Term Euro Fund— Investment Review

The investment objective of the fund is to achieve current income while maintaining stability of principal and liquidity.

In an extremely volatile 2009 environment, the fund’s portfolio was positioned more conservatively. Portfolio credit quality remained conservative and most investments were in bank instruments and overnight securities. Over the reporting period, the fund maintained its AAA rating by Standard & Poor’s, the highest rating available for a money market fund.

In light of the historically low short-term interest rate environment for money market fund instruments held during 2009, the Manager, on behalf of the Federated Short-Term Euro Fund, voluntarily reimbursed other operating expenses for the Fund in the amount of €21,169. However, there can be no assurance that the level of reimbursements reflected in the Statement of Operations will be maintained in the future.

Directors' Report

1. Date of Incorporation

The Company was incorporated on December 31, 1990, under registration number 168193, and commenced business on January 14, 1991. The first public investment in Federated Short-Term U.S. Government Securities Fund occurred on June 4, 1991.

2. Principal Activities

The Company has been approved by the Financial Regulator as an undertaking for collective investment in transferable securities and has been established pursuant to the Companies Acts and the UCITS Regulations. The Company is an umbrella fund with segregated liability between sub-funds. As of the date of this report, the Company has 10 sub-funds in respect of which 25 series of Shares are established.

3. Business Review

The business of the Company is reviewed in detail in the Investment Reviews on pages 5-14. The Company intends to continue promoting and generating interest in its business in the future.

4. Results

The results for the year ended December 31, 2009 are stated on pages 17-27 of the Financial Statements.

5. Dividends

The dividend policy for the Funds is detailed in Note 5 on page 37.

6. Future Prospects

The Company continues to seek new distribution channels and markets for its products. In addition, the Company has broadened its fund offerings and will continue to evaluate potential new products, including new funds and share classes, as opportunities arise.

7. Directors

The Directors of the Company for the year ended December 31, 2009 are:

John W. McGonigle
Denis McAuley III
Michael Boyce
John Lyons
Ronan Walsh

All five Directors are also directors of Federated International Management Limited (the "**Manager**"), the manager of the Company.

John W. McGonigle is a director of Federated Administrative Services, Inc. ("**FASI**") (which provides operational support services to the Manager), and is Vice Chairman, Executive Vice President and Chief Legal Officer of Federated Investors, Inc. ("**Federated**"). Denis McAuley III serves as a Vice President and Principal Accounting Officer of Federated, Assistant Treasurer of Federated Investment Counseling ("**FIC**") (which provides investment management services to the Manager), and Senior Vice President and Treasurer of FASI. Federated is the ultimate parent company of the Manager, FIC and FASI.

8. Directors' and Secretary's Interests

None of the Directors nor the Secretary of the Company had any interest in the share capital of the Company during the year. Two Directors, John Lyons and Ronan Walsh, each hold one subscriber share in the Company in trust for the Manager.

9. Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and generally accepted accounting practice in Ireland. Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Acts and the UCITS Regulations. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

10. Books of Account

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the Company. To achieve this, the Directors have appointed experienced fund administrators, J.P. Morgan Administration Services (Ireland) Limited for the period January 1 through May 31, 2009, and BNY Mellon Fund Services (Ireland) Limited for the period thereafter beginning June 1, 2009 (the "**Administrator**"), to ensure that the requirements of Section 202 of the Companies Act, 1990, are complied with.

As at December 31, 2009, these books and records are maintained at the Administrator's office at Guild House, Guild Street, International Financial Services Centre, Dublin 1, Ireland.

11. Segregated Liability

The Company is an umbrella fund with segregated liability between sub-funds and under Irish law the Company will not be subject to cross liability between the sub-funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated liability between the sub-funds would be upheld.

12. Auditors

The Company's auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with section 160 (2) of the Companies Act, 1963.

13. Prospectus

As at December 31, 2009, the current prospectus for the Company and its sub-funds is that issued and dated June 5, 2009.

14. Review of development of the business and future developments

A detailed review of the business and future developments is included in the Investment Reviews.

15. Risk Management Objectives and Policies

Details of certain of the investment risks of the Company are listed in Note 12 ("*Risks Associated with Financial Instruments*"), including market risk, price risk, interest rate risk, credit risk, liquidity risk and currency risk. In order to manage such risks, the Company shall comply with the investment restrictions and diversification limits provided for in the full prospectus, as well as in the UCITS Regulations.

Signed on behalf of the Board of Directors:



Director



Director

Date: April 22, 2010

Federated International Funds plc

STATEMENT OF OPERATIONS

For the years ended December 31, 2009 and 2008

	Federated Short-Term U.S. Government Securities Fund 2009 US\$	Federated Short-Term U.S. Government Securities Fund 2008 US\$	Federated Short-Term U.S. Treasury Securities Fund 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund 2008 US\$	Federated Short-Term U.S. Prime Fund 2009 US\$	Federated Short-Term U.S. Prime Fund 2008 US\$
INCOME—CONTINUING OPERATIONS						
Interest & Dividend Income	22,537,042	75,623,214	5,768,412	22,435,626	32,557,898	161,377,424
NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:						
Net Realised Gain/(Loss) on Investments	—	—	—	—	—	—
Net Unrealised Gain/(Loss) on Investments	—	—	—	—	—	—
	<u>22,537,042</u>	<u>75,623,214</u>	<u>5,768,412</u>	<u>22,435,626</u>	<u>32,557,898</u>	<u>161,377,424</u>
EXPENSES—CONTINUING OPERATIONS						
Management Fees	(43,273,299)	(31,485,193)	(20,732,048)	(15,747,045)	(57,144,123)	(58,066,564)
Fund Accounting Fees	(589,773)	(462,694)	(299,422)	(284,533)	(803,599)	(983,722)
Transfer Agency Fees	(170,875)	(168,209)	(86,239)	(79,627)	(170,007)	(200,732)
Custodian Fees	(162,959)	(150,789)	(66,624)	(39,265)	(190,940)	(269,724)
Trustee Fees	(452,142)	(472,236)	(239,806)	(236,185)	(602,322)	(870,922)
Directors' Fees	(7,480)	(2,244)	(7,480)	(2,244)	(7,516)	(2,243)
Auditors' Remuneration	(41,556)	(29,632)	(37,872)	(25,948)	(43,515)	(26,596)
Legal Fees	(89,836)	(51,666)	(89,836)	(51,748)	(124,710)	(61,174)
Other Expenses	(181,038)	(140,288)	(87,915)	(91,138)	(224,967)	(185,119)
	<u>(44,968,958)</u>	<u>(32,962,951)</u>	<u>(21,647,242)</u>	<u>(16,557,733)</u>	<u>(59,311,699)</u>	<u>(60,666,796)</u>
Waiver of Management Fee (Note 15)	24,225,778	15,321,242	14,802,349	9,782,358	40,736,018	41,542,381
Reimbursement of Other Expenditures (Note 15)	6,618,883	—	2,172,807	31,073	2,583,748	—
	<u>(14,124,297)</u>	<u>(17,641,709)</u>	<u>(4,672,086)</u>	<u>(6,744,302)</u>	<u>(15,991,933)</u>	<u>(19,124,415)</u>
NET OPERATING EXPENSES BEFORE FINANCE COSTS						
	<u>8,412,745</u>	<u>57,981,505</u>	<u>1,096,326</u>	<u>15,691,324</u>	<u>16,565,965</u>	<u>142,253,009</u>
NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS						
	<u>8,412,745</u>	<u>57,981,505</u>	<u>1,096,326</u>	<u>15,691,324</u>	<u>16,565,965</u>	<u>142,253,009</u>
Finance Costs						
Distribution to Shareholders	(8,412,176)	(57,977,203)	(1,089,677)	(15,691,324)	(16,400,476)	(141,854,419)
	<u>(8,412,176)</u>	<u>(57,977,203)</u>	<u>(1,089,677)</u>	<u>(15,691,324)</u>	<u>(16,400,476)</u>	<u>(141,854,419)</u>
NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS	<u>569</u>	<u>4,302</u>	<u>6,649</u>	<u>—</u>	<u>165,489</u>	<u>398,590</u>

Federated International Funds plc

STATEMENT OF OPERATIONS

For the years ended December 31, 2009 and 2008

	Federated Short-Term Euro Fund 2009	Federated Short-Term Euro Fund 2008	Federated High Income Advantage Fund 2009	Federated High Income Advantage Fund 2008	Federated U.S. Bond Fund 2009	Federated U.S. Bond Fund 2008	Federated Kaufmann Growth Fund 2009	Federated Kaufmann Growth Fund 2008
	Euro (€)	Euro (€)	US\$	US\$	Euro (€)	Euro (€)	US\$	US\$
INCOME—CONTINUING OPERATIONS								
Interest & Dividend Income	2,050,618	10,984,962	2,657,247	2,567,237	128,116	300,994	24,609	23,274
NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:								
Net Realised Gain/(Loss) on Investments	—	—	(1,408,342)	(659,477)	506,835	(857,674)	(285,471)	(419,839)
Net Unrealised Gain/(Loss) on Investments	—	—	9,220,625	(8,876,519)	(443,383)	745,083	743,010	(726,684)
	<u>2,050,618</u>	<u>10,984,962</u>	<u>10,469,530</u>	<u>(6,968,759)</u>	<u>191,568</u>	<u>188,403</u>	<u>482,148</u>	<u>(1,123,249)</u>
EXPENSES—CONTINUING OPERATIONS								
Management Fees	(2,830,673)	(2,635,197)	(248,000)	(265,550)	(30,254)	(59,141)	(34,731)	(43,366)
Fund Accounting Fees	(37,710)	(49,270)	(4,099)	(5,706)	(3,077)	(1,745)	(1,417)	(3,411)
Transfer Agency Fees	(38,784)	(64,734)	(50,548)	(71,183)	(12,470)	(12,922)	(35,302)	(54,372)
Custodian Fees	(25,223)	(73,484)	(15,522)	(33,917)	(9,622)	(8,626)	(75,957)	(126,494)
Trustee Fees	(29,273)	(39,528)	(2,444)	(3,983)	(338)	(887)	(170)	(325)
Directors' Fees	(5,618)	(1,600)	(7,516)	(2,244)	(5,586)	(1,613)	(7,517)	(2,849)
Auditors' Remuneration	(27,607)	(13,364)	(34,498)	(16,247)	(23,332)	(9,179)	(40,701)	(34,456)
Legal Fees	(59,231)	(36,331)	(87,432)	(51,735)	(53,914)	(34,250)	(75,408)	(47,437)
Other Expenses	(69,823)	(82,420)	(67,643)	(78,204)	(35,935)	(29,589)	(61,374)	(59,107)
	<u>(3,123,942)</u>	<u>(2,995,928)</u>	<u>(517,702)</u>	<u>(528,769)</u>	<u>(174,528)</u>	<u>(157,952)</u>	<u>(332,577)</u>	<u>(371,817)</u>
Waiver of Management Fee (Note 15)	2,432,219	2,392,568	232,928	257,889	30,254	59,141	34,731	43,366
Reimbursement of Other Expenditures (Note 15)	<u>21,169</u>	<u>—</u>	<u>29,483</u>	<u>—</u>	<u>125,974</u>	<u>63,037</u>	<u>263,194</u>	<u>283,832</u>
NET OPERATING EXPENSES BEFORE FINANCE COSTS	<u>(670,554)</u>	<u>(603,360)</u>	<u>(255,291)</u>	<u>(270,880)</u>	<u>(18,300)</u>	<u>(35,774)</u>	<u>(34,652)</u>	<u>(44,619)</u>
NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS	<u>1,380,064</u>	<u>10,381,602</u>	<u>10,214,239</u>	<u>(7,239,639)</u>	<u>173,268</u>	<u>152,629</u>	<u>447,496</u>	<u>(1,167,868)</u>
Finance Costs								
Distribution to Shareholders	<u>(1,380,443)</u>	<u>(10,242,826)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS	<u>(379)</u>	<u>138,776</u>	<u>10,214,239</u>	<u>(7,239,639)</u>	<u>173,268</u>	<u>152,629</u>	<u>447,496</u>	<u>(1,167,868)</u>

Federated International Funds plc

STATEMENT OF OPERATIONS

For the years ended December 31, 2009 and 2008

	Federated Market Opportunity Value Fund 2009 US\$	Federated Market Opportunity Value Fund 2008 US\$	Federated Strategic Value Equity Fund 2009 US\$	Federated Strategic Value Equity Fund 2008 US\$	Total Year Ended December 31, 2009 US\$	Total Year Ended December 31, 2008 US\$
INCOME—CONTINUING OPERATIONS						
Interest & Dividend Income	8,935	23,238	19,299	37,512	66,693,448	278,599,531
NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:						
Net Realised Gain/(Loss) on Investments	(53,464)	(21,739)	(65,908)	(276,573)	(1,087,384)	(2,632,455)
Net Unrealised Gain/(Loss) on Investments	41,829	(33,040)	83,981	(47,055)	9,454,509	(8,593,199)
	<u>(2,700)</u>	<u>(31,541)</u>	<u>37,372</u>	<u>(286,116)</u>	<u>75,060,573</u>	<u>267,373,877</u>
EXPENSES—CONTINUING OPERATIONS						
Management Fees	(13,809)	(13,336)	(4,075)	(9,169)	(125,547,010)	(109,572,195)
Fund Accounting Fees	(1,368)	(3,181)	(1,255)	(3,072)	(1,759,341)	(1,820,957)
Transfer Agency Fees	(35,333)	(54,798)	(34,672)	(54,928)	(656,373)	(797,465)
Custodian Fees	(31,664)	(57,312)	(11,645)	(17,940)	(605,210)	(815,572)
Trustee Fees	(109)	(156)	(33)	(110)	(1,339,430)	(1,643,047)
Directors' Fees	(7,517)	(2,849)	(7,481)	(2,849)	(68,551)	(22,223)
Auditors' Remuneration	(40,701)	(34,456)	(40,702)	(34,456)	(352,491)	(234,772)
Legal Fees	(75,907)	(47,364)	(75,908)	(47,364)	(781,064)	(461,752)
Other Expenses	(60,054)	(57,851)	(59,683)	(57,884)	(894,121)	(833,466)
	<u>(266,462)</u>	<u>(271,303)</u>	<u>(235,454)</u>	<u>(227,772)</u>	<u>(132,003,591)</u>	<u>(116,201,449)</u>
Waiver of Management Fee (Note 15)	13,809	13,336	4,075	9,169	83,576,016	70,556,733
Reimbursement of Other Expenditures (Note 15)	238,865	244,693	227,301	209,436	12,344,994	861,261
NET OPERATING EXPENSES BEFORE FINANCE COSTS	<u>(13,788)</u>	<u>(13,274)</u>	<u>(4,078)</u>	<u>(9,167)</u>	<u>(36,082,581)</u>	<u>(44,783,455)</u>
NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS	<u>(16,488)</u>	<u>(44,815)</u>	<u>33,294</u>	<u>(295,283)</u>	<u>38,977,992</u>	<u>222,590,422</u>
Finance Costs						
Distribution to Shareholders	—	(10,818)	(15,093)	(20,731)	(27,894,254)	(230,540,341)
NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS	<u>(16,488)</u>	<u>(55,633)</u>	<u>18,201</u>	<u>(316,014)</u>	<u>11,083,738</u>	<u>(7,949,919)</u>

There are no recognised gains or losses during the year other than those dealt within the Statement of Operations. In arriving at the results for the financial period, all amounts relate to continuing operations.



Director:
ON BEHALF OF THE BOARD

Date: April 22, 2010



Director:

The accompanying notes form an integral part of the Financial Statements.

Federated International Funds plc

STATEMENT OF ASSETS AND LIABILITIES

As at December 31, 2009 and 2008

	Notes	Federated Short-Term U.S. Government Securities Fund 2009 US\$	Federated Short-Term U.S. Government Securities Fund 2008 US\$	Federated Short-Term U.S. Treasury Securities Fund 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund 2008 US\$	Federated Short-Term U.S. Prime Fund 2009 US\$	Federated Short-Term U.S. Prime Fund 2008 US\$
ASSETS							
Balances due from Brokers	7	2,006,847,000	2,059,613,000	1,202,437,000	2,993,511,000	2,612,296,000	3,132,424,000
Financial Assets at Fair Value through Profit or Loss	3	1,955,229,675	2,274,916,856	368,183,794	506,265,657	2,194,954,595	2,666,241,856
Debtors							
Income Receivable		3,538,466	8,192,816	2,548,906	1,138,268	1,267,744	12,729,126
Other Debtors		974,695	9,746	188,722	7,139	503,510	24,298
TOTAL ASSETS		3,966,589,836	4,342,732,418	1,573,358,422	3,500,922,064	4,809,021,849	5,811,419,280
LIABILITIES							
Bank Overdraft	6	453,351	75,766	353,650	312,964	277,735	6,572
Creditors							
Dividends Payable		84,021	2,723,150	1,665	130,375	82,102	3,964,966
Payable for Investments Purchased		—	—	—	24,968,576	—	—
Accrued Expenses	8	2,022,349	2,015,869	550,166	577,623	1,733,413	1,971,677
TOTAL LIABILITIES		2,559,721	4,814,785	905,481	25,989,538	2,093,250	5,943,215
Net Assets Attributable to Holders of Redeemable Participating Shares		3,964,030,115	4,337,917,633	1,572,452,941	3,474,932,526	4,806,928,599	5,805,476,065

Federated International Funds plc

STATEMENT OF ASSETS AND LIABILITIES

As at December 31, 2009 and 2008

	Notes	Federated Short-Term Euro Fund 2009 Euro (€)	Federated Short-Term Euro Fund 2008 Euro (€)	Federated High Income Advantage Fund 2009 US\$	Federated High Income Advantage Fund 2008 US\$	Federated U.S. Bond Fund 2009 Euro (€)	Federated U.S. Bond Fund 2008 Euro (€)	Federated Kaufmann Growth Fund 2009 US\$	Federated Kaufmann Growth Fund 2008 US\$
ASSETS									
Balances due from Brokers	7	64,000,000	85,000,000	—	428,000	456,908	206,467	108,000	314,000
Financial Assets at Fair Value through Profit or Loss	3	196,885,566	183,793,854	27,925,565	19,076,175	2,097,811	5,330,180	1,967,569	1,298,810
Cash	6	130,242	32,116	—	130	38,584	—	2,204	1,278
Debtors									
Income Receivable		858	218,962	558,169	594,976	22,181	49,974	2,970	1,882
Other Debtors		5,525	4,443	21,700	12,184	32,753	4,973	45,953	9,690
Receivable for securities sold		—	—	13,122	—	—	2,927	13,632	6,583
Unrealised Appreciation on Forward Foreign Currency Exchange Contracts	11	—	—	—	—	—	430,132	—	—
Unrealised Depreciation on Spot Currency Exchange Contracts		—	—	—	—	—	91,687	—	—
TOTAL ASSETS		<u>261,022,191</u>	<u>269,049,375</u>	<u>28,518,556</u>	<u>20,111,465</u>	<u>2,648,237</u>	<u>6,116,340</u>	<u>2,140,328</u>	<u>1,632,243</u>
LIABILITIES									
Bank Overdraft	6	—	—	256,074	—	—	369	—	—
Creditors									
Dividends Payable		23,723	531,877	—	—	—	—	—	—
Payable for Investments Purchased		—	—	5,774	—	—	—	15,333	2,241
Accrued Expenses	8	117,214	123,690	55,559	85,616	45,431	43,761	71,817	66,254
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	11	—	—	10,125	—	107,869	92,634	—	—
TOTAL LIABILITIES		<u>140,937</u>	<u>655,567</u>	<u>327,532</u>	<u>85,616</u>	<u>153,300</u>	<u>136,764</u>	<u>87,150</u>	<u>68,495</u>
Net Assets Attributable to Holders of Redeemable Participating Shares		<u>260,881,254</u>	<u>268,393,808</u>	<u>28,191,024</u>	<u>20,025,849</u>	<u>2,494,937</u>	<u>5,979,576</u>	<u>2,053,178</u>	<u>1,563,748</u>

Federated International Funds plc

STATEMENT OF ASSETS AND LIABILITIES

As at December 31, 2009 and 2008

	Notes	Federated Market Opportunity Value Fund 2009 US\$	Federated Market Opportunity Value Fund 2008 US\$	Federated Strategic Value Equity Fund 2009 US\$	Federated Strategic Value Equity Fund 2008 US\$	Total As at December 31, 2009 US\$	Total As at December 31, 2008 US\$
ASSETS							
Balances due from Brokers	7	643,000	403,000	14,000	20,000	5,914,747,064	8,305,154,263
Financial Assets at Fair Value through Profit or Loss	3	372,055	679,418	371,890	364,810	4,834,257,343	5,731,735,476
Financial Derivative Instruments		31,745	1,500	—	—	31,745	1,500
Cash	6	971	21,405	527	835	245,722	68,291
Debtors							
Income Receivable		132	790	1,218	1,930	7,950,633	23,037,691
Other Debtors		45,624	9,682	44,155	9,693	1,879,232	91,452
Receivable for securities sold		—	9,753	—	—	26,754	20,405
Unrealised Appreciation on Forward Foreign Currency Exchange Contracts	11	63	1,479	—	—	63	599,384
Unrealised Depreciation on Spot Currency Exchange Contracts		—	—	—	—	—	127,450
TOTAL ASSETS		1,093,590	1,127,027	431,790	397,268	10,759,138,556	14,060,835,912
LIABILITIES							
Bank Overdraft	6	—	—	—	—	1,340,810	395,815
Creditors							
Dividends Payable		—	—	—	—	201,797	7,557,827
Payable for Investments Purchased		—	19,792	—	—	21,107	24,990,609
Accrued Expenses	8	59,953	56,826	57,333	56,105	4,783,749	5,062,735
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	11	—	284	—	—	164,760	129,050
TOTAL LIABILITIES		59,953	76,902	57,333	56,105	6,512,223	38,136,036
Net Assets Attributable to Holders of Redeemable Participating Shares		1,033,637	1,050,125	374,457	341,163	10,752,626,333	14,022,699,876

Director:
ON BEHALF OF THE BOARD

Director:

Date: April 22, 2010

The accompanying notes form an integral part of the Financial Statements.

Federated International Funds plc

NET ASSET VALUE, Offering Price and Redemption Price Per Share:

Federated Short-Term U.S. Government Securities Fund

Institutional Services-Dividend Series

Net Asset Value per Share (\$1,177,423,210 / 1,177,421,157 Shares outstanding) \$1.00

Institutional Series

Net Asset Value per Share (\$2,033,391,561 / 2,033,399,534 Shares outstanding) \$1.00

Investment-Dividend Series

Net Asset Value per Share (\$750,877,467 / 750,871,900 Shares outstanding) \$1.00

Investment-Growth Series

Net Asset Value per Share (\$2,337,877 / 13,841 Shares outstanding) \$168.90

Federated Short-Term U.S. Treasury Securities Fund

Institutional Service Series

Net Asset Value per Share (\$499,827,847 / 499,828,728 Shares outstanding) \$1.00

Institutional Series

Net Asset Value per Share (\$1,072,625,094 / 1,072,617,563 Shares outstanding) \$1.00

Federated Short-Term U.S. Prime Fund

Institutional Service Series

Net Asset Value per Share (\$1,324,487,061 / 1,324,486,521 Shares outstanding) \$1.00

Institutional Series

Net Asset Value per Share (\$3,107,902,916 / 3,107,899,967 Shares outstanding) \$1.00

Investment-Dividend Series

Net Asset Value per Share (\$341,100,129 / 341,101,651 Shares outstanding) \$1.00

Institutional Services-Dividend Series

Net Asset Value per Share (\$33,387,757 / 33,387,815 Shares outstanding) \$1.00

Accumulating Shares-Institutional Series

Net Asset Value per Share (\$50,736 / 473 Shares outstanding) \$107.30

Federated Short-Term Euro Fund

Institutional Series

Net Asset Value per Share (€223,825,070 / 223,826,137 Shares outstanding) €1.00

Institutional Service Series

Net Asset Value per Share (€36,984,623 / 36,984,566 Shares outstanding) €1.00

Accumulating Shares-Institutional Series

Net Asset Value per Share (€48,449 / 408 Shares outstanding) €118.80

Accumulating Shares-Institutional Service Series

Net Asset Value per Share (€23,112 / 202 Shares outstanding) €114.41

Federated International Funds plc

NET ASSET VALUE, Offering Price and Redemption Price Per Share: (continued)

Federated High Income Advantage Fund

U.S. Dollar Shares-Institutional Service Series

Net Asset Value per Share (\$27,929,032 / 1,104,707 Shares outstanding) \$25.28

Euro Shares-Institutional Series

Net Asset Value per Share (€182,758 / 1,166 Shares outstanding) €156.68

Federated U.S. Bond Fund

Euro Shares-Institutional Series

Net Asset Value per Share (€2,494,937 / 20,814 Shares outstanding) €119.87

Federated Kaufmann Growth Fund

Class A (dis) Shares-USD

Net Asset Value per Share (\$2,001,948 / 250,927 Shares outstanding) \$7.98

Class C (dis) Shares-USD

Net Asset Value per Share (\$51,230 / 6,595 Shares outstanding) \$7.77

Federated Market Opportunity Value Fund

Class A (dis) Shares-USD

Net Asset Value per Share (\$932,137 / 99,990 Shares outstanding) \$9.32

Class C (dis) Shares-USD

Net Asset Value per Share (\$101,500 / 10,941 Shares outstanding) \$9.28

Federated Strategic Value Equity Fund

Class A (dis) Shares-USD

Net Asset Value per Share (\$374,391 / 59,047 Shares outstanding) \$6.34

Class C (dis) Shares-USD

Net Asset Value per Share (\$66 / 10 Shares outstanding) \$6.34

The accompanying notes form an integral part of the Financial Statements.

Federated International Funds plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the years ended December 31, 2009 and 2008

	Notes	Federated Short-Term U.S. Government Securities Fund 2009 US\$	Federated Short-Term U.S. Government Securities Fund 2008 US\$	Federated Short-Term U.S. Treasury Securities Fund 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund 2008 US\$	Federated Short-Term U.S. Prime Fund 2009 US\$	Federated Short-Term U.S. Prime Fund 2008 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Year		4,337,917,633	2,589,557,485	3,474,932,526	1,539,465,482	5,805,476,065	5,916,876,412
Translation Adjustment on Consolidation*	2	—	—	—	—	—	—
		<u>4,337,917,633</u>	<u>2,589,557,485</u>	<u>3,474,932,526</u>	<u>1,539,465,482</u>	<u>5,805,476,065</u>	<u>5,916,876,412</u>
Net Increase / (Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations		569	4,302	6,649	—	165,489	398,590
Capital Transactions							
Subscriptions	9	18,589,660,302	22,888,133,086	8,804,642,886	16,373,933,964	8,328,926,066	20,036,587,064
Reinvestments	9	5,930,163	38,812,996	548,620	8,329,357	15,309,347	132,697,839
Redemptions	9	(18,969,478,552)	(21,178,590,236)	(10,707,677,740)	(14,446,796,277)	(9,342,948,368)	(20,281,083,840)
		<u>(373,888,087)</u>	<u>1,748,355,846</u>	<u>(1,902,486,234)</u>	<u>1,935,467,044</u>	<u>(998,712,955)</u>	<u>(111,798,937)</u>
Net Increase / (Decrease) from Operations and Capital Transactions		<u>(373,887,518)</u>	<u>1,748,360,148</u>	<u>(1,902,479,585)</u>	<u>1,935,467,044</u>	<u>(998,547,466)</u>	<u>(111,400,347)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares at End of Year		<u>3,964,030,115</u>	<u>4,337,917,633</u>	<u>1,572,452,941</u>	<u>3,474,932,526</u>	<u>4,806,928,599</u>	<u>5,805,476,065</u>

* For the purpose of calculating the consolidated Federated International Funds plc U.S. dollar total, the Federated Short-Term Euro Fund and Federated U.S. Bond Fund have been translated into U.S. dollars at an exchange rate of US\$1.43355 to €1 at December 31, 2009 and US\$1.39001 to €1 at December 31, 2008, and at an average rate of US\$1.43203 for the year ended December 31, 2009 for consolidation purposes.

The resulting translation adjustment represents the difference in exchange rates applied to the net assets at the beginning of the year and the exchange rate differential in consolidating the Profit and Loss Account at the average rate for the year.

This adjustment is solely for the purpose of reporting the Company's total in U.S. dollars, and has no effect on any individual Share class.

Federated International Funds plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the years ended December 31, 2009 and 2008

	Notes	Federated Short-Term Euro Fund 2009 Euro (€)	Federated Short-Term Euro Fund 2008 Euro (€)	Federated High Income Advantage Fund 2009 US\$	Federated High Income Advantage Fund 2008 US\$	Federated U.S. Bond Fund 2009 Euro (€)	Federated U.S. Bond Fund 2008 Euro (€)	Federated Kaufmann Growth Fund 2009 US\$	Federated Kaufmann Growth Fund 2008 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Year		268,393,808	181,331,873	20,025,849	31,188,007	5,979,576	5,837,581	1,563,748	2,730,604
Translation Adjustment on Consolidation*	2	—	—	—	—	—	—	—	—
		<u>268,393,808</u>	<u>181,331,873</u>	<u>20,025,849</u>	<u>31,188,007</u>	<u>5,979,576</u>	<u>5,837,581</u>	<u>1,563,748</u>	<u>2,730,604</u>
Net Increase / (Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations		(379)	138,776	10,214,239	(7,239,639)	173,268	152,629	447,496	(1,167,868)
Capital Transactions									
Subscriptions	9	665,563,090	1,280,118,791	160,053	187,237	2,000,000	—	41,934	1,012
Reinvestments	9	1,226,730	9,402,313	—	—	—	—	—	—
Redemptions	9	(674,301,995)	(1,202,597,945)	(2,209,117)	(4,109,756)	(5,657,907)	(10,634)	—	—
		<u>(7,512,175)</u>	<u>86,923,159</u>	<u>(2,049,064)</u>	<u>(3,922,519)</u>	<u>(3,657,907)</u>	<u>(10,634)</u>	<u>41,934</u>	<u>1,012</u>
Net Increase / (Decrease) from Operations and Capital Transactions		<u>(7,512,554)</u>	<u>87,061,935</u>	<u>8,165,175</u>	<u>(11,162,158)</u>	<u>(3,484,639)</u>	<u>141,995</u>	<u>489,430</u>	<u>(1,166,856)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares at End of Year		<u>260,881,254</u>	<u>268,393,808</u>	<u>28,191,024</u>	<u>20,025,849</u>	<u>2,494,937</u>	<u>5,979,576</u>	<u>2,053,178</u>	<u>1,563,748</u>

* For the purpose of calculating the consolidated Federated International Funds plc U.S. dollar total, the Federated Short-Term Euro Fund and Federated U.S. Bond Fund have been translated into U.S. dollars at an exchange rate of US\$1.43355 to €1 at December 31, 2009 and US\$1.39001 to €1 at December 31, 2008, and at an average rate of US\$1.43203 for the year ended December 31, 2009 for consolidation purposes.

The resulting translation adjustment represents the difference in exchange rates applied to the net assets at the beginning of the year and the exchange rate differential in consolidating the Profit and Loss Account at the average rate for the year.

This adjustment is solely for the purpose of reporting the Company's total in U.S. dollars, and has no effect on any individual Share class.

Federated International Funds plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the years ended December 31, 2009 and 2008

	Notes	Federated Market Opportunity Value Fund 2009 US\$	Federated Market Opportunity Value Fund 2008 US\$	Federated Strategic Value Equity Fund 2009 US\$	Federated Strategic Value Equity Fund 2008 US\$	Total Year Ended December 31, 2009 US\$	Total Year Ended December 31, 2008 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Year		1,050,125	994,980	341,163	811,652	14,022,699,876	10,355,276,177
Translation Adjustment on Consolidation*	2	—	—	—	—	11,917,891	(19,843,324)
		<u>1,050,125</u>	<u>994,980</u>	<u>341,163</u>	<u>811,652</u>	<u>14,034,617,767</u>	<u>10,335,432,853</u>
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations		(16,488)	(55,633)	18,201	(316,014)	11,083,738	(7,949,919)
Capital Transactions							
Subscriptions	9	—	110,000	—	500,000	36,679,399,598	61,172,342,289
Reinvestments	9	—	778	15,093	—	23,559,933	193,597,114
Redemptions	9	—	—	—	(654,475)	(39,996,034,703)	(57,670,722,461)
		<u>—</u>	<u>110,778</u>	<u>15,093</u>	<u>(154,475)</u>	<u>(3,293,075,172)</u>	<u>3,695,216,942</u>
Net Increase/(Decrease) from Operations and Capital Transactions		<u>(16,488)</u>	<u>55,145</u>	<u>33,294</u>	<u>(470,489)</u>	<u>(3,281,991,434)</u>	<u>3,687,267,023</u>
Net Assets Attributable to Holders of Redeemable Participating Shares at End of Year		<u>1,033,637</u>	<u>1,050,125</u>	<u>374,457</u>	<u>341,163</u>	<u>10,752,626,333</u>	<u>14,022,699,876</u>

* For the purpose of calculating the consolidated Federated International Funds plc U.S. dollar total, the Federated Short-Term Euro Fund and Federated U.S. Bond Fund have been translated into U.S. dollars at an exchange rate of US\$1.43355 to €1 at December 31, 2009 and US\$1.39001 to €1 at December 31, 2008, and at an average rate of US\$1.43203 for the year ended December 31, 2009 for consolidation purposes.

The resulting translation adjustment represents the difference in exchange rates applied to the net assets at the beginning of the year and the exchange rate differential in consolidating the Profit and Loss Account at the average rate for the year.

This adjustment is solely for the purpose of reporting the Company's total in U.S. dollars, and has no effect on any individual Share class.

The accompanying notes form an integral part of the Financial Statements.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

(1) THE COMPANY

The Company, an umbrella fund with segregated liability between sub-funds, is an open-ended investment company with variable capital which has been authorised by the Financial Regulator under the UCITS Regulations.

All trading Share classes and series of the Company offered for sale to investors are listed on the Irish Stock Exchange.

The investment objectives of the Funds are as follows:

Federated Short-Term U.S. Government Securities Fund:

The investment objective of the Fund is to achieve current income while maintaining stability of principal and liquidity. The Company pursues the investment objective of the Fund by investing in a portfolio of short-term U.S. Treasury and U.S. government agency securities. The maximum weighted average maturity of the securities in the Fund's portfolio is not expected to exceed 60 days.

Federated Short-Term U.S. Treasury Securities Fund:

The investment objective of the Fund is to achieve current income while maintaining stability of principal and liquidity. The Company pursues the investment objective of the Fund by investing in a portfolio of short-term U.S. Treasury securities. The weighted average maturity of the U.S. Treasury securities in the Fund's portfolio is not expected to exceed 60 days.

Federated Short-Term U.S. Prime Fund:

The investment objective of the Fund is to achieve current income while maintaining stability of principal and liquidity. The Company pursues the investment objective of the Fund by investing in a portfolio of high quality U.S. dollar-denominated short-term debt instruments. The maximum weighted average maturity of the securities in the Fund's portfolio is not expected to exceed 60 days.

Federated Short-Term Euro Fund:

The investment objective of the Fund is to achieve current income while maintaining stability of principal and liquidity. The Company pursues the investment objective of the Fund by investing in a portfolio of high quality short-term debt securities denominated in euro and other currencies. Any of the Fund's investments denominated in currencies other than the euro will be hedged to the euro. The maximum weighted average maturity of the securities in the Fund's portfolio is not expected to exceed 60 days.

Federated High Income Advantage Fund:

The investment objective of the Fund is to provide high current income. The Company pursues the investment objective of the Fund by investing, under normal circumstances, primarily in a portfolio of debt securities. These debt securities are expected to be lower-rated corporate debt obligations, and some may involve equity features.

Federated U.S. Bond Fund:

The investment objective of the Fund is to achieve capital appreciation. The Company pursues the investment objective of the Fund by investing, under normal circumstances, 100% of its assets in U.S. dollar-denominated investment-grade debt securities rated at the time of purchase in one of the four highest categories by a U.S. nationally recognised statistical rating organisation ("**Investment-Grade**") or, if unrated, of comparable quality as determined by the investment adviser based on its credit assessment that the security is comparable to Investment-Grade.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Federated Kaufmann Growth Fund:

The investment objective of the Fund is to provide capital appreciation. The Company pursues the investment objective of the Fund by investing, under normal circumstances, primarily in the stocks of small and medium-sized companies that are traded on national security exchanges in a regulated market, the National Association of Securities Dealers Automated Quotation System and on the over-the-counter markets.

Federated Market Opportunity Value Fund:

The investment objective of the Fund is to seek moderate capital appreciation and high current income. The Company pursues the investment objective on behalf of the Fund by investing, under normal market conditions, in U.S. and non-U.S. equity and debt securities that the investment adviser deems to be undervalued or out-of-favour or securities that the investment adviser believes are attractive due to their income-producing potential.

Federated Strategic Value Equity Fund:

The investment objective of the Fund is to achieve income and long-term capital appreciation. The Company pursues the investment objective of the Fund by investing primarily in high dividend yielding, undervalued stocks with dividend growth potential. The Fund generally invests in large cap or mid cap value stocks of U.S. issuers, and non-U.S. issuers, including American Depositary Receipts. On a limited basis, the Fund may also invest in small cap value stocks.

(2) ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements have been drawn up in accordance with generally accepted accounting principles in Ireland and the UK and with the Companies Acts and the provisions of the UCITS Regulations. The financial statements have been prepared on a historical cost basis except for financial instruments which are classified at fair value through profit or loss.

Amendments to FRS 29: "Financial Instruments: Disclosures"

Effective for annual periods beginning on or after January 1, 2009, Amendments to FRS 29 "Financial Instruments: Disclosures" (the "**Amendment to FRS 29**") establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The Amendment to FRS 29 also amends the previous liquidity risk disclosures as required under FRS 29 for non-derivative and derivative financial liabilities.

In the first year of application, there is no requirement to provide comparative information.

For further detail please refer to Note 12(G).

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

B. Financial Instruments

(i) Classification

The Company classified and designated its financial assets and liabilities into the following categories in accordance with Financial Reporting Standard 26.

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through the profit or loss comprises:

Financial assets and liabilities held for trading:

These include bonds, equities, warrants, options and forward contracts. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives are also categorised as held for trading, as the Company does not designate any derivatives as hedges in a hedging relationship.

Financial instruments designated at fair value through profit or loss upon initial recognition:

These include financial assets or financial liabilities that are not held for trading, such as unlisted equity instruments and commercial paper. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and investment strategy as set out in the Company's prospectus.

Financial liabilities, other than those at fair value through the profit or loss, are measured at amortised cost using the effective interest method.

(ii) Initial measurement

Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out method.

Financial instruments classified at fair value through profit or loss are measured initially at fair value with transaction costs for such instruments recognised directly in the profit and loss account.

(iii) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss or available-for-sale, at their fair values. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer prices.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument may be estimated by the Directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

prices obtained in actual market transactions. The following securities, all of which were held by Federated High Income Advantage Fund, have been valued at a fair value derived by the Directors as no quoted market price (i.e. no observable market inputs) was available:

	Principal Amount or Shares		Fair Value	
	12/31/09	12/31/08	12/31/09	12/31/08
CVC Claims Litigation LLC	40	40	\$ —	\$ —
Holt Group, Inc.	—	225,000	—	—
Supermedia, Inc.	138	—	5,774	—
Nortek Holdings, Inc.	1,148	—	40,754	—
Pliant Corp. Warrants	—	1	—	—
Royal Oak Mines	11,506	11,506	259	226
Russell Stanley Holdings, Inc.	—	4,000	—	—
Russell Stanley Holdings, Inc., Sr. Sub. Note, 9.00%, 11/30/2049	—	36,536	—	1,695
Sleepmaster LLC	106	106	1	1

C. *Impairment of Financial Assets*

The Company assesses at each reporting date whether a financial asset or a group of financial assets classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as 'credit loss expense'.

Impaired debts together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the 'credit loss expense'.

Interest revenue on an impaired financial asset is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

D. *Offsetting Financial Instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set-off recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. This is generally not the case with master-netting agreements, and the related assets and liabilities are presented gross in the Statement of Assets and Liabilities.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

E. Net Gain or Loss on Financial Assets and Liabilities at Fair Value Through Profit and Loss

This item includes changes in fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'held at fair value through profit and loss' and excludes interest and dividend income and expenses.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the First-In, First Out method. Unrealised gains and losses comprise change in fair value of financial instruments for the period and from the reversal of prior period's unrealized gains and losses for financial instruments which were realised in the reporting date.

F. Foreign Currency Translation

(a) Functional and presentation currency

Items included in the Company's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "**functional currency**"). This is the U.S. dollar with the exception of the Federated Short-Term Euro Fund and Federated U.S. Bond Fund which are reported in euro. These currencies reflect the Company's primary activity of investing in U.S. or European securities and derivatives except for the Federated Short-Term Euro Fund and Federated U.S. Bond Fund, whose functional currency is determined based on proceeds of capital transactions and domicile of Shareholders in the Fund's class of Shares.

- (i) Assets and liabilities, including net assets attributable to holders of redeemable participating Shares, are translated at the closing rate at each balance sheet date;
- (ii) Proceeds from subscriptions and amounts paid on redemption of redeemable participating Shares are translated at daily rates, which approximate the rates prevailing at the dates of the transactions. Translation differences on non-monetary items, such as equities, held at fair value through profit or loss are reported as part of the fair value gain or loss; and
- (iii) Income and expenses are translated at the daily average exchange rates.

(b) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than the U.S. dollar or euro are translated into the U.S. dollar or euro at the closing rates of exchange at each period end. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gain and loss on investments.

G. Interest Income and Expenses

For the Funds, interest income includes interest and discount earned (net of premium), including original issue discount on portfolio securities.

Interest income and expenses are recognised in the profit and loss account for all interest-bearing financial instruments using the effective interest method. Interest is accrued on a daily basis. Dividends are credited to the profit and loss account on the dates on which the relevant securities are listed as "ex-dividend."

Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the profit and loss account, and net of any tax credits.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees and points paid if received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

H. Cash

Cash comprises current deposits with banks and bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

I. Expenses

All expenses, including management fees and custodian fees, are recognised in the profit and loss account on an accrual basis.

J. Forward Foreign Exchange Contracts

The unrealised gain or loss on open forward foreign exchange contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains on contracts which have been settled or offset by other contracts.

K. Repurchase Agreements

The Company enters into agreements to purchase securities and to resell them at a future date ("**Repurchase Agreements**"). The difference between the purchase cost and sales proceeds is recorded as interest income. Repurchase Agreements are valued at cost. During the term of a Repurchase Agreement, the market value of the underlying collateral, including accrued interest, is required to exceed the market value of the Repurchase Agreement. The underlying collateral for the Repurchase Agreements is held in a customer only account in the name of BNY Mellon Trust Company (Ireland) Limited as custodian for the Company ("**Custodian**").

The Repurchase Agreements are fully collateralised by U.S. Treasury and/or U.S. government agency obligations based on market prices at the date of the portfolio.

L. Options

The Federated High Income Advantage Fund, Federated U.S. Bond Fund, Federated Kaufmann Growth Fund, Federated Market Opportunity Value Fund, and Federated Strategic Value Equity Fund may purchase or sell put and call options through listed exchanges and over-the-counter markets. Options purchased by a Fund provide the Fund with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option.

M. When-Issued and Delayed Delivery Transactions

The Company may purchase securities on a when-issued or delayed delivery basis. These transactions are arrangements by which securities are purchased with payment and delivery scheduled for a future time. The Company does not engage in when-issued and delayed delivery transactions for investment leverage or borrowing purposes.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

N. Distributions to Holders of Redeemable Participating Shares

Distributions to holders of redeemable participating Shares are recorded in the Statement of Operations.

O. Redeemable Participating Shares

Redeemable participating Shares are redeemable at the Shareholder's option and are classified as financial liabilities.

The Shares can be put back to the Company on any Dealing Day (as defined in the full prospectus) for cash equal to a proportionate share of the relevant Fund's net asset value.

P. Share Capital

The Company's subscriber shares are classified as equity in accordance with the Company's Articles of Association. These shares do not participate in the profits of the Company.

Q. Basis of Combination

The Federated Short-Term Euro Fund and Federated U.S. Bond Fund have been converted to U.S. dollars for consolidation purposes by using closing U.S. dollar exchange rates of US\$1.43355 to €1 and US\$1.39001 to €1 as at December 31, 2009 and 2008, respectively.

(3) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009 Fair Value	2008 Fair Value
Federated Short Term U.S. Government Securities Fund		
Financial assets held for trading		
FHLMC	\$ 762,225,937	\$ 233,367,361
FNMA	393,608,523	548,112,966
Government Bonds	737,967,674	1,493,436,529
Treasury Bills	61,427,541	—
Total held for Trading	1,955,229,675	2,274,916,851
Net Changes in fair value on financial assets through profit or loss		
Realised	—	—
Unrealised	—	—
Total gains/(losses)	—	—
Federated Short Term U.S. Treasury Securities Fund		
Financial assets held for trading		
Treasury Bills	\$ 103,842,812	\$ 433,919,537
Treasury Notes	264,340,982	72,346,120
Total held for Trading	368,183,794	506,265,657
Net Changes in fair value on financial assets through profit or loss		
Realised	—	—
Unrealised	—	—
Total gains/(losses)	—	—

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	2009 Fair Value	2008 Fair Value
Federated Short Term U.S. Prime Fund		
Financial assets held for trading		
Asset Backed Securities	\$ 124,784,953	\$ —
Corporate Bonds	39,460,248	—
Government Agencies	25,000,000	—
Municipals	5,600,000	15,000,000
Short Term Notes	—	58,723,883
Variable Notes	205,474,921	796,964,000
Total held for Trading	400,320,122	870,687,883
Financial assets designated as at fair value through profit or loss		
Certificate of Deposits	1,061,001,501	717,000,000
Commercial Paper	733,632,972	1,078,553,973
	1,794,634,473	1,795,553,973
Total Financial Assets	2,194,954,595	2,666,241,856
Net Changes in fair value on financial assets through profit or loss		
Realised	—	—
Unrealised	—	—
Total gains/(losses)	—	—
Federated Short Term Euro Fund		
Financial assets held for trading		
Variable Notes	€ —	€ 30,000,000
Total held for Trading	—	30,000,000
Financial assets designated as at fair value through profit or loss		
Commercial Paper	85,885,566	13,793,854
Time Deposits	111,000,000	140,000,000
	196,885,566	153,793,854
Total Financial Assets	196,885,566	183,793,854
Net Changes in fair value on financial assets through profit or loss		
Realised	—	—
Unrealised	—	—
Total gains/(losses)	—	—
Federated High Income Advantage Fund		
Financial assets held for trading		
Common Stocks	\$ 46,788	\$ 8,046
Corporate Bonds	27,808,847	19,068,010
Preferred Stocks	69,874	—
Warrants	56	119
Total held for Trading	27,925,565	19,076,175
Financial liabilities held for trading		
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	10,125	—
Net Changes in fair value on financial assets and liabilities through profit or loss		
Realised	(1,408,342)	(659,477)
Unrealised	9,220,625	(8,876,519)
Total gains/(losses)	7,812,283	(9,535,996)

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	2009 Fair Value	2008 Fair Value
Federated U.S. Bond Fund		
Financial assets held for trading		
Collateralised Mortgage Obligations	€ —	€ 420,584
Commercial Mortgage Backed Securities	354,210	156,399
Corporate Bonds	857,893	1,545,774
FHLMC	—	323,526
FNMA	—	100,173
Government Agencies	150,142	633,456
Mortgage Backed Securities	547,582	1,451,805
Unrealised Appreciation on Forward Foreign Currency Exchange Contracts	—	430,132
Treasury Bonds	—	191,293
Treasury Notes	187,984	507,170
Total held for Trading	2,097,811	5,760,312
Financial liabilities held for trading		
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	107,869	92,634
Net Changes in fair value on financial assets and liabilities through profit or loss		
Realised	506,835	(857,674)
Unrealised	(443,383)	745,083
Total gains/(losses)	63,452	(112,591)
Federated Kaufmann Growth Fund		
Financial assets held for trading		
Common Stocks	\$ 1,917,924	\$ 1,262,826
Convertible Bonds	19,622	—
Corporate Bonds	1,024	31,981
Corporate Notes	—	4,003
Preferred Stocks	28,735	—
Warrants	264	—
Total held for Trading	1,967,569	1,298,810
Net Changes in fair value on financial assets through profit or loss		
Realised	(285,471)	(419,839)
Unrealised	743,010	(726,684)
Total gains/(losses)	457,539	(1,146,523)

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	2009 Fair Value	2008 Fair Value
Market Opportunity Value Fund		
Financial assets held for trading		
Common Stocks	\$ 344,495	\$ 679,418
Mutual Fund	27,560	—
Options	31,745	1,500
Unrealised Appreciation on Forward Foreign Currency Exchange Contracts	63	1,479
Total held for Trading	403,863	682,397
Financial liabilities held for trading		
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	—	284
Net Changes in fair value on financial assets and liabilities through profit or loss		
Realised	(53,464)	(21,739)
Unrealised	41,829	(33,040)
Total gains/(losses)	(11,635)	(54,779)
 Strategic Value Fund		
Financial assets held for trading		
Common Stocks	\$ 371,890	\$ 364,810
Total held for Trading	371,890	364,810
Net Changes in fair value on financial assets through profit or loss		
Realised	(65,908)	(276,573)
Unrealised	83,981	(47,055)
Total gains/(losses)	18,073	(323,628)

(4) AUDITOR'S REMUNERATION

The audit fees for the year ended December 31, 2009 were \$352,491 (2008: \$234,772), including \$52,179 attributable to a regulatory audit performed over the transition of records between the Company's former and current administrator and custodian. Fees payable to the auditors at December 31, 2009 were \$259,145.

(5) DIVIDENDS

For Federated Short-Term U.S. Prime Fund (except Accumulating Shares-Institutional Series); Federated Short-Term U.S. Treasury Securities Fund; Federated Short-Term U.S. Government Securities Fund—Institutional Services-Dividend Series, Institutional Series and Investment-Dividend Series; and Federated Short-Term Euro Fund—Institutional Series and Institutional Service Series: it is the policy of the Directors so far as possible to declare dividends of the sub-funds' net investment income daily and pay them monthly.

For Federated High Income Advantage Fund; Federated U.S. Bond Fund; Federated Short-Term Euro Fund—Accumulating Shares-Institutional Series and Accumulating Shares-Institutional Service Series; Federated Short-Term U.S. Government Securities Fund—Investment-Growth Series; and Federated Short Term U.S. Prime Fund—Accumulating Shares-Institutional Series: it is the policy of the Directors not to declare or pay dividends with respect to the Shares.

For Federated Kaufmann Growth Fund; Federated Market Opportunity Value Fund; and Federated Strategic Value Equity Fund: it is the policy of the Directors so far as possible to declare and pay any dividends of the Fund's net investment income annually with respect to the Shares.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

(6) CASH

Cash on Deposit

United States Dollar

Euro (translated into US\$)

	2009	2008
United States Dollar	\$ 3,702	\$ 23,648
Euro (translated into US\$)	242,020	44,643
	<u>245,722</u>	<u>68,291</u>

Bank Overdraft

United States Dollar

Euro (translated into US\$)

	2009	2008
United States Dollar	\$ 1,340,810	\$ 395,302
Euro (translated into US\$)	—	513
	<u>1,340,810</u>	<u>395,815</u>

All cash on deposit is held at BNY Mellon.

(7) BALANCES DUE FROM BROKERS

Receivables from Repurchase Agreements

	2009	2008
Receivables from Repurchase Agreements	<u>\$5,914,747,064</u>	<u>\$8,305,154,263</u>

(8) ACCRUED EXPENSES

Management Fees Payable

Administrator Fees Payable

Custodian Fees Payable

Trustee Fees Payable

Directors' Fees Payable

Audit Fees

Other Creditors

	2009	2008
Management Fees Payable	\$3,155,596	\$3,525,855
Administrator Fees Payable	565,322	544,280
Custodian Fees Payable	279,155	157,921
Trustee Fees Payable	205,764	336,709
Directors' Fees Payable	—	8,568
Audit Fees	259,145	225,997
Other Creditors	318,767	263,405
	<u>4,783,749</u>	<u>5,062,735</u>

(9) SHARE CAPITAL

Authorised

The authorised share capital of the Company is 500,000,000,000 of no par value. In addition, the Company has issued seven subscriber shares of no par value at a price of €1.27 each. Holders of all classes of Shares are entitled to vote at meetings of Shareholders.

Subscriber Shares

The subscriber shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only. Holders of subscriber shares are not entitled to share in the assets of the Company upon winding up nor do they have any entitlement to dividends. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund.

Redeemable Participating Shares

The net assets attributable to holders of redeemable participating Shares are at all times equal to the net asset value of the Company. The participating shares are in substance a liability to Shareholders as they can be redeemed at any time at the option of the Shareholder.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

The movement in the number of participating Shares is as follows:

	Year Ended 12/31/2009	Year Ended 12/31/2009 Shares	Year Ended 12/31/2008	Year Ended 12/31/2008 Shares
FEDERATED SHORT-TERM U.S. GOVERNMENT SECURITIES FUND				
INSTITUTIONAL SERVICES-DIVIDEND SERIES				
Balance at beginning of year		1,629,315,247		1,165,140,438
Subscriptions	\$ 4,145,918,342	4,145,918,342	\$ 5,509,612,321	5,509,612,321
Reinvestments	443,560	443,560	4,537,992	4,537,992
Redemptions	(4,598,255,992)	(4,598,255,992)	(5,049,975,504)	(5,049,975,504)
Balance at end of year		<u>1,177,421,157</u>		<u>1,629,315,247</u>
INSTITUTIONAL SERIES				
Balance at beginning of year		2,047,291,799		788,668,965
Subscriptions	\$ 12,761,148,238	12,761,148,238	\$ 15,267,142,578	15,267,142,578
Reinvestments	5,447,640	5,447,640	21,995,998	21,995,998
Redemptions	(12,780,488,143)	(12,780,488,143)	(14,030,515,742)	(14,030,515,742)
Balance at end of year		<u>2,033,399,534</u>		<u>2,047,291,799</u>
INVESTMENT-DIVIDEND SERIES				
Balance at beginning of year		658,081,660		635,718,887
Subscriptions	\$ 1,654,026,322	1,654,026,322	\$ 2,108,140,223	2,108,140,223
Reinvestments	38,963	38,963	12,279,006	12,279,006
Redemptions	(1,561,275,045)	(1,561,275,045)	(2,098,056,456)	(2,098,056,456)
Balance at end of year		<u>750,871,900</u>		<u>658,081,660</u>
INVESTMENT-GROWTH SERIES				
Balance at beginning of year		19,119		175
Subscriptions	\$ 28,567,400	169,138	\$ 3,237,964	19,196
Reinvestments	—	—	—	—
Redemptions	(29,459,372)	(174,416)	(42,534)	(252)
Accumulating undistributed income	—	—	4,302	—
Balance at end of year		<u>13,841</u>		<u>19,119</u>
FEDERATED SHORT-TERM U.S. TREASURY SECURITIES FUND				
INSTITUTIONAL SERVICE SERIES				
Balance at beginning of year		1,152,696,933		1,174,933,594
Subscriptions	\$ 2,353,761,584	2,353,761,584	\$ 9,687,106,938	9,687,106,938
Reinvestments	—	—	3,473,246	3,473,246
Redemptions	(3,006,629,789)	(3,006,629,789)	(9,712,816,845)	(9,712,816,845)
Balance at end of year		<u>499,828,728</u>		<u>1,152,696,933</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Year Ended 12/31/2009	Year Ended 12/31/2009 Shares	Year Ended 12/31/2008	Year Ended 12/31/2008 Shares
INSTITUTIONAL SERIES				
Balance at beginning of year		2,322,235,593		364,531,888
Subscriptions	\$ 6,450,881,302	6,450,881,302	\$ 6,686,827,026	6,686,827,026
Reinvestments	548,620	548,620	4,856,111	4,856,111
Redemptions	(7,701,047,952)	(7,701,047,952)	(4,733,979,432)	(4,733,979,432)
Balance at end of year		<u>1,072,617,563</u>		<u>2,322,235,593</u>
FEDERATED SHORT-TERM U.S. PRIME FUND				
INSTITUTIONAL SERVICE SERIES				
Balance at beginning of year		1,465,845,371		1,943,601,240
Subscriptions	\$ 4,017,211,642	4,017,211,642	\$ 6,788,368,311	6,788,368,311
Reinvestments	1,873,545	1,873,545	23,021,251	23,021,251
Redemptions	(4,160,444,037)	(4,160,444,037)	(7,289,145,431)	(7,289,145,431)
Balance at end of year		<u>1,324,486,521</u>		<u>1,465,845,371</u>
INSTITUTIONAL SERIES				
Balance at beginning of year		3,850,455,334		3,583,231,578
Subscriptions	\$ 3,248,560,321	3,248,560,321	\$ 11,784,979,840	11,784,979,840
Reinvestments	13,391,648	13,391,648	101,090,373	101,090,373
Redemptions	(4,004,507,336)	(4,004,507,336)	(11,618,846,457)	(11,618,846,457)
Balance at end of year		<u>3,107,899,967</u>		<u>3,850,455,334</u>
INVESTMENT-DIVIDEND SERIES				
Balance at beginning of year		406,768,236		378,111,111
Subscriptions	\$ 495,736,151	495,736,151	\$ 982,572,942	982,572,942
Reinvestments	29,507	29,507	7,777,538	7,777,538
Redemptions	(561,432,243)	(561,432,243)	(961,693,355)	(961,693,355)
Balance at end of year		<u>341,101,651</u>		<u>406,768,236</u>
INSTITUTIONAL SERVICES-DIVIDEND SERIES				
Balance at beginning of year		9,015,684		11,932,379
Subscriptions	\$ 66,891,716	66,891,716	\$ 248,511,116	248,511,116
Reinvestments	14,648	14,648	808,676	808,676
Redemptions	(42,534,233)	(42,534,233)	(252,236,487)	(252,236,487)
Balance at end of year		<u>33,387,815</u>		<u>9,015,684</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Year Ended 12/31/2009	Year Ended 12/31/2009 Shares	Year Ended 12/31/2008	Year Ended 12/31/2008 Shares
ACCUMULATING SHARES-INSTITUTIONAL SERIES				
Balance at beginning of year		686,417		1
Subscriptions	\$ 500,526,235	4,668,574	\$ 232,154,855	2,177,678
Reinvestments	—	—	—	—
Redemptions	(574,030,518)	(5,354,518)	(159,162,110)	(1,491,262)
Accumulating undistributed income	—	—	398,590	—
Balance at end of year		<u>473</u>		<u>686,417</u>
FEDERATED SHORT-TERM EURO FUND INSTITUTIONAL SERIES				
Balance at beginning of year		247,413,806		169,809,369
Subscriptions	€250,494,894	250,494,894	€890,461,607	890,461,607
Reinvestments	1,118,554	1,118,554	8,447,607	8,447,607
Redemptions	(275,201,117)	(275,201,117)	(821,304,777)	(821,304,777)
Balance at end of year		<u>223,826,137</u>		<u>247,413,806</u>
INSTITUTIONAL SERVICE SERIES				
Balance at beginning of year		20,830,509		11,357,197
Subscriptions	€415,068,195	415,068,195	€383,117,910	383,117,910
Reinvestments	108,176	108,176	954,706	954,706
Redemptions	(399,022,314)	(399,022,314)	(374,599,304)	(374,599,304)
Balance at end of year		<u>36,984,566</u>		<u>20,830,509</u>
ACCUMULATING SHARES-INSTITUTIONAL SERIES				
Balance at beginning of year		918		352
Subscriptions	€—	—	€6,539,274	56,618
Reinvestments	—	—	—	—
Redemptions	(60,559)	(510)	(6,606,338)	(56,052)
Accumulating undistributed income	—	—	135,510	—
Balance at end of year		<u>408</u>		<u>918</u>
ACCUMULATING SHARES-INSTITUTIONAL SERVICE SERIES				
Balance at beginning of year		359		1,137
Subscriptions	€—	—	€—	—
Reinvestments	—	—	—	—
Redemptions	(18,005)	(157)	(87,526)	(778)
Accumulating undistributed income	—	—	3,266	—
Balance at end of year		<u>202</u>		<u>359</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Year Ended 12/31/2009	Year Ended 12/31/2009 Shares	Year Ended 12/31/2008	Year Ended 12/31/2008 Shares
FEDERATED HIGH INCOME ADVANTAGE FUND				
U.S. DOLLAR SHARES-INSTITUTIONAL SERVICE SERIES				
Balance at beginning of year		1,195,113		1,374,747
Subscriptions	\$ 75,295	3,700	\$ 124,700	5,568
Reinvestments	—	—	—	—
Redemptions	(2,185,936)	(94,106)	(3,962,081)	(185,202)
Accumulating undistributed loss	—	—	(7,211,832)	—
Balance at end of year		<u>1,104,707</u>		<u>1,195,113</u>
EURO SHARES-INSTITUTIONAL SERIES				
Balance at beginning of year		747		1,109
Subscriptions	€84,758	582	€62,537	398
Reinvestments	—	—	—	—
Redemptions	(23,181)	(163)	(147,675)	(760)
Accumulating undistributed loss	—	—	(27,807)	—
Balance at end of year		<u>1,166</u>		<u>747</u>
FEDERATED U.S. BOND FUND				
EURO SHARES-INSTITUTIONAL SERIES				
Balance at beginning of year		53,892		53,992
Subscriptions	€2,000,000	18,104	€—	—
Reinvestments	—	—	—	—
Redemptions	(5,657,906)	(51,182)	(10,634)	(100)
Accumulating undistributed income	—	—	152,629	—
Balance at end of year		<u>20,814</u>		<u>53,892</u>
FEDERATED KAUFMANN GROWTH FUND				
CLASS A (DIS) SHARES-USD				
Balance at beginning of year		250,927		250,927
Subscriptions	\$ —	—	\$ 1,012	—
Reinvestments	—	—	—	—
Redemptions	—	—	—	—
Accumulating undistributed loss	—	—	(1,167,822)	—
Balance at end of year		<u>250,927</u>		<u>250,927</u>
CLASS C (DIS) SHARES-USD				
Balance at beginning of year		10		10
Subscriptions	\$ 41,935	6,585	\$ —	—
Reinvestments	—	—	—	—
Redemptions	—	—	—	—
Accumulating undistributed loss	—	—	(46)	—
Balance at end of year		<u>6,595</u>		<u>10</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Year Ended 12/31/2009	Year Ended 12/31/2009 Shares	Year Ended 12/31/2008	Year Ended 12/31/2008 Shares
FEDERATED MARKET OPPORTUNITY VALUE FUND				
CLASS A (DIS) SHARES-USD				
Balance at beginning of year		99,990		99,990
Subscriptions	\$ —	—	\$ 10	—
Reinvestments	—	—	—	—
Redemptions	—	—	—	—
Accumulating undistributed loss	—	—	(48,165)	—
Balance at end of year		<u>99,990</u>		<u>99,990</u>
CLASS C (DIS) SHARES-USD				
Balance at beginning of year		10,941		10
Subscriptions	\$ —	—	\$ 109,990	10,931
Reinvestments	—	—	778	—
Redemptions	—	—	—	—
Accumulating undistributed loss	—	—	(7,468)	—
Balance at end of year		<u>10,941</u>		<u>10,941</u>
FEDERATED STRATEGIC VALUE EQUITY FUND				
CLASS A (DIS) SHARES-USD				
Balance at beginning of year		56,689		85,844
Subscriptions	\$ —	—	\$ 500,000	56,689
Reinvestments	15,091	2,358	—	—
Redemptions	—	—	(654,475)	(85,844)
Accumulating undistributed loss	—	—	(295,252)	—
Balance at end of year		<u>59,047</u>		<u>56,689</u>
CLASS C (DIS) SHARES-USD				
Balance at beginning of year		10		10
Subscriptions	\$ —	—	\$ —	—
Reinvestments	3	—	—	—
Redemptions	—	—	—	—
Accumulating undistributed loss	—	—	(35)	—
Balance at end of year		<u>10</u>		<u>10</u>

Shares may be redeemed on each Dealing Day (as defined in the full prospectus) subject to the Fund's Dealing Deadline (as defined in the full prospectus). Redemption requests are only effective upon acceptance by the Administrator.

Holders of Shares are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of capital based on the net asset value per Share of the respective Share series or classes.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

(10) TAXES

The Company qualifies as a specified collective investment undertaking as defined in Section 739 (B) 1 of the Taxes Acts. It is not chargeable to Irish tax on its income or capital gains. Tax may arise on the happening of a chargeable event. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption or transfer of Shares.

No tax will arise on the Company in respect of chargeable events in respect of:

- (i) a Shareholder who is not an Irish Resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declaration is held by the Company;
- (ii) certain exempted Irish Resident investors who have provided the Company with the necessary signed statutory declarations; and
- (iii) shares held in a recognised clearing system as designated by the order of the Irish Revenue Commissioners.

Following legislative changes in the Finance Act 2006, the holding of Shares at the end of a Relevant Period (defined below) will, in respect of Irish Resident investors, also constitute a chargeable event. To the extent that any tax issues arise on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares.

Relevant Period is defined as a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

(11) DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Fund's investment strategy and are utilised for investment purposes and/or to structure and economically hedge investments, to enhance performance and reduce risk to the relevant sub-fund (although the Fund does not designate any derivatives as hedges for hedge accounting purposes as described under FRS 26). The derivative contracts that the sub-fund holds or issues are forward contracts and options as disclosed on the portfolio of investments.

The sub-fund records its derivative activities on a mark-to-market basis. Fair values are determined by using quoted market prices.

Forwards

Forward contracts entered into by the Fund represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time base upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/period-end date and are included in the statement of operations.

Options

Certain Funds may buy or sell put and call options for hedging and asset allocation purposes. The seller (writer) of an option receives a payment or premium, from the buyer, which the writer keeps regardless of whether the buyer exercises the option. Premiums paid for purchasing options which expire are treated as realised losses. The risk associated with purchasing put and call options is limited to the premium paid. When the Fund writes a put or call option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying reference instrument to determine the realized gain or loss. The Fund, as a writer of an option, bears the market risk of an unfavorable change in the price of the underlying reference instrument. Options can trade on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

the price. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. This protects investors against potential defaults by the counterparty.

	Assets	Liabilities	Assets	Liabilities
	2009		2008	
Federated High Income Advantage Fund				
Forward Contracts	\$ —	\$ 10,125	\$ —	\$ —
Federated U.S. Bond Fund				
Forward Contracts	€ —	€107,869	€430,132	€92,634
Federated Market Opportunity Value Fund				
Forward Contracts	\$ 63	\$ —	\$ 1,479	\$ 284
Federated Market Opportunity Value Fund				
Options	\$31,745	\$ —	\$ 1,500	\$ —

(12) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk Management Structure

The Company's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach within the Company.

Each Fund is exposed to risk arising from the financial instruments it holds including, but not limited to market price risk, interest rate risk, credit risk, liquidity risk and currency risk. As permitted, a Fund may use derivatives and other instruments in connection with its risk management activities.

Each Fund has investment guidelines that sets out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control hedging transactions in a timely and accurate manner. These guidelines are reviewed annually by the Directors of the Company and reviews are performed on a recurring basis to ensure that the Funds' guidelines are adhered to. The Company's accounting policies in relation to derivatives are set out in Note (11).

Each Fund's assets and liabilities comprise financial instruments which include:

- investments including equity and non-equity shares, fixed income securities and floating rate securities. These are held in accordance with each Fund's investment objectives and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its investment activities; and
- derivative transactions which a Fund also enters into (principally forward foreign exchange currency contracts), the purpose of which is to principally manage currency risks arising from the Company's investment activities and related financing.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

As an investment fund, each Fund buys, sells or holds financial assets and liabilities in order to take advantage of short-term changes in market prices or rates.

The risk management policies employed by the Manager to manage risks are discussed as follows.

A. Market 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 risk comprises three types of risk: price risk; interest rate risk; and currency risk.

The Company's strategy on the management of market risk is driven by each Fund's investment objective. The Funds' market risk is mitigated by the investment adviser through maintaining a well diversified portfolio of investments. Each Fund's overall market position is monitored on a regular basis by the investment advisers.

B. Price Risk

Price risk is the risk that the value of a security or portfolio of securities will decline in the future.

As at December 31, 2009 the Federated High Income Advantage Fund, Federated U.S. Bond Fund, Federated Kaufmann Growth Fund, Federated Market Opportunity Value Fund and Federated Strategic Value Equity Fund's exposure by geographic region and investment product type is broken down as follows:

Federated High Income Advantage Fund

Geographical Region	Total US\$	Corporate Bonds US\$	Equities & Warrants US\$
Bermuda	1,379,283	1,379,283	—
Canada	636,728	636,469	259
Cayman Islands	88,690	88,690	—
France	128,563	128,563	—
Germany	131,250	131,250	—
Luxembourg	82,313	82,313	—
Sweden	96,750	96,750	—
United Kingdom	262,188	262,188	—
United States	25,119,800	25,003,341	116,459
Total	<u>27,925,565</u>	<u>27,808,847</u>	<u>116,718</u>

Federated U.S. Bond Fund

Geographical Region	Total euro	Mortgage- Backed Securities euro	Corporate Bonds euro	U.S. Government Agencies euro	U.S. Treasury euro	Repurchase Agreements euro
Australia	37,406	—	37,406	—	—	—
Canada	37,328	—	37,328	—	—	—
United States	2,479,985	901,792	783,159	150,142	187,984	456,908
Total	<u>2,554,719</u>	<u>901,792</u>	<u>857,893</u>	<u>150,142</u>	<u>187,984</u>	<u>456,908</u>

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Federated Kaufmann Growth Fund

Geographical Region	Total US\$	Equities US\$	Corporate Bonds US\$	Repurchase Agreements US\$
Belgium	3,358	3,358	—	—
Bermuda	18,586	18,586	—	—
Brazil	154,455	154,455	—	—
Canada	27,141	27,141	—	—
Cayman Islands	23,030	23,030	—	—
Chile	9,505	9,505	—	—
China	1,654	1,654	—	—
Hong Kong	15,470	15,470	—	—
India	80,980	80,980	—	—
Indonesia	4,029	4,029	—	—
Ireland	100,679	100,679	—	—
Israel	12,209	12,209	—	—
Singapore	2,323	2,323	—	—
Switzerland	432	432	—	—
Taiwan	3,293	3,293	—	—
United Kingdom	5,050	5,050	—	—
United States	<u>1,613,375</u>	<u>1,484,729</u>	<u>20,646</u>	<u>108,000</u>
Total	<u>2,075,569</u>	<u>1,946,923</u>	<u>20,646</u>	<u>108,000</u>

Federated Market Opportunity Value Fund

Geographical Region	Total US\$	Equities US\$	Mutual Funds US\$	Put Options US\$	Repurchase Agreements US\$
Canada	104,132	76,572	27,560	—	—
Greece	8,757	8,757	—	—	—
Japan	89,879	89,879	—	—	—
Switzerland	8,140	8,140	—	—	—
United Kingdom	11,982	11,982	—	—	—
United States	<u>823,910</u>	<u>149,165</u>	<u>—</u>	<u>31,745</u>	<u>643,000</u>
Total	<u>1,046,800</u>	<u>344,495</u>	<u>27,560</u>	<u>31,745</u>	<u>643,000</u>

Federated Strategic Value Equity Fund

Geographical Region	Total US\$	Equities US\$	Repurchase Agreements US\$
Canada	11,646	11,646	—
France	18,296	18,296	—
Germany	5,849	5,849	—
Spain	9,475	9,475	—
United Kingdom	62,737	62,737	—
United States	<u>277,887</u>	<u>263,887</u>	<u>14,000</u>
Total	<u>385,890</u>	<u>371,890</u>	<u>14,000</u>

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For the year ended December 31, 2009

As at December 31, 2008, the Federated High Income Advantage Fund, Federated U.S. Bond Fund, Federated Kaufmann Growth Fund, Federated Market Opportunity Value Fund and Federated Strategic Value Equity Fund's exposure by geographic region and investment product type is broken down as follows:

Federated High Income Advantage Fund

Geographic Region	Total US\$	Corporate Bonds US\$	Equities and Warrants US\$	Repurchase Agreements US\$
Bermuda	519,530	519,530	—	—
Canada	410,164	409,938	226	—
Cayman Islands	93,835	93,835	—	—
France	43,875	43,875	—	—
Germany	89,500	89,500	—	—
Luxembourg	1,500	1,500	—	—
Sweden	66,625	66,625	—	—
United States	18,279,146	17,843,207	7,939	428,000
Total	<u>19,504,175</u>	<u>19,068,010</u>	<u>8,165</u>	<u>428,000</u>

Federated U.S. Bond Fund

Geographic Region	Total euro	Corporate Bonds euro	Asset Backed Securities euro	Mortgage- Backed Securities euro	U.S. Government Agencies euro	U.S. Treasury euro	Repurchase Agreements euro
Bermuda	15,189	15,189	—	—	—	—	—
Canada	15,058	15,058	—	—	—	—	—
Spain	35,800	35,800	—	—	—	—	—
United Kingdom	53,294	53,294	—	—	—	—	—
United States	<u>5,417,306</u>	<u>1,426,433</u>	<u>1,000,682</u>	<u>1,451,805</u>	<u>633,456</u>	<u>698,463</u>	<u>206,467</u>
Total	<u>5,536,647</u>	<u>1,545,774</u>	<u>1,000,682</u>	<u>1,451,805</u>	<u>633,456</u>	<u>698,463</u>	<u>206,467</u>

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For the year ended December 31, 2009

Federated Kaufmann Growth Fund

Geographic Region	Total US\$	Equities US\$	Corporate Bonds US\$	Repurchase Agreements US\$
Bermuda	42,075	42,075	—	—
Brazil	12,012	12,012	—	—
Canada	35,481	35,481	—	—
Cayman Islands	8,543	8,543	—	—
Chile	6,024	6,024	—	—
China	4,347	4,347	—	—
France	2,731	2,731	—	—
Hong Kong	6,433	6,433	—	—
India	56,108	56,108	—	—
Ireland	20,850	20,850	—	—
Israel	2,636	2,636	—	—
Switzerland	17,841	16,134	1,707	—
United Kingdom	2,408	2,408	—	—
United States	1,395,321	1,047,044	34,277	314,000
Total	<u>1,612,810</u>	<u>1,262,826</u>	<u>35,984</u>	<u>314,000</u>

Federated Market Opportunity Value Fund

Geographic Region	Total US\$	Equities US\$	Exchange- Traded Funds US\$	Put Options US\$	Repurchase Agreements US\$
Canada	154,034	154,034	—	—	—
Cayman Islands	11,045	11,045	—	—	—
Finland	9,360	9,360	—	—	—
France	17,262	17,262	—	—	—
Japan	27,175	15,655	11,520	—	—
Netherlands	9,724	9,724	—	—	—
Netherlands Antilles	8,466	8,466	—	—	—
Peru	9,960	9,960	—	—	—
South Africa	7,944	7,944	—	—	—
Switzerland	13,509	13,509	—	—	—
United States	815,439	345,141	65,798	1,500	403,000
Total	<u>1,083,918</u>	<u>602,100</u>	<u>77,318</u>	<u>1,500</u>	<u>403,000</u>

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For the year ended December 31, 2009

Federated Strategic Value Equity Fund

Geographic Region	Total US\$	Equities US\$	Repurchase Agreements US\$
France	7,217	7,217	—
Germany	10,195	10,195	—
Italy	14,620	14,620	—
United Kingdom	59,738	59,738	—
United States	293,040	273,040	20,000
Total	<u>384,810</u>	<u>364,810</u>	<u>20,000</u>

The securities held in the Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund and Federated Short-Term U.S. Prime Fund are domiciled in the United States. The securities held in Federated Short-Term Euro Fund are domiciled in the Euro area. As money market funds, the Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund, Federated Short-Term U.S. Prime Fund and Federated Short-Term Euro Fund generally have lower market price risks than other types of funds due to regulatory and prospectus limitations on the type, quality, and maturity of their portfolio securities. These Funds invest in a diversified portfolio of highly-rated, short-term instruments with remaining maturities of 397 days or less, and maintain an average maturity not expected to exceed 60 days. Market price risk for these Funds is further reduced by the investment adviser's investment selection process.

Market price risks for the Funds are managed by the relevant investment adviser(s) through constant analysis and evaluation of the underlying fundamentals of the companies in which each Fund invests. This encompasses analysis of the underlying issuers' financial statements as well as monitoring the underlying business conditions of the sector and country in which these companies operate. Market price risks for Federated U.S. Bond Fund and Federated High Income Advantage Fund are measured on a daily basis by monitoring the Fund's tracking error, which is a measure of the difference between a Fund's performance and a relevant benchmark index by calculating the standard deviation. The standard deviation represents how much variation there is between the Fund's performance and its relevant benchmark index over time. Federated U.S. Bond Fund and Federated High Income Advantage Fund compares their performance to the Barclays Capital Aggregate Index (hedged into the euro) and Barclays Capital High Yield 2% Issuer Constrained Index, respectively. The investment adviser has established target tracking errors for each Fund. If such tracking error exceeds these limits, the investment adviser will review the portfolio and sell securities in order to reduce the risk levels in the portfolio. The tracking errors as at December 31, 2009 and 2008 for Federated U.S. Bond Fund and Federated High Income Advantage Fund were 1.66 and 2.30, and 2.72 and 0.42, respectively. The target tracking error as at December 31, 2009 and 2008 for Federated U.S. Bond Fund and Federated High Income Advantage Fund, with all other variables remaining constant, results in a deviation of +/-€41,426 and +/-€137,530, and +/- \$771,852 and +/- \$35,846, respectively, from each Fund's total net assets as at December 31, 2009 and 2008. In practice, the actual trading results may differ from the above sensitivity analysis and these differences may be material.

Market price risks for the Federated Kaufmann Growth Fund, Federated Market Opportunity Value Fund and the Federated Strategic Value Equity Fund can be measured by their respective beta coefficients. Beta is a measure of a stock's (or stock portfolio's) volatility in relation to the broader stock market or an index. It is calculated using regression analysis based on historical returns of an index and a stock or stock portfolio. The broad market (e.g., indicated by the S&P 500) has a beta of 1. Stocks with a higher beta can be expected to rise and fall more quickly than the market. For example a stock with a

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beta of 1.5 can be expected to increase by 12% if the S&P 500 increases by 8%. A stock with a beta of 0 can be said to have no correlation to changes in the market. The following are the beta coefficients of the equity funds against their relevant benchmark indexes for the fiscal years 2009 and 2008:

	2009	2008
Federated Kaufmann Growth Fund	0.77	0.79
Federated Market Opportunity Value Fund	0.40	(0.11)
Federated Strategic Value Equity Fund	0.61	0.72

If the Russell Midcap Growth Index decreases by 10%, with all other variables remaining constant, the decrease in net assets attributable to holders of redeemable Shares for Federated Kaufmann Growth Fund, for 2009 and 2008 would be \$158,095 and \$123,536, respectively. If the 70% Russell 3000 Value Index / 30% Merrill Lynch 91 Day Treasury Bill Index decreased by 10% with all variables remaining constant, the change in net assets attributable to holders of redeemable Shares for Federated Market Opportunity Value Fund, for 2009 and 2008 would be (\$41,345) and \$11,551, respectively. If the Dow Jones Select Dividend Index decreased by 10% with all variables remaining constant, the decrease in net assets attributable to holders of redeemable Shares for Federated Strategic Value Equity Fund, for 2009 and 2008 would be \$22,842 and \$24,564, respectively. In practice, the actual trading results may differ from the above sensitivity analysis and these differences could be material.

C. *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. Generally, if interest rates rise, the income potential of the Fund also rises. Conversely, a decline in interest rates will generally have the opposite effect.

The Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund, Federated Short-Term U.S. Prime Fund, Federated Short-Term Euro Fund, Federated High Income Advantage Fund and Federated U.S. Bond Fund are exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The investment adviser for each Fund monitors the overall sensitivity to interest rate fluctuations on a daily basis. The Federated Kaufmann Growth Fund, Federated Market Opportunity Value Fund and Federated Strategic Value Equity Fund are minimally exposed to interest rate risk since they invest principally in equity securities. However, in the event these Funds acquire a fixed-income security, the investment adviser will monitor the Fund's sensitivity to interest rate fluctuations in the same manner as the aforementioned Funds.

Duration is a measure of a bond's (or bond portfolio's) volatility or sensitivity to changes in interest rates. It is a weighted-average term-to-maturity of the bond's cash flows, the weights being the present value of each cash flow as a percentage of the bond's full price. In short, duration is a measure of how long, in terms of years, it takes for the price of a bond to be repaid by its internal cash flows. Bonds with longer durations will be more volatile and have more risk than bonds with lower durations. It represents the approximate change in price for a 1% (100 basis points) change in yield. For example, a duration of 3 means that the price of a bond will change by approximately 3% for a 1% change in yield. As of December 31, 2009, the average duration of the Federated High Income Advantage Fund and the Federated U.S. Bond Fund was 3.61 and 3.84, respectively. If interest rates increased by 0.25% on December 31, 2009, with all other variables remaining constant, the decrease in net assets attributable to holders of redeemable Shares of the Federated High Income Advantage Fund and the Federated U.S. Bond Fund would have been \$256,102 and €23,951, respectively. In practice, the actual trading results may differ from the above sensitivity analysis and these differences could be material. As of December 31, 2008, the average duration of the Federated High Income Advantage Fund and the Federated U.S. Bond Fund was 3.98 and 4.14, respectively. If interest rates declined by 0.25% on December 31, 2008, with all other variables remaining constant, the increase in net assets attributable to

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For the year ended December 31, 2009

holders of redeemable shares of the Federated High Income Advantage Fund and Federated U.S. Bond Fund would have been \$199,257 and €61,889, respectively. In practice, the actual trading results may differ from the above sensitivity analysis and the differences could be material.

With regard to the money market funds, an increase in interest rates will have a direct impact on the portfolio's yield as floating rate securities reset their interest rate at the higher rate, and as short-term securities mature and are reinvested at the prevailing higher interest rate.

For the Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund and Federated Short-Term U.S. Prime Fund, the investment adviser cites the Federal Funds Target Rate as the principal interest rate risk variable impacting these funds. The Investment Adviser anticipates that the Federal Funds Target Rate may increase between 0.25% and 0.50% by December 31, 2010, most likely during the second half of 2010. Further, the Investment Adviser believes that should such an anticipated increase in the Federal Funds Target Rate take place, it would result in a corresponding increase in these Funds' yields, yet have no material impact to the Funds' net assets.

With regard to Federated Short-Term Euro Fund, the investment adviser has identified the 3 month Euribor as the primary interest rate variable impacting the Fund. The Investment Adviser expects the 3 month Euribor may increase between 0.25% and 0.50% by the end of 2010, with the increase occurring most likely during the second half of the year. The Investment Adviser believes that should such an anticipated increase in the 3 month Euribor take place, it would have a corresponding increase in the Fund's yield, yet have no material impact to the Fund's net assets.

The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectation for future interest rate movements, however, actual results may differ significantly.

The tables that follow represent the interest rate risk maturity profile for each Fund as at December 31, 2009 and 2008.

Federated Short-Term U.S. Government Securities Fund	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
All amounts stated in U.S. dollars						
December 31, 2009						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	12,500,000	633,725,344	1,309,004,331	—	—	1,955,229,675
<i>Held for trading:</i>						
Repurchase Agreements	1,736,847,000	270,000,000	—	—	—	2,006,847,000
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	4,513,161	4,513,161
Total Assets	<u>1,749,347,000</u>	<u>903,725,344</u>	<u>1,309,004,331</u>	<u>—</u>	<u>4,513,161</u>	<u>3,966,589,836</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	84,021	84,021
Accrued Expenses	—	—	—	—	2,022,349	2,022,349
Bank Overdraft	453,351	—	—	—	—	453,351
Total Liabilities	<u>453,351</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,106,370</u>	<u>2,559,721</u>
Total interest sensitivity gap	<u>1,748,893,649</u>	<u>903,725,344</u>	<u>1,309,004,331</u>	<u>—</u>	<u>—</u>	

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Federated Short-Term U.S. Treasury Securities Fund	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
All amounts stated in U.S. dollars						
December 31, 2009						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	84,109,303	146,063,320	138,011,171	—	—	368,183,794
<i>Held for trading:</i>						
Repurchase Agreements	1,202,437,000	—	—	—	—	1,202,437,000
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	2,737,628	2,737,628
Total Assets	<u>1,286,546,303</u>	<u>146,063,320</u>	<u>138,011,171</u>	<u>—</u>	<u>2,737,628</u>	<u>1,573,358,422</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	1,665	1,665
Accrued Expenses	—	—	—	—	550,166	550,166
Bank Overdraft	353,650	—	—	—	—	353,650
Total Liabilities	<u>353,650</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>551,831</u>	<u>905,481</u>
Total interest sensitivity gap	<u>1,286,192,653</u>	<u>146,063,320</u>	<u>138,011,171</u>	<u>—</u>	<u>—</u>	<u>—</u>

Federated Short-Term U.S. Prime Fund	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
All amounts stated in U.S. dollars						
December 31, 2009						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	96,072,248	129,462,921	149,784,953	25,000,000	—	400,320,122
Money Market Instruments	799,986,369	864,694,354	129,953,750	—	—	1,794,634,473
<i>Held for trading:</i>						
Repurchase Agreements	2,612,296,000	—	—	—	—	2,612,296,000
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	1,771,254	1,771,254
Total Assets	<u>3,508,354,617</u>	<u>994,157,275</u>	<u>279,738,703</u>	<u>25,000,000</u>	<u>1,771,254</u>	<u>4,809,021,849</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	82,102	82,102
Accrued Expenses	—	—	—	—	1,733,413	1,733,413
Bank Overdraft	277,735	—	—	—	—	277,735
Total Liabilities	<u>277,735</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,815,515</u>	<u>2,093,250</u>
Total interest sensitivity gap	<u>3,508,076,882</u>	<u>994,157,275</u>	<u>279,738,703</u>	<u>25,000,000</u>	<u>—</u>	<u>—</u>

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Federated Short-Term Euro Fund All amounts stated in euro December 31, 2009	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	138,993,786	26,973,774	30,918,006	—	—	196,885,566
<i>Held for trading:</i>						
Repurchase Agreements	64,000,000	—	—	—	—	64,000,000
<i>Cash and receivables:</i>						
Cash	130,242	—	—	—	—	130,242
Interest, dividends and other receivables	—	—	—	—	6,383	6,383
Total Assets	<u>203,124,028</u>	<u>26,973,774</u>	<u>30,918,006</u>	<u>—</u>	<u>6,383</u>	<u>261,022,191</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	23,723	23,723
Accrued Expenses	—	—	—	—	117,214	117,214
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>140,937</u>	<u>140,937</u>
Total interest sensitivity gap	<u>203,124,028</u>	<u>26,973,774</u>	<u>30,918,006</u>	<u>—</u>		

Federated High Income Advantage Fund All amounts stated in U.S. dollars December 31, 2009	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	—	—	—	27,808,847	—	27,808,847
Equity Instruments	—	—	—	—	116,718	116,718
<i>Held for trading:</i>						
Repurchase Agreements	—	—	—	—	—	—
<i>Cash and receivables:</i>						
Interest, dividends and other receivables	—	—	—	—	592,991	592,991
Total Assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,808,847</u>	<u>709,709</u>	<u>28,518,556</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	5,774	5,774
Accrued Expenses	—	—	—	—	55,559	55,559
Bank Overdraft	256,074	—	—	—	—	256,074
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	—	—	—	—	10,125	10,125
Total Liabilities	<u>256,074</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>71,458</u>	<u>327,532</u>
Total interest sensitivity gap	<u>256,074</u>	<u>—</u>	<u>—</u>	<u>—</u>		

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For the year ended December 31, 2009

Federated U.S. Bond Fund All amounts stated in euro December 31, 2009	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	—	—	—	2,097,811	—	2,097,811
<i>Held for trading:</i>						
Repurchase Agreements	456,908	—	—	—	—	456,908
<i>Cash and receivables:</i>						
Cash	38,584	—	—	—	—	38,584
Interest, dividends and other receivables	—	—	—	—	54,934	54,934
Total Assets	<u>495,492</u>	<u>—</u>	<u>—</u>	<u>2,097,811</u>	<u>54,934</u>	<u>2,648,237</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accrued Expenses	—	—	—	—	45,431	45,431
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts	—	—	—	—	107,869	107,869
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>153,300</u>	<u>153,300</u>
Total interest sensitivity gap	<u>495,492</u>	<u>—</u>	<u>—</u>	<u>2,097,811</u>		
Federated Kaufmann Growth Fund All amounts stated in U.S. dollars December 31, 2009	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	—	—	—	20,646	—	20,646
Equity Instruments	—	—	—	—	1,946,923	1,946,923
<i>Held for trading:</i>						
Repurchase Agreements	108,000	—	—	—	—	108,000
<i>Cash and receivables:</i>						
Cash	2,204	—	—	—	—	2,204
Interest, dividends and other receivables	—	—	—	—	62,555	62,555
Total Assets	<u>110,204</u>	<u>—</u>	<u>—</u>	<u>20,646</u>	<u>2,009,478</u>	<u>2,140,328</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	15,333	15,333
Accrued Expenses	—	—	—	—	71,817	71,817
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>87,150</u>	<u>87,150</u>
Total interest sensitivity gap	<u>110,204</u>	<u>—</u>	<u>—</u>	<u>20,646</u>		

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Market Opportunity Value Fund						
All amounts stated in U.S. dollars						
December 31, 2009						
Assets						
<i>Designated at fair value through Profit and</i>						
<i>Loss upon initial recognition:</i>						
Equity Instruments	—	—	—	—	372,055	372,055
<i>Held for trading:</i>						
Financial Derivative Instruments	12,080	19,665	—	—	—	31,745
Repurchase Agreements	643,000	—	—	—	—	643,000
<i>Cash and receivables:</i>						
Cash	971	—	—	—	—	971
Interest, dividends and other receivables	—	—	—	—	45,756	45,756
Total Assets	<u>656,051</u>	<u>19,665</u>	<u>—</u>	<u>—</u>	<u>417,811</u>	<u>1,093,527</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accrued Expenses	—	—	—	—	59,953	59,953
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>59,953</u>	<u>59,953</u>
Total interest sensitivity gap	<u>656,051</u>	<u>19,665</u>	<u>—</u>	<u>—</u>		

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Strategic Value Equity Fund						
All amounts stated in U.S. dollars						
December 31, 2009						
Assets						
<i>Designated at fair value through Profit and</i>						
<i>Loss upon initial recognition:</i>						
Equity Instruments	—	—	—	—	371,890	371,890
<i>Held for trading:</i>						
Repurchase Agreements	14,000	—	—	—	—	14,000
<i>Cash and receivables:</i>						
Cash	527	—	—	—	—	527
Interest, dividends and other receivables	—	—	—	—	45,373	45,373
Total Assets	<u>14,527</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>417,263</u>	<u>431,790</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accrued Expenses	—	—	—	—	57,333	57,333
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>57,333</u>	<u>57,333</u>
Total interest sensitivity gap	<u>14,527</u>	<u>—</u>	<u>—</u>	<u>—</u>		

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Federated Short-Term U.S. Government Securities Fund	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	471,251,279	865,390,458	426,721,183	—	—	1,763,362,920
Money Market Instruments	133,786,020	201,712,869	176,055,047	—	—	511,553,936
<i>Held for trading:</i>						
Repurchase Agreements	2,059,613,000	—	—	—	—	2,059,613,000
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	8,202,562	8,202,562
Total Assets	<u>2,664,650,299</u>	<u>1,067,103,327</u>	<u>602,776,230</u>	<u>—</u>	<u>8,202,562</u>	<u>4,342,732,418</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	2,723,150	2,723,150
Accrued Expenses	—	—	—	—	2,015,869	2,015,869
Bank Overdraft	75,766	—	—	—	—	75,766
Total Liabilities	<u>75,766</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,739,019</u>	<u>4,814,785</u>
Total interest sensitivity gap	<u>2,664,574,533</u>	<u>1,067,103,327</u>	<u>602,776,230</u>	<u>—</u>	<u>—</u>	<u>—</u>

Federated Short-Term U.S. Treasury Securities Fund	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	190,954,650	61,576,176	253,734,831	—	—	506,265,657
<i>Held for trading:</i>						
Repurchase Agreements	2,993,511,000	—	—	—	—	2,993,511,000
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	1,145,407	1,145,407
Total Assets	<u>3,184,465,650</u>	<u>61,576,176</u>	<u>253,734,831</u>	<u>—</u>	<u>1,145,407</u>	<u>3,500,922,064</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	25,098,951	25,098,951
Accrued Expenses	—	—	—	—	577,623	577,623
Bank Overdraft	312,964	—	—	—	—	312,964
Total Liabilities	<u>312,964</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>25,676,574</u>	<u>25,989,538</u>
Total interest sensitivity gap	<u>3,184,152,686</u>	<u>61,576,176</u>	<u>253,734,831</u>	<u>—</u>	<u>—</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Short-Term U.S. Prime Fund						
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	90,464,000	253,500,000	196,723,884	—	—	540,687,884
Money Market Instruments	889,794,250	744,291,722	491,468,000	—	—	2,125,553,972
<i>Held for trading:</i>						
Repurchase Agreements	3,132,424,000	—	—	—	—	3,132,424,000
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	12,753,424	12,753,424
Total Assets	<u>4,112,682,250</u>	<u>997,791,722</u>	<u>688,191,884</u>	<u>—</u>	<u>12,753,424</u>	<u>5,811,419,280</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	3,964,966	3,964,966
Accrued Expenses	—	—	—	—	1,971,677	1,971,677
Bank Overdraft	6,572	—	—	—	—	6,572
Total Liabilities	<u>6,572</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,936,643</u>	<u>5,943,215</u>
Total interest sensitivity gap	<u>4,112,675,678</u>	<u>997,791,722</u>	<u>688,191,884</u>	<u>—</u>	<u>—</u>	<u>—</u>

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Short-Term Euro Fund						
All amounts stated in euro						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	10,000,000	10,000,000	10,000,000	—	—	30,000,000
Money Market Instruments	140,000,000	13,793,854	—	—	—	153,793,854
<i>Held for trading:</i>						
Repurchase Agreements	85,000,000	—	—	—	—	85,000,000
<i>Cash and receivables:</i>						
Cash	32,116	—	—	—	—	32,116
Interest, dividends and other receivables	—	—	—	—	223,405	223,405
Total Assets	<u>235,032,116</u>	<u>23,793,854</u>	<u>10,000,000</u>	<u>—</u>	<u>223,405</u>	<u>269,049,375</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	531,877	531,877
Accrued Expenses	—	—	—	—	123,690	123,690
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>655,567</u>	<u>655,567</u>
Total interest sensitivity gap	<u>235,032,116</u>	<u>23,793,854</u>	<u>10,000,000</u>	<u>—</u>	<u>—</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated High Income Advantage Fund						
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	312,961	710,500	1,226,462	16,778,087	—	19,028,010
Money Market Instruments	—	—	—	—	—	—
Equity Instruments	—	—	—	—	8,165	8,165
<i>Held for trading:</i>						
Repurchase Agreements	428,000	—	—	—	—	428,000
<i>Cash and receivables:</i>						
Cash	130	—	—	—	—	130
Interest, dividends and other receivables	—	—	—	—	607,160	607,160
Total Assets	<u>741,091</u>	<u>710,500</u>	<u>1,226,462</u>	<u>16,778,087</u>	<u>615,325</u>	<u>20,071,465</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	—	—
Accrued Expenses	—	—	—	—	85,616	85,616
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>85,616</u>	<u>85,616</u>
Total interest sensitivity gap	<u>741,091</u>	<u>710,500</u>	<u>1,226,462</u>	<u>16,778,087</u>		

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated U.S. Bond Fund						
All amounts stated in euro						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	1,043,470	—	53,693	4,233,017	—	5,330,180
Money Market Instruments	—	—	—	—	—	—
<i>Held for trading:</i>						
Repurchase Agreements	206,467	—	—	—	—	206,467
<i>Cash and receivables:</i>						
Cash	—	—	—	—	—	—
Interest, dividends and other receivables	—	—	—	—	579,693	579,693
Total Assets	<u>1,249,937</u>	<u>—</u>	<u>53,693</u>	<u>4,233,017</u>	<u>579,693</u>	<u>6,116,340</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	—	—
Accrued Expenses	—	—	—	—	43,761	43,761
Bank Overdraft	369	—	—	—	—	369
<i>Unrealised Depreciation on Forward Foreign Currency Exchange Contracts</i>						
	—	—	—	—	92,634	92,634
Total Liabilities	<u>369</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>136,395</u>	<u>136,764</u>
Total interest sensitivity gap	<u>1,249,568</u>	<u>—</u>	<u>53,693</u>	<u>4,233,017</u>		

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Kaufmann Growth Fund						
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Debt Instruments	960	—	2,858	32,166	—	35,984
Equity Instruments	—	—	—	—	1,262,826	1,262,826
<i>Held for trading:</i>						
Repurchase Agreements	314,000	—	—	—	—	314,000
<i>Cash and receivables:</i>						
Cash	1,278	—	—	—	—	1,278
Interest, dividends and other receivables	—	—	—	—	18,155	18,155
Total Assets	<u>316,238</u>	<u>—</u>	<u>2,858</u>	<u>32,166</u>	<u>1,280,981</u>	<u>1,632,243</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	2,241	2,241
Accrued Expenses	—	—	—	—	66,254	66,254
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>68,495</u>	<u>68,495</u>
Total interest sensitivity gap	<u>316,238</u>	<u>—</u>	<u>2,858</u>	<u>32,166</u>		
	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Market Opportunity Value Fund						
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Equity Instruments	—	—	—	—	679,418	679,418
<i>Held for trading:</i>						
Financial Derivative Instruments	—	—	1,500	—	—	1,500
Repurchase Agreements	403,000	—	—	—	—	403,000
<i>Cash and receivables:</i>						
Cash	21,405	—	—	—	—	21,405
Interest, dividends and other receivables	—	—	—	—	21,704	21,704
Total Assets	<u>424,405</u>	<u>—</u>	<u>1,500</u>	<u>—</u>	<u>701,122</u>	<u>1,127,027</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	19,792	19,792
Accrued Expenses	—	—	—	—	56,826	56,826
<i>Unrealised Depreciation on Forward Foreign Currency Exchange Contracts</i>						
	—	—	—	—	284	284
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>76,902</u>	<u>76,902</u>
Total interest sensitivity gap	<u>424,405</u>	<u>—</u>	<u>1,500</u>	<u>—</u>		

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	Non-Interest Bearing	Total
Federated Strategic Value Equity Fund						
All amounts stated in U.S. dollars						
December 31, 2008						
Assets						
<i>Designated at fair value through Profit and Loss upon initial recognition:</i>						
Equity Instruments	—	—	—	—	364,810	364,810
<i>Held for trading:</i>						
Repurchase Agreements	20,000	—	—	—	—	20,000
<i>Cash and receivables:</i>						
Cash	835	—	—	—	—	835
Interest, dividends and other receivables	—	—	—	—	11,623	11,623
Total Assets	<u>20,835</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>376,433</u>	<u>397,268</u>
Liabilities excluding Redeemable Shares						
<i>Financial liabilities measured at amortised cost:</i>						
Accounts Payable	—	—	—	—	—	—
Accrued Expenses	—	—	—	—	56,105	56,105
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>56,105</u>	<u>56,105</u>
Total interest sensitivity gap	<u>20,835</u>	<u>—</u>	<u>—</u>	<u>—</u>		

D. 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 cross national borders, it is subject to currency risk if the portfolio's positions are not hedged. The investment advisers for Federated High Income Advantage Fund, Federated U.S. Bond Fund, Federated Kaufmann Growth Fund, Federated Strategic Value Equity Fund and Federated Market Opportunity Value Fund manage currency risk through a top-down approach by monitoring the macro-economic fundamentals of the countries / regions in which the Funds invest. Additionally, the investment advisers attempt to mitigate currency risk by applying currency hedging techniques, such as transacting in forward foreign exchange currency contracts. The investment advisers monitor currency risk by constantly reviewing and evaluating central bank policies, political developments, and macro-economic conditions in the countries where the Funds invest.

The Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund, Federated Short-Term U.S. Prime Fund and Federated Short-Term Euro Fund were not materially exposed to currency risk for the years ended December 31, 2009 and December 31, 2008. Federated High Income Advantage Fund was not exposed to currency risk as at December 31, 2008.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

As of the reporting date, December 31, 2009, the Funds' financial assets exposed to currency risk amounted to the following:

	Monetary Assets	Monetary Liabilities	Forward FX Contracts	Net Exposure	% Exposure (of NAV)
Federated High Income Advantage Fund					
All amounts stated in U.S. dollars					
euro	<u>6,274</u>	<u>—</u>	<u>230,175</u>	<u>236,449</u>	<u>0.83</u>
Federated U.S. Bond Fund					
All amounts stated in euro					
U.S. dollar	<u>2,576,958</u>	<u>—</u>	<u>(2,560,027)</u>	<u>16,931</u>	<u>0.68</u>
Federated Kaufmann Growth Fund					
All amounts stated in U.S. dollars					
Brazilian real	173,995	(5,860)	—	168,135	8.19
British pound	5,050	—	—	5,050	0.25
euro	3,358	—	—	3,358	0.16
Hong Kong dollar	66,742	—	—	66,742	3.25
Indonesian rupiah	4,029	—	—	4,029	0.20
Indian rupee	65,980	—	—	65,980	3.21
New Taiwan dollar	4,388	—	—	4,388	0.21
Swiss franc	432	—	—	432	0.02
	<u>323,974</u>	<u>(5,860)</u>	<u>—</u>	<u>318,114</u>	<u>15.49</u>
Federated Market Opportunity Value Fund					
All amounts stated in U.S. dollars					
euro	8,757	—	—	8,757	0.85
Japanese yen	89,879	—	—	89,879	8.70
Singapore dollar	—	—	10,465	10,465	1.01
Swiss franc	—	—	(10,402)	(10,402)	(1.01)
	<u>98,636</u>	<u>—</u>	<u>63</u>	<u>98,699</u>	<u>9.55</u>
Federated Strategic Value Equity Fund					
All amounts stated in U.S. dollars					
British pound	49,677	—	—	49,677	13.27
Canadian dollar	11,756	—	—	11,756	3.14
euro	<u>33,652</u>	<u>—</u>	<u>—</u>	<u>33,652</u>	<u>8.99</u>
	<u>95,085</u>	<u>—</u>	<u>—</u>	<u>95,085</u>	<u>25.40</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

As of the reporting date, December 31, 2008, the Funds' financial assets exposed to currency risk amounted to the following:

		Monetary Assets	Monetary Liabilities	Forward FX Contracts	Net Exposure	% Exposure (of NAV)
Federated U.S. Bond Fund						
All amounts stated in euro						
U.S. dollar		<u>11,570,003</u>	<u>(6,124,494)</u>	<u>(5,886,525)</u>	<u>(441,016)</u>	<u>(7.38)</u>
		Monetary Assets	Monetary Liabilities	Forward FX Contracts	Net Exposure	% Exposure (of NAV)
Federated Kaufmann Growth Fund						
All amounts stated in U.S. dollars						
Brazilian real		11,905	—	—	11,905	0.76
British pound		2,408	—	—	2,408	0.15
euro		2,731	—	—	2,731	0.17
Hong Kong dollar		17,454	—	—	17,454	1.12
Indian rupee		56,630	—	—	56,630	3.62
Swiss franc		<u>6,873</u>	<u>—</u>	<u>—</u>	<u>6,873</u>	<u>0.44</u>
		<u>98,001</u>	<u>—</u>	<u>—</u>	<u>98,001</u>	<u>6.26</u>
		Monetary Assets	Monetary Liabilities	Forward FX Contracts	Net Exposure	% Exposure (of NAV)
Federated Market Opportunity Value Fund						
All amounts stated in U.S. dollars						
Australian dollar		—	—	19,781	19,781	1.88
British pound		179	—	—	179	0.02
euro		48,417	—	(40,011)	8,406	0.80
Japanese yen		<u>15,655</u>	<u>—</u>	<u>(44,182)</u>	<u>(28,527)</u>	<u>(2.72)</u>
		<u>64,251</u>	<u>—</u>	<u>(64,412)</u>	<u>(161)</u>	<u>(0.02)</u>
		Monetary Assets	Monetary Liabilities	Forward FX Contracts	Net Exposure	% Exposure (of NAV)
Federated Strategic Value Equity Fund						
All amounts stated in U.S. dollars						
British pound		49,261	—	—	49,261	14.44
euro		<u>32,032</u>	<u>—</u>	<u>—</u>	<u>32,032</u>	<u>9.39</u>
		<u>81,293</u>	<u>—</u>	<u>—</u>	<u>81,293</u>	<u>23.83</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Foreign currency risk sensitivity analysis

Based on the funds year-end net exposures to foreign currencies, as included within the statement of assets and liabilities, if foreign exchange rates were to increase by 5%, the effect on net assets attributable to holders of redeemable participating shares would be as follows:

Currency	Net Exposure as at December 31, 2009	Effect of 5% Increase
Federated High Income Advantage Fund		
euro	\$236,449	\$11,822
Federated U.S. Bond Fund		
U.S. dollar	€ 16,931	€ 846
Federated Kaufmann Growth Fund		
Brazilian real	\$168,135	\$ 8,406
British pound	5,050	252
euro	3,358	167
Hong Kong dollar	66,742	3,337
Indonesian rupiah	4,029	201
Indian rupee	65,980	3,299
New Taiwan dollar	4,388	219
Swiss franc	432	21
Total	318,114	15,902
Federated Market Opportunity Value Fund		
euro	\$ 8,757	\$ 437
Japanese yen	89,879	4,493
Singapore dollar	10,465	523
Swiss franc	(10,402)	(520)
Total	98,699	4,933
Federated Strategic Value Equity Fund		
British pound	\$ 49,677	\$ 2,483
Canadian dollar	11,756	587
euro	33,652	1,682
Total	95,085	4,752

Currency	Net Exposure as at December 31, 2008	Effect of 5% Increase
Federated U.S. Bond Fund		
U.S. dollar	€(441,016)	€(22,051)
Federated Kaufmann Growth Fund		
Brazilian real	\$ 11,905	\$ 595
British pound	2,408	120
euro	2,731	137
Hong Kong dollar	17,454	873
Indian rupee	56,630	2,832
Swiss franc	6,873	344
Total	98,001	4,901

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Currency	Net Exposure as at December 31, 2008	Effect of 5% Increase
Federated Market Opportunity Value Fund		
Australian dollar	\$ 19,781	\$ 989
British pound	179	9
euro	8,406	420
Japanese yen	(28,527)	(1,426)
Total	<u>(161)</u>	<u>(8)</u>
Federated Strategic Value Equity Fund		
British pound	\$ 49,261	\$ 2,463
euro	32,032	1,602
Total	<u>81,293</u>	<u>4,065</u>

A decline in foreign exchange rates by the same amount will generally have the opposite effect.

E. 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. The Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund, Federated Short-Term U.S. Prime Fund, Federated Short-Term Euro Fund, Federated High Income Advantage Fund and Federated U.S. Bond Fund have exposure to credit risk with whom they trade and also incur the risk of settlement default. These Funds minimise concentrations of credit risk by undertaking transactions with a large number of customers and counterparties on recognised and reputable exchanges. Both the Federated Short-Term U.S. Government Securities Fund and the Federated Short-Term U.S. Treasury Securities Fund are rated AAA by S&P and Moody's Investors Service ("**Moody's**"). The Federated Short-Term U.S. Prime Fund invests in securities that must be rated in one of the three highest short-term rating categories by one or more of the nationally recognised statistical rating organisations ("**NRSROs**") or be of comparable quality to securities having such ratings. For the Federated Short-Term Euro Fund, the portfolio securities must be rated in the highest short-term rating category by one or more NRSROs or be of comparable quality to securities having such ratings.

The investment adviser has established several committees to manage credit risk exposure of the Funds, including a Counterparty Risk Committee, a Bank Credit Committee, an Asset-Backed Committee, and a Corporate Credit Committee. Each committee is chaired by the investment adviser'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 S&P or Moody's). The committee decisions incorporate the recommendations of the analysts and the market view of the portfolio managers. After the initial assessment, the investment adviser 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.

Substantially all of the assets of the Funds are held in segregated accounts with the Custodian. Bankruptcy or insolvency of BNY Mellon may cause the Funds' rights with respect to securities and cash held by the Custodian to be delayed or limited. The investment advisers monitor this risk by reviewing the credit quality and financial position of the Custodian.

The carrying amounts of the financial assets most appropriately represent the maximum credit risk exposure at the balance sheet date. As at December 31, 2009 and 2008, the Funds held no impaired financial assets.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

At the reporting date, the Funds' financial assets exposed to credit risk amounted to the following:

Federated Short-Term U.S. Government Securities Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	2,006,847,000	2,059,613,000
Investments in debt instruments	1,955,229,675	2,274,916,856
Dividends and interest receivable	3,538,466	8,192,816
Total	<u>3,965,615,141</u>	<u>4,342,722,672</u>

Federated Short-Term U.S. Treasury Securities Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	1,202,437,000	2,993,511,000
Investments in debt instruments	368,183,794	506,265,657
Dividends and interest receivable	2,548,906	1,138,268
Total	<u>1,573,169,700</u>	<u>3,500,914,925</u>

Federated Short-Term U.S. Prime Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	2,612,296,000	3,132,424,000
Investments in debt instruments	400,320,122	870,687,883
Investments in money market instruments	1,794,634,473	1,795,553,973
Dividends and interest receivable	1,267,744	12,729,126
Total	<u>4,808,518,339</u>	<u>5,811,394,982</u>

Federated Short-Term Euro Fund

All amounts stated in euro

	December 31, 2009	December 31, 2008
Balances due from broker	64,000,000	85,000,000
Cash	130,242	32,116
Investments in debt instruments	—	30,000,000
Investments in money market instruments	196,885,566	153,793,854
Dividends and interest receivable	858	218,962
Total	<u>261,016,666</u>	<u>269,044,932</u>

Federated High Income Advantage Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	—	428,000
Cash	—	130
Investments in debt instruments	27,808,847	19,068,010
Investments in preferred stocks	69,874	—
Dividends and interest receivable	558,169	594,976
Receivable for securities sold	13,122	—
Total	<u>28,450,012</u>	<u>20,091,116</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Federated U.S. Bond Fund

All amounts stated in euro

	December 31, 2009	December 31, 2008
Balances due from broker	456,908	206,467
Cash	38,584	—
Investments in debt instruments	2,097,811	5,330,180
Dividends and interest receivable	22,181	49,974
Receivable for securities sold	—	2,927
Total	<u>2,615,484</u>	<u>5,589,548</u>

Federated Kaufmann Growth Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	108,000	314,000
Cash	2,204	1,278
Investments in debt instruments	20,646	35,984
Investments in preferred stocks	28,735	—
Dividends and interest receivable	2,970	1,882
Receivable for securities sold	13,632	6,583
Total	<u>176,187</u>	<u>359,727</u>

Federated Market Opportunity Value Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	643,000	403,000
Cash	971	21,405
Investments in options	31,745	1,500
Dividends and interest receivable	132	790
Receivable for securities sold	—	9,753
Total	<u>675,848</u>	<u>436,448</u>

Federated Strategic Value Equity Fund

All amounts stated in U.S. dollars

	December 31, 2009	December 31, 2008
Balances due from broker	14,000	20,000
Cash	527	835
Dividends and interest receivable	1,218	1,930
Total	<u>15,745</u>	<u>22,765</u>

Amounts in the tables above are based on the carrying value of all accounts.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

For Funds with significant credit risk exposure the following are their credit ratings:

At December 31, 2009, the Federated High Income Advantage Fund's credit quality ratings composition¹ was as follows:

S&P Long-Term Ratings as Percentage of Total Investments		Moody's Long-Term Ratings as Percentage of Total Investments	
	%		%
AAA	0.0	Aaa	0.0
AA	0.0	Aa	0.0
A	0.0	A	0.0
BBB	1.2	Baa	0.4
BB	27.3	Ba	21.4
B	40.0	B	40.0
CCC	27.3	Caa	30.7
CC	0.3	Ca	2.7
C	0.2	C	0.0
D	0.9		
Not Rated by S&P	2.8	Not Rated by Moody's	4.8
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2009, the Federated U.S. Bond Fund's credit quality ratings composition¹ was as follows:

S&P Long-Term Ratings as Percentage of Total Investments		Moody's Long-Term Ratings as Percentage of Total Investments	
	%		%
AAA	48.4	Aaa	48.4
AA	1.4	Aa	2.1
A	14.0	A	12.0
BBB	18.2	Baa	19.5
		B	4.8
Not Rated by S&P	18.0	Not Rated by Moody's	13.2
Total	<u>100.0</u>	Total	<u>100.0</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

At December 31, 2009, the Federated Short-Term Euro Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	49.4	Prime-1	100.0
A-1	50.6	Prime-2	0.0
Not Rated by S&P	0.0	Not Rated by Moody's	0.0
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2009, the Federated Short-Term U.S. Prime Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	80.0	Prime-1	99.1
A-1	19.9	Prime-2	0.0
Not Rated by S&P	0.1	Not Rated by Moody's	0.9
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2009, the Federated Short-Term U.S. Government Securities Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	98.4	Prime-1	98.4
Not Rated by S&P	1.6	Not Rated by Moody's	1.6
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2009, the Federated Short-Term U.S. Treasury Securities Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	76.6	Prime-1	76.6
Not Rated by S&P	23.4	Not Rated by Moody's	23.4
Total	<u>100.0</u>	Total	<u>100.0</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

At December 31, 2008, the Federated High Income Advantage Fund's credit quality ratings composition¹ was as follows:

S&P Long-Term Ratings as Percentage of Total Investments		Moody's Long-Term Ratings as Percentage of Total Investments	
	%		%
AAA	0.0	Aaa	0.0
AA	0.0	Aa	0.0
A	0.0	A	0.0
BBB	8.5	Baa	4.2
BB	26.9	Ba	24.1
B	35.3	B	35.6
CCC	21.7	Caa	28.0
CC	1.5	Ca	1.2
C	1.7	C	2.2
D	0.4		
Not Rated by S&P	4.0	Not Rated by Moody's	4.7
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2008, the Federated U.S. Bond Fund's credit quality ratings composition¹ was as follows:

S&P Long-Term Ratings as Percentage of Total Investments		Moody's Long-Term Ratings as Percentage of Total Investments	
	%		%
AAA	27.7	Aaa	23.1
AA	0.7	Aa	0.0
A	44.5	A	36.9
BBB	19.7	Baa	24.4
Not Rated by S&P	7.4	Not Rated by Moody's	15.6
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2008, the Federated Short-Term Euro Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	82.1	Prime-1	100.0
A-1	17.9	Prime-2	0.0
Not Rated by S&P	0.0	Not Rated by Moody's	0.0
Total	<u>100.0</u>	Total	<u>100.0</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

At December 31, 2008, the Federated Short-Term U.S. Prime Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	92.3	Prime-1	100.0
A-1	7.7	Prime-2	0.0
Not Rated by S&P	0.0	Not Rated by Moody's	0.0
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2008, the Federated Short-Term U.S. Government Securities Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	100.0	Prime-1	100.0
Not Rated by S&P	0.0	Not Rated by Moody's	0.0
Total	<u>100.0</u>	Total	<u>100.0</u>

At December 31, 2008, the Federated Short-Term U.S. Treasury Securities Fund's credit quality ratings composition² was as follows:

S&P Short-Term Ratings as Percentage of Total Investments		Moody's Short-Term Ratings as Percentage of Total Investments	
	%		%
A-1+	100.0	Prime-1	100.0
Not Rated by S&P	0.0	Not Rated by Moody's	0.0
Total	<u>100.0</u>	Total	<u>100.0</u>

1 These tables depict the long-term credit-quality ratings assigned to the Fund's portfolio holdings by S&P and Moody's, each of which is an NRSRO. These credit-quality ratings are shown without regard to gradations within a given rating category. For example, securities rated "A-" have been included in the "A" rated category. Rated securities that have been prerefunded, but not rated again by the NRSRO, have been included in the "Not rated by..." category.

Rated securities include a security with an obligor and/or credit enhancer that has received a rating from an NRSRO 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.

2 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 an NRSRO 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

As at December 31, 2009, and 2008, the Funds participated in repurchase agreements as set out in the following tables:

	2009 US\$	2008 US\$
Federated Short-Term U.S. Government Securities Fund		
Participation in Repurchase Agreements	2,006,847,000	2,059,613,000
Collateral (U.S. government agencies)	2,052,724,631	2,104,941,091
Federated Short-Term U.S. Treasury Securities Fund		
Participation in Repurchase Agreements	1,202,437,000	2,993,511,000
Collateral (U.S. government agencies)	1,226,514,747	3,053,388,991
Federated Short-Term U.S. Prime Fund		
Participation in Repurchase Agreements	2,612,296,000	3,132,424,000
Collateral (U.S. government agencies)	2,668,246,361	3,198,584,823
Federated Short-Term Euro Fund		
Participation in Repurchase Agreements (in euro)	64,000,000	85,000,000
Collateral (U.S. government agencies) (in euro)	65,280,000	86,700,000
Federated High Income Advantage Fund		
Participation in Repurchase Agreements	—	428,000
Collateral (U.S. government agencies)	—	436,565
Federated U.S. Bond Fund		
Participation in Repurchase Agreements (in euro)	456,908	206,467
Collateral (U.S. government agencies) (in euro)	655,000	210,598
Federated Kaufmann Growth Fund		
Participation in Repurchase Agreements	108,000	314,000
Collateral (U.S. government agencies)	110,162	320,283
Federated Market Opportunity Value Fund		
Participation in Repurchase Agreements	643,000	403,000
Collateral (U.S. government agencies)	655,865	411,063
Federated Strategic Value Equity Fund		
Participation in Repurchase Agreements	14,000	20,000
Collateral (U.S. government agencies)	14,280	20,400

F. *Liquidity Risk*

Liquidity risk refers to the possibility that the Funds may not be able to discharge their debts as they become due. The Funds provide for the purchase and redemption of Shares on any Dealing Day (as defined in the prospectus) and are therefore exposed to the liquidity risk of meeting Shareholder redemptions on Dealing Days. However, the Funds' assets are comprised mainly of readily realisable securities, which can be readily sold. In the event of receipt of a substantial number of redemption requests from Shareholders in a short period of time, a Fund may have difficulty selling a sufficient amount of securities to pay redemption proceeds to redeeming Shareholders. In such situations where such requests exceed one-tenth of the number of Shares in issue, in order to protect the interests of non-redeeming Shareholders, the Directors may in their discretion refuse to redeem any Fund Shares in excess of one-tenth of total number of Shares in issue for that Fund, and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced ratably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made on each subsequent dealing day until all of the shares to which the original request related have been redeemed. Requests for redemption which have been carried forward from an earlier Dealing Day shall (subject to the foregoing) have priority to later redemption requests.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

The tables below analyse each Fund's financial liabilities into maturity groupings based on remaining period at the balance sheet date to the contractual maturity date. The amounts in the tables are the contractual commitments, based on undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the amount of discounting is not significant.

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term U.S. Govt. Securities Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	12,500,000	633,725,344	1,309,004,331	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	1,736,847,000	270,000,000	—	—	—
Other receivables	4,513,161	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	1,753,860,161	903,725,344	1,309,004,331	—	—
Financial Liabilities					
Accounts Payable	84,021	—	—	—	—
Accrued Expenses	2,022,349	—	—	—	—
Bank Overdraft	453,351	—	—	—	—
Net assets attributable to holders of redeemable participating shares	3,964,030,115	—	—	—	—
Total	3,966,589,836	—	—	—	—
	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term U.S. Treasury Securities Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	84,109,303	146,063,320	138,011,171	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	1,202,437,000	—	—	—	—
Other receivables	2,737,628	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	1,289,283,931	146,063,320	138,011,171	—	—
Financial Liabilities					
Accounts Payable	1,665	—	—	—	—
Accrued Expenses	550,166	—	—	—	—
Bank Overdraft	353,650	—	—	—	—
Net assets attributable to holders of redeemable participating shares	1,572,452,941	—	—	—	—
Total	1,573,358,422	—	—	—	—

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term U.S. Prime Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	896,058,617	994,157,275	279,738,703	25,000,000	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	2,612,296,000	—	—	—	—
Other receivables	1,771,254	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	<u>3,510,125,871</u>	<u>994,157,275</u>	<u>279,738,703</u>	<u>25,000,000</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	82,102	—	—	—	—
Accrued Expenses	1,733,413	—	—	—	—
Bank Overdraft	277,735	—	—	—	—
Net assets attributable to holders of redeemable participating shares	4,806,928,599	—	—	—	—
Total	<u>4,809,021,849</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term Euro Fund					
All amounts stated in euro					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	138,993,786	26,973,774	30,918,006	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	64,000,000	—	—	—	—
Other receivables	6,383	—	—	—	—
Cash and cash equivalents	130,242	—	—	—	—
Total Assets	<u>203,130,411</u>	<u>26,973,774</u>	<u>30,918,006</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	23,723	—	—	—	—
Accrued Expenses	117,214	—	—	—	—
Net assets attributable to holders of redeemable participating shares	260,881,254	—	—	—	—
Total	<u>261,022,191</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated High Income Advantage Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	27,925,565	—	—	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	—	—	—	—	—
Other receivables	592,991	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	28,518,556	—	—	—	—
Financial Liabilities					
Accounts Payable	15,899	—	—	—	—
Accrued Expenses	55,559	—	—	—	—
Bank Overdraft	256,074	—	—	—	—
Net assets attributable to holders of redeemable participating shares	28,191,024	—	—	—	—
Total	28,518,556	—	—	—	—
Federated U.S. Bond Fund					
All amounts stated in euro					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	—	—	—	2,097,811	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	456,908	—	—	—	—
Other receivables	54,934	—	—	—	—
Cash and cash equivalents	38,584	—	—	—	—
Total Assets	550,426	—	—	2,097,811	—
Financial Liabilities					
Accounts Payable	107,869	—	—	—	—
Accrued Expenses	45,431	—	—	—	—
Net assets attributable to holders of redeemable participating shares	2,494,937	—	—	—	—
Total	2,648,237	—	—	—	—
Federated Kaufmann Growth Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	1,946,923	—	—	20,646	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	108,000	—	—	—	—
Other receivables	62,555	—	—	—	—
Cash and cash equivalents	2,204	—	—	—	—
Total Assets	2,119,682	—	—	20,646	—
Financial Liabilities					
Accounts Payable	15,333	—	—	—	—
Accrued Expenses	71,817	—	—	—	—
Net assets attributable to holders of redeemable participating shares	2,053,178	—	—	—	—
Total	2,140,328	—	—	—	—

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Market Opportunity Value Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	372,055	—	—	—	—
Financial derivative Instruments	12,080	19,665	—	—	—
Due from brokers	643,000	—	—	—	—
Other receivables	45,819	—	—	—	—
Cash and cash equivalents	971	—	—	—	—
Total Assets	<u>1,073,925</u>	<u>19,665</u>	<u>—</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accrued Expenses	59,953	—	—	—	—
Net assets attributable to holders of redeemable participating shares	<u>1,033,637</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,093,590</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Strategic Value Equity Fund					
All amounts stated in U.S. dollars					
December 31, 2009					
Financial Assets					
Financial assets at fair value through profit or loss	371,890	—	—	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	14,000	—	—	—	—
Other receivables	45,373	—	—	—	—
Cash and cash equivalents	527	—	—	—	—
Total Assets	<u>431,790</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accrued Expenses	57,333	—	—	—	—
Net assets attributable to holders of redeemable participating shares	<u>374,457</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>431,790</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term U.S. Govt. Securities Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	605,037,299	1,067,103,327	602,776,230	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	2,059,613,000	—	—	—	—
Other receivables	8,202,562	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	<u>2,672,852,861</u>	<u>1,067,103,327</u>	<u>602,776,230</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	2,723,150	—	—	—	—
Accrued Expenses	2,015,869	—	—	—	—
Bank Overdraft	75,766	—	—	—	—
Net assets attributable to holders of redeemable participating shares	<u>4,337,917,633</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>4,342,732,418</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term U.S. Treasury Securities Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	190,954,650	61,576,176	253,734,831	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	2,993,511,000	—	—	—	—
Other receivables	1,145,407	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	<u>3,185,611,057</u>	<u>61,576,176</u>	<u>253,734,831</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	25,098,951	—	—	—	—
Accrued Expenses	577,623	—	—	—	—
Bank Overdraft	312,964	—	—	—	—
Net assets attributable to holders of redeemable participating shares	3,474,932,526	—	—	—	—
Total	<u>3,500,922,064</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term U.S. Prime Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	980,258,250	997,791,722	688,191,884	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	3,132,424,000	—	—	—	—
Other receivables	12,753,424	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	<u>4,125,435,674</u>	<u>997,791,722</u>	<u>688,191,884</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	3,964,966	—	—	—	—
Accrued Expenses	1,971,677	—	—	—	—
Bank Overdraft	6,572	—	—	—	—
Net assets attributable to holders of redeemable participating shares	5,805,476,065	—	—	—	—
Total	<u>5,811,419,280</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Short-Term Euro Fund					
All amounts stated in euro					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	150,000,000	23,793,854	10,000,000	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	85,000,000	—	—	—	—
Other receivables	223,405	—	—	—	—
Cash and cash equivalents	32,116	—	—	—	—
Total Assets	235,255,521	23,793,854	10,000,000	—	—
Financial Liabilities					
Accounts Payable	531,877	—	—	—	—
Accrued Expenses	123,690	—	—	—	—
Net assets attributable to holders of redeemable participating shares	268,393,808	—	—	—	—
Total	269,049,375	—	—	—	—
Federated High Income Advantage Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	321,126	710,500	1,226,462	16,818,087	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	428,000	—	—	—	—
Other receivables	607,160	—	—	—	—
Cash and cash equivalents	130	—	—	—	—
Total Assets	1,356,416	710,500	1,226,462	16,818,087	—
Financial Liabilities					
Accounts Payable	—	—	—	—	—
Accrued Expenses	85,616	—	—	—	—
Net assets attributable to holders of redeemable participating shares	20,025,849	—	—	—	—
Total	20,111,465	—	—	—	—
Federated U.S. Bond Fund					
All amounts stated in euro					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	1,043,470	—	53,693	4,233,017	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	206,467	—	—	—	—
Other receivables	579,693	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
Total Assets	1,829,630	—	53,693	4,233,017	—
Financial Liabilities					
Accounts Payable	92,634	—	—	—	—
Accrued Expenses	43,761	—	—	—	—
Bank Overdraft	369	—	—	—	—
Net assets attributable to holders of redeemable participating shares	5,979,576	—	—	—	—
Total	6,116,340	—	—	—	—

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Kaufmann Growth Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	1,263,786	—	2,858	32,166	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	314,000	—	—	—	—
Other receivables	18,155	—	—	—	—
Cash and cash equivalents	1,278	—	—	—	—
Total Assets	<u>1,597,219</u>	<u>—</u>	<u>2,858</u>	<u>32,166</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	2,241	—	—	—	—
Accrued Expenses	66,254	—	—	—	—
Bank Overdraft	—	—	—	—	—
Net assets attributable to holders of redeemable participating shares	<u>1,563,748</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,632,243</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Market Opportunity Value Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	679,418	—	—	—	—
Financial derivative Instruments	—	—	1,500	—	—
Due from brokers	403,000	—	—	—	—
Other receivables	21,704	—	—	—	—
Cash and cash equivalents	21,405	—	—	—	—
Total Assets	<u>1,125,527</u>	<u>—</u>	<u>1,500</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	20,076	—	—	—	—
Accrued Expenses	56,826	—	—	—	—
Bank Overdraft	—	—	—	—	—
Net assets attributable to holders of redeemable participating shares	<u>1,050,125</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,127,027</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	Greater Than 1 Year	No Stated Maturity
Federated Strategic Value Equity Fund					
All amounts stated in U.S. dollars					
December 31, 2008					
Financial Assets					
Financial assets at fair value through profit or loss	364,810	—	—	—	—
Financial derivative Instruments	—	—	—	—	—
Due from brokers	20,000	—	—	—	—
Other receivables	11,623	—	—	—	—
Cash and cash equivalents	835	—	—	—	—
Total Assets	<u>397,268</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Financial Liabilities					
Accounts Payable	—	—	—	—	—
Accrued Expenses	56,105	—	—	—	—
Net assets attributable to holders of redeemable participating shares	<u>341,163</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>397,268</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

G. Fair Values of Financial Assets and Financial Liabilities

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the sub-fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The sub-fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date.

For instruments for which there is no active market, the Investment Adviser on behalf of the Directors may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the sub-fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the sub-fund for similar financial instruments.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3—Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The following table shows financial assets recognised at fair value, analysed between the three different levels described previously:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Federated Short-Term U.S. Government Securities Fund				
Assets measured at fair value				
December 31, 2009				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Government Bonds	—	737,967,674	—	737,967,674
FHLMC	—	762,225,937	—	762,225,937
FNMA	—	393,608,523	—	393,608,523
Treasury Bills	—	61,427,541	—	61,427,541
Total	—	1,955,229,675	—	1,955,229,675
	<u>—</u>	<u>1,955,229,675</u>	<u>—</u>	<u>1,955,229,675</u>
Federated Short-Term U.S. Treasury Securities Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Treasury Bills	—	103,842,812	—	103,842,812
Treasury Notes	—	264,340,982	—	264,340,982
Total	—	368,183,794	—	368,183,794
	<u>—</u>	<u>368,183,794</u>	<u>—</u>	<u>368,183,794</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Federated Short-Term U.S. Prime Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Corporate Bonds	—	39,460,248	—	39,460,248
Government Agencies	—	25,000,000	—	25,000,000
Commercial Paper	—	733,632,972	—	733,632,972
Asset Backed Securities	—	124,784,953	—	124,784,953
Certificate of Deposits	—	1,061,001,501	—	1,061,001,501
Municipals	—	5,600,000	—	5,600,000
Variable Notes	—	205,474,921	—	205,474,921
Total	—	2,194,954,595	—	2,194,954,595
Federated Short-Term Euro Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Commercial Paper	—	85,885,566	—	85,885,566
Time Deposits	—	111,000,000	—	111,000,000
Total	—	196,885,566	—	196,885,566
Federated High Income Advantage Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Corporate Bonds	—	25,409,543	1,969	25,411,512
Foreign Bonds	—	2,397,335	—	2,397,335
Common Stocks	—	—	46,788	46,788
Preferred Stocks	69,874	—	—	69,874
Warrants	56	—	—	56
Total	69,930	27,806,878	48,757	27,925,565
Federated U.S. Bond Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Corporate Bonds	—	821,565	—	821,565
Government Agencies	—	150,142	—	150,142
Foreign Bonds	—	36,328	—	36,328
Commercial Mortgage Backed Securities	—	354,210	—	354,210
Mortgage Backed Securities	—	547,582	—	547,582
Treasury Notes	—	187,984	—	187,984
Total	—	2,097,811	—	2,097,811

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Federated Kaufmann Growth Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Corporate Bonds	—	1,024	—	1,024
Convertible Bonds	—	19,622	—	19,622
Common Stocks	1,489,274	—	—	1,489,274
Preferred Stocks	28,735	—	—	28,735
Foreign Stocks	428,650	—	—	428,650
Warrants	264	—	—	264
Total	<u>1,946,923</u>	<u>20,646</u>	<u>—</u>	<u>1,967,569</u>
Federated Market Opportunity Value Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Common Stocks	148,381	—	—	148,381
Foreign Stocks	196,114	—	—	196,114
Mutual Fund	27,560	—	—	27,560
Put Options	31,745	—	—	31,745
Total	<u>403,800</u>	<u>—</u>	<u>—</u>	<u>403,800</u>
Federated Strategic Value Equity Fund				
Fair value measurement at December 31, 2009				
Financial assets at fair value through profit or loss				
Common Stocks	263,891	—	—	263,891
Foreign Stocks	107,999	—	—	107,999
Total	<u>371,890</u>	<u>—</u>	<u>—</u>	<u>371,890</u>

During the year ended December 31, 2009 there were no significant transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and financial liabilities which were recorded at fair value.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

The following table shows a reconciliation of movements in the fair value of financial investments categorised within Level 3 between the beginning and the end of the reporting year.

	Opening Balance US\$	Purchases US\$	Issues US\$	Settlements US\$	Transfers into Level 3 US\$	Transfers out of Level 3 US\$	Mid/Bid Adjustment	Total gains or losses in the period recognised in profit or loss US\$	Closing balance US\$	Total gains or losses in the period included for those assets held at year end date
Federated High Income Advantage Fund										
Assets measured at fair value										
December 31, 2009										
Financial assets at fair value through profit or loss:										
Corporate Bonds	9,000	—	—	(250)	—	—	(875)	(5,906)	1,969	(6,781)
Foreign Bonds	85,750	—	—	—	—	(85,750)	—	—	—	—
Common Stocks	1,922	46,528	—	(1,695)	—	—	—	33	46,788	33
Total	96,672	46,528	—	(1,945)	—	(85,750)	(875)	(5,873)	48,757	(6,748)

All gains and losses are presented in the Statement of Operations as Income.

(13) NET ASSET VALUE DETAILS

	Year Ended December 31, 2009		Year Ended December 31, 2008		Year Ended December 31, 2007	
	NAV		NAV		NAV	
	NAV	Per Share	NAV	Per Share	NAV	Per Share
Federated Short-Term U.S. Government Securities Fund						
Institutional Services-						
Dividend Series	\$1,177,423,210	\$ 1.00	\$1,629,315,247	\$ 1.00	\$1,165,140,438	\$ 1.00
Institutional Series	\$2,033,391,561	\$ 1.00	\$2,047,291,799	\$ 1.00	\$ 788,668,965	\$ 1.00
Investment-Dividend Series	\$ 750,877,467	\$ 1.00	\$ 658,081,660	\$ 1.00	\$ 635,718,887	\$ 1.00
Investment-Growth Series	\$ 2,337,877	\$ 168.90	\$ 3,228,927	\$ 168.88	\$ 29,195	\$ 166.40
Federated Short-Term U.S. Treasury Securities Fund						
Institutional Service Series	\$ 499,827,847	\$ 1.00	\$1,152,696,923	\$ 1.00	\$1,174,933,594	\$ 1.00
Institutional Series	\$1,072,625,094	\$ 1.00	\$2,322,235,593	\$ 1.00	\$ 364,531,888	\$ 1.00
Federated Short-Term U.S. Prime Fund						
Institutional Service Series	\$1,324,487,061	\$ 1.00	\$1,465,845,371	\$ 1.00	\$1,943,601,240	\$ 1.00
Institutional Series	\$3,107,902,916	\$ 1.00	\$3,850,455,334	\$ 1.00	\$3,583,231,578	\$ 1.00
Investment-Dividend Series	\$ 341,100,129	\$ 1.00	\$ 406,768,236	\$ 1.00	\$ 378,111,111	\$ 1.00
Institutional Services-						
Dividend Series	\$ 33,387,757	\$ 1.00	\$ 9,015,684	\$ 1.00	\$ 11,932,379	\$ 1.00
Accumulating Shares-						
Institutional Series	\$ 50,736	\$ 107.30	\$ 73,391,440	\$ 106.92	\$ 104	\$ 104.24

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

	Year Ended December 31, 2009		Year Ended December 31, 2008		Year Ended December 31, 2007	
	NAV		NAV		NAV	
	NAV	Per Share	NAV	Per Share	NAV	Per Share
Federated Short-Term Euro Fund						
Institutional Series	€ 223,825,070	€ 1.00	€ 247,413,806	€ 1.00	€ 169,809,369	€ 1.00
Institutional Service Series	€ 36,984,623	€ 1.00	€ 20,830,509	€ 1.00	€ 11,357,197	€ 1.00
Accumulating Shares-Institutional Series	€ 48,449	€ 118.80	€ 108,476	€ 118.18	€ 40,030	€ 113.70
Accumulating Shares-Institutional Service Series	€ 23,112	€ 114.41	€ 41,017	€ 114.13	€ 125,277	€ 110.14
Federated High Income Advantage Fund						
U.S. Dollar Shares-						
Institutional Service Series	\$ 27,929,032	\$ 25.28	\$ 19,918,919	\$ 16.67	\$ 30,783,695	\$ 22.53
Euro Shares-						
Institutional Series	€ 182,758	€ 156.68	€ 76,925	€ 102.98	€ 150,388	€ 135.61
Federated U.S. Bond Fund						
Euro Shares-Institutional Series	€ 2,494,937	€ 119.87	€ 5,979,576	€ 110.95	€ 5,837,581	€ 108.12
Federated Kaufmann Growth Fund						
Class A (dis) Shares-USD	\$ 2,001,948	\$ 7.98	\$ 1,563,686	\$ 6.23	\$ 2,730,496	\$ 10.88
Class C (dis) Shares-USD	\$ 51,230	\$ 7.77	\$ 62	\$ 6.18	\$ 108	\$ 10.80
Federated Market Opportunity Value Fund						
Class A (dis) Shares-USD	\$ 932,137	\$ 9.32	\$ 946,725	\$ 9.47	\$ 994,880	\$ 9.94
Class C (dis) Shares-USD	\$ 101,500	\$ 9.28	\$ 103,400	\$ 9.45	\$ 100	\$ 10.00
Federated Strategic Value Equity Fund						
Class A (dis) Shares-USD	\$ 374,391	\$ 6.34	\$ 341,103	\$ 6.02	\$ 811,557	\$ 9.45
Class C (dis) Shares-USD	\$ 66	\$ 6.34	\$ 60	\$ 6.03	\$ 95	\$ 9.50

(14) SOFT COMMISSION ARRANGEMENTS

The Manager, on behalf of Federated Market Opportunity Value Fund and Federated Strategic Value Equity Fund, has delegated to its affiliate, Federated Investment Counseling ("FIC"), responsibility for investment management of the investments for such Funds. Further, the Manager, on behalf of Federated Kaufmann Growth Fund, has delegated to its affiliate, Federated Global Investment Management Corp. ("FGIMC"), responsibility for investment management of the investments for such Fund. FIC and FGIMC together, (the "Advisers") are responsible for the selection of brokers with whom they deal, and, in some instances, they have entered into soft commission arrangements with these brokers, whereby FIC and FGIMC obtain services or benefits from third parties which are paid for by the brokers out of the commissions they receive. Such services or benefits relate primarily to performance measurement, valuation and research services. FIC and FGIMC are satisfied that the bargains generating soft commissions comply with the requirements for best execution both as to price and settlement.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

(15) CONTINGENT LIABILITIES

As at December 31, 2009, no commitments or contingent liabilities exist (2008: none).

(16) RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Manager

The Manager receives for its services an annual management fee equal to 1.00% of the average daily net assets of Federated High Income Advantage Fund; Federated U.S. Bond Fund; Federated Short-Term U.S. Government Securities Fund; Federated Short-Term U.S. Treasury Securities Fund; Federated Short-Term U.S. Prime Fund; and Federated Short-Term Euro Fund. The Manager receives for its services an annual management fee for the remaining sub-funds, as follows:

Fund	Percentage of Daily Net Assets
Federated Kaufmann Growth Fund	
Class A (dis) Shares-USD	2.00%
Class C (dis) Shares-USD	2.50%
Federated Market Opportunity Value Fund	
Class A (dis) Shares-USD	1.25%
Class C (dis) Shares-USD	1.75%
Federated Strategic Value Equity Fund	
Class A (dis) Shares-USD	1.25%
Class C (dis) Shares-USD	1.75%

The Manager has voluntarily undertaken to waive the amount by which the Funds' aggregate annual operating expenses including the management fee, but excluding interest, taxes (including any withholding tax applicable to portfolio securities or distributions to Shareholders and any costs associated therewith), brokerage commissions, insurance premiums, the costs associated with registering the Company, the Funds or the Shares with any governmental or regulatory authority or with any stock market or other regulated market and extraordinary expenses, exceeds the expense limitations of the Funds as follows:

Fund	Expense Cap as a Percentage of Daily Net Assets
Federated Short-Term U.S. Government Securities Fund	
Institutional Services-Dividend Series	0.65%
Institutional Series	0.20%
Investment-Dividend Series	1.08%
Investment-Growth Series	1.05%
Federated Short-Term U.S. Treasury Securities Fund	
Institutional Service Series	0.65%
Institutional Series	0.20%
Federated Short-Term U.S. Prime Fund	
Institutional Service Series	0.45%
Institutional Series	0.20%
Investment-Dividend Series	1.00%

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Fund	Expense Cap as a Percentage of Daily Net Assets
Institutional Services-Dividend Series	0.55%
Accumulating Shares-Institutional Series	0.60%
Federated Short-Term Euro Fund	
Institutional Series	0.20%
Institutional Service Series	0.45%
Accumulating Shares-Institutional Series	0.20%
Accumulating Shares-Institutional Service Series	0.60%
Federated High Income Advantage Fund	
U.S. Dollar Shares-Institutional Service Series	1.00%
Euro Shares-Institutional Series	1.00%
Federated U.S. Bond Fund	
Euro Shares-Institutional Series	0.60%
Federated Kaufmann Growth Fund	
Class A (dis) Shares-USD	2.00%
Class C (dis) Shares-USD	2.50%
Federated Market Opportunity Value Fund	
Class A (dis) Shares-USD	1.25%
Class C (dis) Shares-USD	1.75%
Federated Strategic Value Equity Fund	
Class A (dis) Shares-USD	1.25%
Class C (dis) Shares-USD	1.75%

Pursuant to an Investment Advisory Agreement dated June 1, 2005, as amended, FIC was retained to act as adviser to the Manager in relation to all Funds, except Federated Kaufmann Growth Fund; FGIMC was retained to act as adviser to the Manager in relation to the Federated Kaufmann Growth Fund. The Advisers provide the Manager with investment research and assist the Manager in the purchase, sale and exchange of the Funds' investments. The investment advisory fee is discharged by the Manager from its management fee.

For the year ended December 31, 2009, the management fee accrued across all sub-funds amounted to \$125,547,010 (2008: \$109,572,195) of which \$83,576,016 (2008: \$70,556,733) was voluntarily waived by the Manager and an additional \$12,344,994 (2008: \$861,261) was reimbursed by the Manager. From the management fee the Manager paid advisory fees to FIC and FGIMC in the amount of \$6,300,907 for 2009 (2008: \$3,861,264).

In light of the historically low short-term interest rate environment for money market fund instruments held during 2009, the Manager, on behalf of the Federated Short-Term U.S. Government Securities Fund, Federated Short-Term U.S. Treasury Securities Fund, Federated Short-Term U.S. Prime Fund, and Federated Short-Term Euro Fund, voluntarily reimbursed other operating expenses for the funds in the amounts of \$6,618,883, \$2,172,807, \$2,583,748 and €21,169, respectively. However, there can be no assurance that the level of reimbursements reflected in the Statement of Operations will be maintained in the future.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

During the year, the Manager invested its proprietary assets in the Federated Short-Term U.S. Prime Fund-Institutional Series and the Federated Short-Term Euro Fund-Institutional Series. At December 31, 2009 this investment amounted to a value of \$8,088,621 and \$193,487, respectively (2008: value \$9,420,665 and \$2,254, respectively).

FASI, under an Operational Support Services Agreement, provides the Manager with operational support personnel and services. FASI's fee is discharged by the Manager from its management fee.

Directors

The Directors of the Company are also Directors of the Manager. The Directors' fees accrued across all sub-funds for the year ended December 31, 2009 were \$68,551 (2008: \$22,223).

Additionally, John W. McGonigle, Chairman and Director of the Company and the Manager, is a director of FASI, and is Vice Chairman, Executive Vice President and Chief Legal Officer of Federated.

Denis McAuley III, Director of the Company and the Manager, is also a Vice President and Principal Accounting Officer of Federated, Assistant Treasurer of FIC, and Senior Vice President and Treasurer of FASI.

(17) ADMINISTRATOR FEES

BNY Mellon Fund Services (Ireland) Limited has been appointed, effective June 1, 2009, to serve as the administrator, registrar, and transfer agent for the Company. J.P. Morgan Administration Services (Ireland) Limited (the "**Previous Administrator**") served as the administrator, registrar, and transfer agent for the Company for the period January 1 through May 31, 2009. The Administrator performs certain day-to-day administrative tasks on behalf of the Company, including maintenance of the Company's book and records, processing of shareholder transactions, calculation of the net asset value and fees and payment of the Company's expenses. For the year-ended December 31, 2009 the Funds paid the administrators fees in the amount of \$2,415,714. Out of this total, the Funds paid the Previous Administrator \$1,238,615 and paid the Administrator \$1,177,099 (December 31, 2008: \$2,618,422) for fund accounting and transfer agency services provided to the Funds.

(18) CUSTODIAN FEES

BNY Mellon Trust Company (Ireland) Limited has been appointed, effective June 1, 2009, to act as the custodian of the Company's assets pursuant to the Custodian Agreement. J.P. Morgan Bank (Ireland) plc (the "**Previous Custodian**") acted as the custodian for the Company's assets from January 1 through May 31, 2009 pursuant to the custodian agreement. Some of the custodian's responsibilities may be delegated to certain sub-custodians. For the year ended December 31, 2009, the Funds paid custody fees in the amount of \$605,210. Out of this total, the Funds paid the Previous Custodian \$359,309 and paid the Custodian \$245,901 (December 31, 2008: \$815,572) for custody services provided to the Funds.

(19) SEGREGATED LIABILITY

The Company is an umbrella fund with segregated liability between sub-funds.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

(20) SIGNIFICANT EVENTS DURING THE YEAR

Effective April 30, 2009, Michael Boyce was appointed as a director of the Company.

Effective June 1, 2009, BNY Mellon Trust Company (Ireland) Limited began serving as custodian on behalf of the Company and the Funds, and BNY Mellon Fund Services (Ireland) Limited began serving as administrator, registrar and transfer agent for the Company and the Funds. Prior to June 1, 2009, J.P. Morgan Bank (Ireland) plc served as custodian, and J.P. Morgan Administration Services (Ireland) Limited served as administrator, registrar and transfer agent, to the Company and the Funds.

On June 5, 2009, Federated MDT All Cap U.S. Stock Fund—Class A (dis) Shares-USD was approved by the Financial Regulator as a new sub-fund of the Company. As of the reporting period ended December 31, 2009, the Fund had no operations.

Effective June 5, 2009, the full and simplified prospectuses of the Company were approved by the Financial Regulator.

On August 15, 2009, the Federated High Income Advantage Fund—U.S. Dollar Shares-Institutional Service Series; Federated Short-Term U.S. Government Securities Fund—Investment-Dividend Series; Federated Short-Term U.S. Prime Fund—Institutional Service Series; and Federated Short-Term U.S. Treasury Securities Fund—Institutional Service Series were de-authorised with the Securities and Futures Commission in Hong Kong. The Company is currently making application for re-authorisation of those sub-funds.

(21) SUBSEQUENT EVENTS

Effective January 20, 2010, the following classes and series of the Company were authorised for distribution in Belgium: Federated Kaufmann Growth Fund—Class A (dis) Shares-USD; Federated Kaufmann Growth Fund—Class C (dis) Shares-USD; Federated MDT All Cap U.S. Stock Fund—Class A (dis) Shares-USD; Federated Market Value Opportunity Fund—Class A (dis) Shares-USD; Federated Market Value Opportunity Fund—Class C (dis) Shares-USD; Federated Short-Term U.S. Prime Fund—Accumulating Shares-Institutional Series; Federated Strategic Value Equity Fund—Class A (dis) Shares-USD; Federated Strategic Value Equity Fund—Class C (dis) Shares-USD; and Federated U.S. Bond Fund—Euro Shares-Institutional Series.

On January 20, 2010, a large redemption transaction occurred in Federated Short-Term U.S. Prime Fund—Institutional Series for the amount \$2,535,961,879 (representing 81% of total outstanding shares at December 31, 2009). The redemption was attributable to one shareholder, who in turn, invested the redemption proceeds into Prime Obligations Fund, a fund managed by an affiliate to the Company's Manager.

(22) APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Directors on April 22, 2010.

Independent Auditors Report

REPORT OF THE AUDITORS: TO THE MEMBERS OF FEDERATED INTERNATIONAL FUNDS PLC (the “Company”)

We have audited the financial statements of the Federated International Funds plc (the “Company”) for the year ended December 31, 2009 which comprise of the Statement of Operations, Statement of Assets and Liabilities, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company’s Shareholders, as a body, in accordance with Section 193 of the Companies Act, 1990. 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 auditors’ 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 Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (“Generally Accepted Accounting Practice in Ireland”) as set out in the Statement of Directors’ Responsibilities.

The Directors are also responsible for preparing a Portfolio of Investments in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the UCITS Notices issued by the Irish Financial Services Regulatory Authority (the “Financial Regulator”).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). We also report to you our opinion as to: whether proper books of account have been kept by the Company; and whether the information given in the Directors’ Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding Directors’ remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Portfolio of Investments has been prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the UCITS Notices issued by the Financial Regulator and we report if it does not.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman’s Message, Economic Overviews and Investment Reviews. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditors Report

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the Company as at December 31, 2009 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

ERNST & YOUNG
Chartered Accountants and Registered Auditors
Dublin, Ireland

April 22, 2010

Report of the Custodian to the Shareholders— BNY Mellon Trust Company (Ireland) Limited

We have enquired into the conduct of the Company for the period June 1, 2009 through December 31, 2009 in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator's UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Financial Regulator's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, (the "Regulations"). It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied, we as custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documents and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documents and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the UCITS Regulations.

For and on behalf of
BNY Mellon Trust Company (Ireland) Limited
Guild House
Guild Street
IFSC, Dublin, 1, Ireland.

Date: April 22, 2010

Report of the Custodian—J. P. Morgan Bank (Ireland) plc

We have enquired into the conduct of the Federated International Funds plc (the “Company”) for the period ended May 31, 2009 in our capacity as custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator’s UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Financial Regulator’s UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied we, as custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documents and the appropriate regulations and (ii) otherwise in accordance with the Company’s constitutional documents and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the UCITS Regulations.

For and on behalf of
J.P. Morgan Bank (Ireland) plc
JPMorgan House,
IFSC,
Dublin, 1, Ireland.

Date: April 22, 2010

Statement of the Custodian's Responsibilities

The custodian is required under the UCITS Regulations to:

1. Ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the UCITS Regulations and in accordance with the Memorandum and Articles of Association.
2. Ensure that the value of Shares is calculated in accordance with the UCITS Regulations and the Memorandum and Articles of Association.
3. Carry out the instructions of the Company unless they conflict with the UCITS Regulations or the Memorandum and Articles of Association.
4. Ensure that in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction.
5. Ensure that the Company's income is applied in accordance with the UCITS Regulations and the Memorandum and Articles of Association.
6. Enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders. The custodian's report shall be delivered to the Company in good time to enable the Company to include a copy of the report in its annual report. The custodian's report shall state whether in the custodian's opinion the Company has been managed in that period:
 - (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company and custodian by the Memorandum and Articles of Association and the UCITS Regulations; and
 - (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the UCITS Regulations.

If the Company does not comply with (i) or (ii) above, the custodian must state why this is the case and outline the steps which the custodian has taken to rectify the situation.

7. Notify the Financial Regulator promptly of any material breach of the UCITS Regulations, conditions imposed by the Financial Regulator or provisions of the prospectus with regard to the Company.

The duties provided for above may not be delegated by the custodian to a third party. These duties must be carried out in the State.

The custodian also takes into its custody or under its control all the assets of the Company and holds them in safekeeping for the shareholders.

Portfolio of Investments

Federated Short-Term U.S. Government Securities Fund At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
	BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS		
389,561,000	Bank of America N.A. 0.01%, dated 12/31/2009, due 1/4/2010	389,561,000	9.83
580,000,000	BNP Paribas Securities Corp. 0.0%, dated 12/31/2009, due 1/4/2010	580,000,000	14.63
85,000,000	(3) BNP Paribas Securities Corp. 0.16%, dated 11/3/2009, due 2/1/2010	85,000,000	2.14
100,000,000	(3) BNP Paribas Securities Corp. 0.16%, dated 11/5/2009, due 2/3/2010	100,000,000	2.52
75,000,000	(3) Credit Suisse First Boston LLC 0.11%, dated 11/17/2009, due 1/19/2010	75,000,000	1.89
85,000,000	(3) Credit Suisse First Boston LLC 0.16%, dated 11/2/2009, due 2/2/2010	85,000,000	2.14
13,563,000	Credit Suisse First Boston LLC 0.00%, dated 12/31/2009, due 1/4/2010	13,563,000	0.34
379,695,000	Credit Suisse First Boston LLC 0.00%, dated 12/31/2009, due 1/4/2010	379,695,000	9.58
50,000,000	(3) Goldman Sachs & Co. 0.12%, dated 11/17/2009, due 1/15/2010	50,000,000	1.26
249,028,000	HSBC Securities (USA), Inc. 0.01%, dated 12/31/2009, due 1/4/2010	249,028,000	6.28
	TOTAL REPURCHASE AGREEMENTS	2,006,847,000	50.61
	TOTAL BALANCE DUE FROM BROKERS	2,006,847,000	50.61
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: U.S. GOVERNMENT AGENCIES		
12,500,000	(1) Federal Farm Credit System Floating Rate Notes 0.145%, 1/8/2010	12,500,000	0.32
122,000,000	(2) Federal Home Loan Bank System Discount Notes 0.12% - 0.85%, 1/4/2010 - 5/17/2010	121,958,348	3.08
409,500,000	(1) Federal Home Loan Bank System Floating Rate Notes 0.146% - 0.77%, 1/1/2010 - 3/1/2010	409,497,661	10.33
193,900,000	Federal Home Loan Bank System Notes 0.4% - 5.0%, 1/26/2010 - 12/27/2010	194,011,665	4.90
608,275,000	(2) Federal Home Loan Mortgage Corp. Discount Notes 0.1% - 1.0%, 1/25/2010 - 7/6/2010	607,996,263	15.34

Portfolio of Investments

Federated Short-Term U.S. Government Securities Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
U.S. GOVERNMENT AGENCIES (Continued)			
136,000,000	(1) Federal Home Loan Mortgage Corp. Floating Rate Notes 0.135% - 0.48%, 1/1/2010 - 3/10/2010	135,994,756	3.43
18,000,000	Federal Home Loan Mortgage Corp. Notes 7.0%, 3/15/2010	18,234,918	0.46
248,000,000	(2) Federal National Mortgage Association Discount Notes 0.13% - 0.54%, 1/5/2010 - 7/12/2010	247,845,391	6.25
70,000,000	(1) Federal National Mortgage Association Floating Rate Notes 0.218%, 2/12/2010	69,998,009	1.77
75,523,000	Federal National Mortgage Association Notes 2.5% - 7.25%, 1/15/2010 - 4/9/2010	75,765,123	1.91
	TOTAL U.S. GOVERNMENT AGENCIES	1,893,802,134	47.79
U.S. TREASURY			
61,500,000	(2) United States Treasury Bills 0.445% - 0.483%, 4/1/2010	61,427,541	1.55
	TOTAL U.S. TREASURY	61,427,541	1.55
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	1,955,229,675	49.34
	TOTAL INVESTMENTS	3,962,076,675	99.95
	OTHER NET ASSETS	1,953,440	0.05
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	3,964,030,115	100.00

Portfolio of Investments

Federated Short-Term U.S. Government Securities Fund At December 31, 2009

	% of Total Assets
ANALYSIS OF TOTAL ASSETS	
(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	99.91
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	0.09
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$3,964,030,115) at December 31, 2009.

(1) Floating rate note with current rate and next reset date shown.

(2) Discount rate at time of purchase.

(3) Although final maturity falls beyond seven days, a liquidity feature is included in each transaction to permit termination of the repurchase agreement within seven days.

The following acronym is used throughout this portfolio:

LLC—Limited Liability Corporation

Portfolio of Investments

Federated Short-Term U.S. Treasury Securities Fund At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
	BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS		
75,000,000	(2) Banc of America Securities LLC 0.1%, dated 10/7/2009, due 1/5/2010	75,000,000	4.77
253,000,000	BNP Paribas Securities Corp. 0.0%, dated 12/31/2009, due 1/4/2010	253,000,000	16.09
274,437,000	Credit Suisse First Boston LLC 0.0%, dated 12/31/2009, due 1/4/2010	274,437,000	17.45
300,000,000	Greenwich Capital Markets, Inc. 0.0%, dated 12/31/2009, due 1/4/2010	300,000,000	19.08
300,000,000	J.P. Morgan Securities, Inc. 0.0%, dated 12/31/2009, due 1/4/2010	300,000,000	19.08
	TOTAL REPURCHASE AGREEMENTS	1,202,437,000	76.47
	TOTAL BALANCE DUE FROM BROKERS	1,202,437,000	76.47
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
	U.S. TREASURY		
44,000,000	(1) United States Treasury Bills 0.155% - 0.545%, 7/1/2010	43,921,919	2.79
16,000,000	(1) United States Treasury Bills 0.285%, 8/26/2010	15,969,980	1.02
44,000,000	(1) United States Treasury Bills 0.44% - 0.453%, 4/1/2010	43,950,913	2.80
18,000,000	United States Treasury Notes 1.75%, 3/31/2010	18,069,269	1.15
82,000,000	United States Treasury Notes 2.0%, 2/28/2010	82,218,315	5.22
6,500,000	United States Treasury Notes 2.0%, 9/30/2010	6,579,694	0.42
71,000,000	United States Treasury Notes 2.125%, 1/31/2010	71,093,142	4.52
15,000,000	United States Treasury Notes 2.625%, 5/31/2010	15,143,694	0.96
13,000,000	United States Treasury Notes 3.625%, 1/15/2010	13,016,161	0.83
12,000,000	United States Treasury Notes 4.375%, 12/15/2010	12,444,971	0.79

Portfolio of Investments

Federated Short-Term U.S. Treasury Securities Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	U.S. TREASURY (Continued)		
45,500,000	United States Treasury Notes 4.75% - 6.5%, 2/15/2010	45,775,736	2.91
	TOTAL U.S. TREASURY	368,183,794	23.41
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	368,183,794	23.41
	TOTAL INVESTMENTS	1,570,620,794	99.88
	OTHER NET ASSETS	1,832,147	0.12
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	1,572,452,941	100.00
			% of Total Assets
	ANALYSIS OF TOTAL ASSETS		
	(a) Transferable securities admitted to official stock exchange listing		—
	(b) Transferable securities dealt in another regulated market		99.84
	(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market		—
	(d) Other assets		0.16
	TOTAL ASSETS		100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$1,572,452,941) at December 31, 2009.

(1) Discount rate at time of purchase.

(2) Although final maturity falls beyond 7 days, a liquidity feature is included in each transaction to permit termination of the repurchase agreement within seven days.

The following acronym is used throughout this portfolio:

LLC—Limited Liability Corporation

Portfolio of Investments

Federated Short-Term U.S. Prime Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
	BALANCE DUE FROM BROKERS:		
	REPURCHASE AGREEMENTS		
1,110,296,000	Bank of America N.A. 0.01%, dated 12/31/2009, due 1/4/2010	1,110,296,000	23.10
370,000,000	BNP Paribas Securities Corp. 0.0%, dated 12/31/2009, due 1/4/2010	370,000,000	7.69
12,000,000	Credit Suisse First Boston LLC 0.00%, dated 12/31/2009, due 1/4/2010	12,000,000	0.25
1,120,000,000	Credit Suisse First Boston LLC 0.00%, dated 12/31/2009, due 1/4/2010	1,120,000,000	23.30
	TOTAL REPURCHASE AGREEMENTS	2,612,296,000	54.34
	TOTAL BALANCE DUE FROM BROKERS	2,612,296,000	54.34
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
	ASSET BACKED SECURITIES		
	Finance - Automotive		
23,364,989	Bank of America Auto Trust 2009-2 Class A1, 0.396%, 9/15/2010	23,364,989	0.49
35,056,482	Bank of America Auto Trust 2009-3 Class A1, 0.296%, 11/15/2010	35,056,482	0.73
41,345	BMW Vehicle Lease Trust 2009-1 Class A1, 0.792%, 6/15/2010	41,345	—
24,522,338	Chrysler Financial Auto Securitization Trust 2009-B Class A1, 0.306%, 12/8/2010	24,522,338	0.50
16,713,046	CitiFinancial Auto Issuance Trust 2009-1 Class A1, 0.327%, 10/15/2010	16,713,046	0.35
11,978,654	Harley-Davidson Motorcycle Trust 2009-2 Class A1, 0.718%, 7/15/2010	11,978,654	0.25
820,744	World Omni Automobile Receivables Trust 2009-A Class A1, 1.622%, 4/15/2010	820,744	0.02
	Total Finance - Automotive	112,497,598	2.34
	Finance - Equipment		
12,287,355	CNH Equipment Trust 2009-C Class A1, 0.421%, 12/3/2010	12,287,355	0.26
	TOTAL ASSET BACKED SECURITIES	124,784,953	2.60

Portfolio of Investments

Federated Short-Term U.S. Prime Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CERTIFICATE OF DEPOSITS			
Banking			
169,000,000	Banco Bilbao Vizcaya Argentaria SA 0.25% - 0.27%, 3/2/2010 - 3/17/2010	169,001,501	3.52
72,000,000	Bank of Tokyo-Mitsubishi UFJ Ltd. 0.2%, 1/22/2010	72,000,000	1.50
80,000,000	BNP Paribas SA 0.34%, 5/5/2010	80,000,000	1.66
60,000,000	Branch Banking & Trust Co. 0.65%, 1/4/2010	60,000,000	1.25
270,000,000	Calyon, Paris 0.24% - 0.45%, 2/1/2010 - 2/22/2010	270,000,000	5.62
100,000,000	Canadian Imperial Bank of Commerce 0.38%, 3/24/2010	100,000,000	2.08
235,000,000	Mizuho Corporate Bank Ltd. 0.2% - 0.25%, 1/15/2010 - 1/26/2010	235,000,000	4.89
75,000,000	Rabobank Nederland NV, Utrecht 0.29%, 1/25/2010	75,000,000	1.56
TOTAL CERTIFICATE OF DEPOSITS		1,061,001,501	22.08
COMMERCIAL PAPER			
Banking			
35,000,000	Banco Bilbao Vizcaya Argentaria SA 0.29%, 3/18/2010	34,978,572	0.73
50,000,000	Clipper Receivables Company LLC 0.371%, 4/1/2010	49,953,750	1.04
10,000,000	Fairway Finance Co. LLC 0.24%, 1/4/2010	9,999,800	0.21
148,000,000	Grampian Funding LLC 0.25% - 0.25%, 1/11/2010 - 1/15/2010	147,986,736	3.08
125,000,000	ING (U.S.) Funding LLC 0.3%, 2/4/2010 - 2/19/2010	124,958,333	2.60
30,000,000	Louis Dreyfus Corp. (Barclays Bank plc LOC), 0.4%, 2/8/2010	29,987,333	0.62
200,000,000	Societe Generale North America, Inc. (Guaranteed by Societe Generale, Paris), 0.01%, 1/4/2010	199,999,833	4.16
135,800,000	Surrey Funding Corporation 0.26%, 2/2/2010	135,768,615	2.82
TOTAL COMMERCIAL PAPER		733,632,972	15.26

Portfolio of Investments

Federated Short-Term U.S. Prime Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS			
Banking			
25,000,000	JPMorgan Chase Bank, N.A. 0.232%, 1/21/2011	25,000,000	0.52
1,250,000	Wells Fargo & Co. 4.2%, 1/15/2010	1,251,595	0.03
	Total Banking	26,251,595	0.55
Finance - Commercial			
13,175,000	General Electric Capital Corp. 7.375%, 1/19/2010	13,208,653	0.27
	TOTAL CORPORATE BONDS	39,460,248	0.82
GOVERNMENT AGENCIES			
Government Agency			
25,000,000	Federal Home Loan Bank System 0.4%, 12/27/2010	25,000,000	0.52
	TOTAL GOVERNMENT AGENCIES	25,000,000	0.52
MUNICIPALS			
Banking			
5,600,000	New York State HFA Series 2008-B, (Landesbank Hessen-Thueringen LOC) 0.33%, 1/6/2010	5,600,000	0.12
	TOTAL MUNICIPALS	5,600,000	0.12
NOTES VARIABLE (1)			
Banking			
8,130,000	Capital Markets Access Co. LC (Wachovia Bank N.A. LOC), 0.29%, 1/7/2010	8,130,000	0.17
27,000	Midwest Funding Corp. Series 1992-B, (JPMorgan Chase Bank, N.A. LOC) 1.9%, 1/7/2010	27,000	—
17,275,000	Mississippi Business Finance Corp. Dollar Tree Distribution, Inc. Series 1998 (Wachovia Bank N.A. LOC), 0.24%, 1/7/2010	17,275,000	0.36
7,780,000	Mississippi Business Finance Corp. Series 2002, (Wachovia Bank N.A. LOC) 0.29%, 1/7/2010	7,780,000	0.16
4,000,000	Presbyterian Home and Services of New Jersey Obligated Group Series 1998-B2, (Wachovia Bank N.A. LOC), 0.55%, 1/6/2010	4,000,000	0.08

Portfolio of Investments

Federated Short-Term U.S. Prime Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	NOTES VARIABLE (1) (Continued)		
	Banking (Continued)		
10,000,000	Tuscaloosa County, AL IDA Series 2009 A, (JPMorgan Chase Bank, N.A. LOC) 0.32%, 1/7/2010	10,000,000	0.21
3,800,000	Urban Campus Environments LLC Series 2006, (Wachovia Bank N.A. LOC), 0.24%, 1/7/2010	3,800,000	0.08
100,000,000	Wachovia Bank N.A. 1.172%, 2/16/2010	100,000,000	2.08
25,000,000	Westpac Banking Corp. Ltd. Sydney, 0.284%, 1/14/2010	25,000,000	0.52
	Total Banking	176,012,000	3.66
	Finance - Commercial		
4,500,000	General Electric Capital Corp. 0.334%, 2/10/2010	4,462,921	0.09
	Oil & Oil Finance		
25,000,000	BP Capital Markets PLC 0.463%, 3/17/2010	25,000,000	0.52
	TOTAL NOTES VARIABLE	205,474,921	4.27
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,194,954,595	45.67
	TOTAL INVESTMENTS	4,807,250,595	100.01
	OTHER NET LIABILITIES	(321,996)	(0.01)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	4,806,928,599	100.00

Portfolio of Investments

Federated Short-Term U.S. Prime Fund

At December 31, 2009

	% of Total Assets
ANALYSIS OF TOTAL ASSETS	
(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	99.97
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	0.03
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$4,806,928,599) at December 31, 2009.

(1) Floating rate note with current rate and next reset date shown.

The following acronyms are used throughout this portfolio:

HFA—Housing Finance Authority

IDA—Industrial Development Authority

LLC—Limited Liability Corporation

LOC—Letter of Credit

PLC—Public Limited Company

SA—Societe Anonyme (French: Corporation)

Portfolio of Investments

Federated Short-Term Euro Fund

At December 31, 2009

Principal Amount		Fair Value Euro (€)	% of Total Net Assets
	BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS		
	Banking		
64,000,000	Morgan Stanley & Co. International Ltd. London, 0.2%, dated 12/31/2009, due 1/4/2010	<u>64,000,000</u>	<u>24.53</u>
	TOTAL REPURCHASE AGREEMENTS	<u>64,000,000</u>	<u>24.53</u>
	TOTAL BALANCE DUE FROM BROKERS	<u>64,000,000</u>	<u>24.53</u>
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: COMMERCIAL PAPER		
	Banking		
12,000,000	Banco Bilbao Vizcaya Argentaria SA 0.51%, 3/22/2010	11,986,417	4.60
18,000,000	Banco Santander, SA 0.855%, 4/7/2010	17,959,137	6.88
13,000,000	Grampian Funding Ltd. 0.5%, 1/11/2010	12,998,195	4.98
15,000,000	ING Bank N.V. 0.53%, 1/21/2010	14,995,591	5.75
15,000,000	Societe Generale, Paris 0.515%, 3/1/2010	<u>14,987,357</u>	<u>5.74</u>
	Total Banking	<u>72,926,697</u>	<u>27.95</u>
	Finance - Commercial		
13,000,000	General Electric Capital Corp. 0.71%, 6/11/2010	<u>12,958,869</u>	<u>4.97</u>
	TOTAL COMMERCIAL PAPER	<u>85,885,566</u>	<u>32.92</u>

Portfolio of Investments

Federated Short-Term Euro Fund

At December 31, 2009

Principal Amount		Fair Value Euro (€)	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	TIME DEPOSITS		
	Banking		
38,000,000	Bank of Scotland, Edinburgh 0.15%, 1/4/2010	38,000,000	14.57
22,000,000	Barclays Bank plc 0.1%, 1/4/2010	22,000,000	8.43
51,000,000	UBS AG 0.2%, 1/4/2010	51,000,000	19.55
	TOTAL TIME DEPOSITS	111,000,000	42.55
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	196,885,566	75.47
	TOTAL INVESTMENTS	260,885,566	100.00
	OTHER NET LIABILITIES	(4,312)	(0.00)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	260,881,254	100.00
			% of Total Assets
	ANALYSIS OF TOTAL ASSETS		
	(a) Transferable securities admitted to official stock exchange listing		—
	(b) Transferable securities dealt in another regulated market		99.95
	(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market		—
	(d) Other assets		0.05
	TOTAL ASSETS		100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$260,881,254) at December 31, 2009.

The following acronyms are used throughout this portfolio:

PLC—Public Limited Company

SA—Societe Anonyme (French: Corporation)

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Shares or Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
	COMMON STOCKS		
	Building Materials		
1,148	Nortek Holdings, Inc.	40,754	0.15
	Consumer Products		
106	Sleepmaster LLC	1	—
	Media - Non-Cable		
225138	Sirius XM Radio Inc., Warrants	56	—
138	Supermedia, Inc.	5,774	0.02
	Total	5,830	0.02
	Metals & Mining		
11,506	Royal Oak Mines, Inc.	259	—
	Other		
40	CVC Claims Litigation LLC	—	—
	TOTAL COMMON STOCKS	46,844	0.17
	CORPORATE BONDS		
	Aerospace / Defense		
125,000	Alliant Techsystems, Inc. Sr. Sub. Note, 6.75%, 4/1/2016	123,750	0.44
75,000	Altegrity, Inc. Company Guarantee, 10.50%, 11/1/2015	66,938	0.24
75,000	Altegrity, Inc. Company Guarantee, 11.75%, 5/1/2016	64,594	0.23
300,000	L-3 Communications Corp. Sr. Sub. Note, 6.125%, 1/15/2014	301,875	1.07
50,000	Sequa Corp. Sr. Note, 11.75%, 12/1/2015	46,500	0.16
61,017	Sequa Corp. Sr. PIK Deb., 13.50%, 12/1/2015	56,440	0.20
100,000	TransDigm, Inc. Sr. Sub. Note, 7.75%, 7/15/2014	101,250	0.36
	Total Aerospace / Defense	761,347	2.70

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Automotive			
50,000	Affinia Group, Inc. Sr. Secd. Note, 10.75%, 8/15/2016	54,188	0.19
50,000	American Axle & Manufacturing Holdings, Inc. 9.25%, 1/15/2017	50,750	0.18
100,000	Cooper-Standard Automotive, Inc. Sr. Sub. Note, 8.375%, 12/15/2014	25,500	0.09
150,000	Ford Motor Credit Co. Floating Rate Note - Sr. Note, 3.03438%, 1/13/2012	139,500	0.49
150,000	Ford Motor Credit Co. Note, 7.25%, 10/25/2011	151,484	0.54
75,000	Ford Motor Credit Co. Sr. Note, 9.875%, 8/10/2011	78,526	0.28
150,000	Ford Motor Credit Co. Sr. Unsecd. Note, 8.00%, 12/15/2016	150,199	0.54
100,000	Ford Motor Credit Co. Sr. Unsecd. Note, 8.125%, 1/15/2020	98,270	0.36
275,000	General Motors Corp. Deb., 7.40%, 9/1/2025	68,750	0.24
50,000	Navistar International Corp. Sr. Note, 8.25%, 11/1/2021	51,250	0.18
100,000	Tenneco Automotive, Inc. Sr. Sub. Note, 8.625%, 11/15/2014	100,875	0.36
50,000	TRW Automotive, Inc. Sr. Note, Series 144A, 8.875%, 12/1/2017	52,000	0.18
150,000	United Components, Inc. Sr. Sub. Note, 9.375%, 6/15/2013	144,750	0.51
Total Automotive		1,166,042	4.14
Building Materials			
50,000	Associated Materials, Inc. Sr. Secd. Note, 9.875%, 11/15/2016	52,750	0.19
75,000	Goodman Global Holdings, Inc. Company Guarantee, 13.50%, 2/15/2016	82,968	0.29
125,000	Goodman Global Holdings, Inc. Sr. Disc. Note, 12.481%, 12/15/2014	70,938	0.25
50,000	Interface, Inc. Sr. Secd. Note, 11.375%, 11/1/2013	55,875	0.20

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Building Materials (Continued)			
35,000	Norcraft Holdings LP Sr. Disc. Note, 9.75%, 9/1/2012	33,600	0.12
75,000	Norcraft Holdings LP Sr. Secd. Note, Series 144A, 10.50%, 12/15/2015	76,875	0.27
50,222	Nortek Holdings, Inc. Sr. Secd. Note, 11.00%, 12/1/2013	52,482	0.19
75,000	Ply Gem Industries, Inc. Sr. Secd. Note, 11.75%, 6/15/2013	75,000	0.27
Total Building Materials		500,488	1.78
Chemicals			
50,000	Ashland, Inc. Sr. Unsecd. Note, 9.125%, 6/1/2017	54,875	0.19
75,000	Chemtura Corp. Sr. Note, 6.875%, 6/1/2016	79,500	0.28
50,000	Compass Minerals International, Inc. Sr. Note, Series 144A, 8.00%, 6/1/2019	52,500	0.19
125,000	Hexion U.S. Finance Corp. Sr. Secd. Note, 9.75%, 11/15/2014	122,500	0.43
50,000	Huntsman International LLC Company Guarantee, Series 144A, 5.50%, 6/30/2016	44,375	0.17
50,000	Koppers Holdings, Inc. Company Guarantee, Series 144A, 7.875%, 12/1/2019	50,500	0.18
50,000	Nalco Co. Sr. Note, 8.25%, 5/15/2017	53,125	0.19
150,000	Nalco Co. Sr. Sub. Note, 8.875%, 11/15/2013	154,500	0.55
50,000	Solutia, Inc. Company Guarantee, 8.75%, 11/1/2017	52,062	0.18
50,000	Terra Capital, Inc. Sr. Note, Series 144A, 7.75%, 11/1/2019	53,500	0.19
75,000	Union Carbide Corp. Deb., 7.50%, 6/1/2025	68,958	0.24
Total Chemicals		786,395	2.79

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Construction Machinery			
100,000	Rental Service Corp. Sr. Note, 9.50%, 12/1/2014	100,125	0.36
50,000	Rental Service Corp. Sr. Secd. Note, 10.00%, 7/15/2017	54,375	0.19
	Total Construction Machinery	154,500	0.55
Consumer Products			
125,000	AAC Group Holding Corp. Sr. Disc. Note, 10.25%, 10/1/2012	125,312	0.44
80,603	AAC Group Holding Corp. Sr. PIK Deb., 16.75%, 10/1/2012	62,870	0.22
125,000	American Achievement Corp. Sr. Sub. Note, 8.25%, 4/1/2012	124,688	0.44
125,000	Central Garden & Pet Co. Company Guarantee, 9.125%, 2/1/2013	126,719	0.45
50,000	Easton Bell Sports Inc. Sr. Secd. Note, Series 144A, 9.75%, 12/1/2016	51,812	0.19
125,000	Jarden Corp. Sr. Sub. Note, 7.50%, 5/1/2017	124,688	0.44
50,000	Jarden Corp. Sr. Unsecd. Note, 8.00%, 5/1/2016	51,625	0.19
250,000	Jostens Holding Corp. Discount Bond, 10.25%, 12/1/2013	258,125	0.91
75,000	Jostens IH Corp. Sr. Sub. Note, 7.625%, 10/1/2012	75,375	0.27
50,000	Sealy Mattress Co. Sr. Secd. Note, Series 144A, 10.875%, 4/15/2016	55,625	0.20
125,000	Sealy Mattress Co. Sr. Sub. Note, 8.25%, 6/15/2014	125,000	0.44
75,000	Spectrum Brands, Inc. Bond, 12.00%, 8/28/2019	73,500	0.26
250,000	Visant Holding Corp. Sr. Note, 8.75%, 12/1/2013	256,875	0.91
	Total Consumer Products	1,512,214	5.36

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Energy			
125,000	Basic Energy Services, Inc. Company Guarantee, 7.125%, 4/15/2016	104,062	0.37
50,000	Chesapeake Energy Corp. Company Guarantee, 6.875%, 11/15/2020	48,250	0.17
275,000	Chesapeake Energy Corp. Sr. Note, 6.875%, 1/15/2016	275,000	0.97
50,000	Cie Generale de Geophysique Sr. Note, Series 144A, 9.50%, 5/15/2016	53,500	0.19
75,000	Cie Generale de Geophysique Sr. Unsecd. Note, 7.75%, 5/15/2017	74,438	0.26
75,000	Complete Production Services, Inc. Sr. Note, 8.00%, 12/15/2016	73,969	0.26
75,000	Forest Oil Corp. Sr. Note, 7.25%, 6/15/2019	74,062	0.26
50,000	Forest Oil Corp. Sr. Note, 8.50%, 2/15/2014	52,250	0.19
125,000	Hilcorp Energy I LP/Hilcorp Finance Co. Sr. Note, 7.75%, 11/1/2015	122,500	0.43
50,000	Linne Energy LLC Note, Series 144A, 11.75%, 5/15/2017	56,125	0.20
100,000	McJunkin Red Man Corp. Sr. Secd. Note, Series 144A, 9.50%, 12/15/2016	97,750	0.35
75,000	Petroplus Finance LTD Company Guarantee, 6.75%, 5/1/2014	70,500	0.26
125,000	Plains Exploration & Production Co. Sr. Note, 7.75%, 6/15/2015	127,188	0.45
50,000	Sandridge Energy, Inc. Company Guarantee, 8.00%, 6/1/2018	49,125	0.17
	Total Energy	1,278,719	4.53
Entertainment			
100,000	Cinemark, Inc. Company Guarantee, Series 144A, 8.625%, 6/15/2019	104,000	0.37
125,000	Hard Rock Park Operations LLC Sr. Secd. Note, 4/1/2012	—	—

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Entertainment (Continued)			
50,000	Regal Cinemas, Inc. Company Guarantee, 8.625%, 7/15/2019	52,000	0.18
50,000	Universal City Development Partners Ltd. Sr. Note, Series 144A, 8.875%, 11/15/2015	48,938	0.17
50,000	Universal City Development Partners Ltd. Sr. Sub. Note, Series 144A, 10.875%, 11/15/2016	50,125	0.18
	Total Entertainment	255,063	0.90
Environmental			
50,000	Browning-Ferris Industries, Inc. Deb., 9.25%, 5/1/2021	60,000	0.21
Financial Institutions			
79,000	GMAC LLC Note, 7.00%, 2/1/2012	77,815	0.28
366,000	GMAC LLC Note, Series 144A, 6.875%, 9/15/2011	360,510	1.29
92,000	GMAC LLC Note, Series 144A, 8.00%, 11/1/2031	82,800	0.29
100,000	iPayment Holdings, Inc. Sr. Sub. Note, Series WI, 9.75%, 5/15/2014	83,125	0.29
75,000	Lender Processing Services Sr. Note, 8.125%, 7/1/2016	79,781	0.28
200,000	Nuveen Investments Company Guarantee, 10.50%, 11/15/2015	181,500	0.64
	Total Financial Institutions	865,531	3.07
Food & Beverage			
225,000	Aramark Corp. Sr. Note, 8.50%, 2/1/2015	231,750	0.82
225,000	B&G Foods Holdings Corp. Sr. Note, 8.00%, 10/1/2011	228,938	0.81
6,800	B&G Foods, Inc. Company Guarantee, 12.00%, 10/30/2016	21,080	0.07
50,000	Bumble Bee Capital Corp. Sr. Secd. Note, Series 144A, 7.75%, 12/15/2015	50,125	0.18

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Food & Beverage (Continued)			
100,000	Constellation Brands, Inc. Sr. Note, 7.25%, 5/15/2017	101,375	0.36
100,000	Dean Foods Co. Company Guarantee, 7.00%, 6/1/2016	98,000	0.35
100,000	Michael Foods, Inc. Sr. Sub. Note, 8.00%, 11/15/2013	102,375	0.36
75,000	Michael Foods, Inc. Sr. Unsecd. Note, Series 144A, 9.75%, 10/1/2013	77,906	0.28
100,000	Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp. Sr. Note, Series WI, 9.25%, 4/1/2015	101,500	0.36
75,000	Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp. Sr. Sub. Note, Series WI, 10.625%, 4/1/2017	78,000	0.28
275,000	Reddy Ice Group, Inc. Sr. Disc. Note, 10.50%, 11/1/2012	255,750	0.91
125,000	Smithfield Foods, Inc. Sr. Note, 7.75%, 7/1/2017	115,312	0.41
75,000	Smithfield Foods, Inc. Sr. Unsecd. Note, 10.00%, 7/15/2014	81,375	0.29
50,000	Tyson Foods, Inc. Sr. Unsecd. Note, 10.50%, 3/1/2014	57,125	0.20
Total Food & Beverage		1,600,611	5.68
Gaming			
100,000	American Casino & Entertainment Sr. Secd. Note, Series 144A, 11.00%, 6/15/2014	84,250	0.30
100,000	Ameristar Casinos, Inc. Sr. Unsecd. Note, 9.25%, 6/1/2014	103,750	0.37
75,000	Fontainebleu Las Vegas Holdings LLC/Fontainebleu Las Vegas Second Mortgage Notes, 11.00%, 6/15/2015	750	—
100,000	Global Cash Access LLC Sr. Sub. Note, 8.75%, 3/15/2012	99,625	0.35
125,000	Great Canadian Gaming Corp. Company Guarantee, 7.25%, 2/15/2015	120,156	0.43
50,000	Harrah's Entertainment, Inc. Sr. Secd. Note, 11.25%, 6/1/2017	52,313	0.19

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Gaming (Continued)			
50,000	Harrah's Entertainment, Inc. Sr. Secd. Note, Series 144A, 11.25%, 6/1/2017	52,313	0.19
125,000	Herbst Gaming, Inc. Sr. Sub. Note, 7.00%, 11/15/2014	625	—
125,000	Indianapolis Downs LLC/Indiana Downs Capital Corp. Sr. Secd. Note, 11.00%, 11/1/2012	81,250	0.29
67,422	Indianapolis Downs LLC/Indiana Downs Capital Corp. Sub. PIK Note, 15.50%, 11/1/2013	22,334	0.08
125,000	Jacobs Entertainment, Inc. Sr. Note, 9.75%, 6/15/2014	116,563	0.41
100,000	MGM Mirage, Inc. Sr. Note, 5.875%, 2/27/2014	80,125	0.28
225,000	MGM Mirage, Inc. Sr. Note, 7.50%, 6/1/2016	175,500	0.62
50,000	MGM Mirage, Inc. Sr. Secd. Note, 11.125%, 11/15/2017	55,375	0.20
50,000	MGM Mirage, Inc. Sr. Secd. Note, 13.00%, 11/15/2013	57,375	0.20
50,000	Peninsula Gaming, LLC Sr. Secd. Note, Series 144A, 8.375%, 8/15/2015	49,875	0.18
75,000	Peninsula Gaming, LLC Sr. Unsecd. Note, Series 144A, 10.75%, 8/15/2017	75,375	0.27
125,000	Penn National Gaming, Inc. Sr. Sub. Note, 6.75%, 3/1/2015	120,781	0.44
75,000	San Pasqual Casino Development Group, Inc. Sr. Note, 8.00%, 9/15/2013	70,125	0.25
100,000	Seminole Tribe of Florida, Bond, Series 144A 7.804%, 10/1/2020	87,082	0.31
100,000	Shingle Springs Tribal Gaming Sr. Note, 9.375%, 6/15/2015	76,000	0.27
100,000	Wynn Las Vegas LLC 1st Mtg. Note, 6.625%, 12/1/2014	96,625	0.34
	Total Gaming	1,678,167	5.97

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Healthcare			
125,000	Accellent, Inc. Sr. Sub., 10.50%, 12/1/2013	120,313	0.43
125,000	AMR Holding Co./Emcare Holding Co. Sr. Sub. Note, 10.00%, 2/15/2015	131,250	0.46
75,000	Bio Rad Laboratories, Inc. Sr. Sub. Note, 6.125%, 12/15/2014	75,000	0.27
50,000	Biomet, Inc. Sr. Note, Series WI, 10.375%, 10/15/2017	54,250	0.19
200,000	Biomet, Inc. Sr. Sub. Note, Series WI, 11.625%, 10/15/2017	221,000	0.78
175,000	CRC Health Corp. Sr. Sub. Note, 10.75%, 2/1/2016	147,000	0.52
50,000	Fresenius Medical Care AG & Co. KGaA Sr. Unsecd. Note, 9.00%, 7/15/2015	55,000	0.19
75,000	HCA, Inc. Sr. Note, 7.50%, 11/6/2033	65,590	0.23
447,045	HCA, Inc. Sr. Secd. 2nd Priority Note, 9.625%, 11/15/2016	483,926	1.71
100,000	HCA, Inc. Sr. Secd. Note, 9.25%, 11/15/2016	107,375	0.38
50,000	Inverness Medical Innovations, Inc. Sr. Note, 7.875%, 2/1/2016	49,000	0.17
75,000	Inverness Medical Innovations, Inc. Sr. Sub. Note, 9.00%, 5/15/2016	76,875	0.27
150,000	National Mentor Holdings, Inc. Sr. Sub. Note, 11.25%, 7/1/2014	153,000	0.54
125,000	Omnicare, Inc. Sr. Sub. Note, 6.875%, 12/15/2015	121,562	0.43
50,000	Psychiatric Solutions, Inc. Sr. Sub. Note, 7.75%, 7/15/2015	47,125	0.17
50,000	Talecris Biotherapeutics Holdings Corp. Sr. Unsecd. Note, 7.75%, 11/15/2016	50,750	0.18
175,000	United Surgical Partners International, Inc. Company Guarantee, 9.25%, 5/1/2017	178,500	0.63

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Healthcare (Continued)			
125,000	Universal Hospital Services, Inc. Sr. Secd. Note, 8.50%, 6/1/2015	123,125	0.44
175,000	Vanguard Health Holdings II Sr. Sub. Note, 9.00%, 10/1/2014	181,344	0.65
75,000	Ventas Realty LP Sr. Note, 6.50%, 6/1/2016	72,375	0.26
50,000	Ventas Realty LP Sr. Note, 6.75%, 4/1/2017	48,375	0.17
178,000	Viant Holdings, Inc. Company Guarantee, 10.125%, 7/15/2017	177,110	0.64
225,000	VWR Funding, Inc. Company Guarantee, Series WI, 10.25%, 7/15/2015	234,000	0.84
	Total Healthcare	2,973,845	10.55
Industrial - Other			
125,000	ALH Finance LLC / ALH Finance Corp. Sr. Sub. Note, 8.50%, 1/15/2013	125,000	0.44
50,000	American Tire Distributors, Inc. Sr. Note, 10.75%, 4/1/2013	45,750	0.16
50,000	Aquilex Holdings Sr. Note, Series 144A, 11.125%, 12/15/2016	49,875	0.18
175,000	Baker & Taylor Acquisition Corp. Sr. Secd. Note, 11.50%, 7/1/2013	94,281	0.33
50,000	Belden CDT, Inc. Company Guarantee, 9.25%, 6/15/2019	52,812	0.19
75,000	Belden CDT, Inc. Sr. Sub. Note, 7.00%, 3/15/2017	73,031	0.26
30,000	Education Management LLC Sr. Sub. Note, 10.25%, 6/1/2016	32,100	0.11
100,000	ESCO Corp. Sr. Note, 8.625%, 12/15/2013	99,500	0.35
75,000	General Cable Corp. Floating Rate Note - Sr. Note, 2.66469%, 4/1/2015	66,094	0.23
75,000	General Cable Corp. Sr. Note, 7.125%, 4/1/2017	73,594	0.26
75,000	Interline Brands, Inc. Sr. Sub. Note, 8.125%, 6/15/2014	75,375	0.27

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Industrial - Other (Continued)			
50,000	JohnsonDiversay, Inc. Sr. Unsecd. Note, Series 144A, 8.25%, 11/15/2019	50,625	0.18
75,000	JohnsonDiversay, Inc. Sub. PIK Deb., Series 144A, 10.50%, 5/15/2020	75,375	0.27
175,000	Knowledge Learning Corp. Sr. Sub. Note, 7.75%, 2/1/2015	168,000	0.61
75,000	Mueller Water Products, Inc. Sr. Sub. Note, Series WI, 7.375%, 6/1/2017	69,375	0.25
75,000	Reliance Intermediate Holdings LP 9.50%, 12/15/2019	78,094	0.28
75,000	Sensus Metering Systems, Inc. Sr. Sub. Note, 8.625%, 12/15/2013	76,594	0.27
100,000	SPX Corp. Sr. Unsecd. Note, 7.625%, 12/15/2014	103,000	0.36
Total Industrial - Other		1,408,475	5.00
Lodging			
50,000	Host Hotels & Resorts LP Sr. Note, 6.875%, 11/1/2014	50,313	0.18
100,000	Host Marriott LP Unsecd. Note, 7.125%, 11/1/2013	101,625	0.36
Total Lodging		151,938	0.54
Media - Cable			
100,000	Charter Communications Holdings II 8.75%, 11/15/2013	102,625	0.36
55,003	Charter Communications Holdings II Sr. Note, 13.50%, 11/30/2016	64,766	0.23
75,000	Echostar DBS Corp. Sr. Note, 6.625%, 10/1/2014	75,656	0.27
125,000	Kabel Deutschland GMBH Company Guarantee, 10.625%, 7/1/2014	130,625	0.46
50,000	Videotron Ltee Company Guarantee, Series WI, 9.125%, 4/15/2018	55,000	0.19
125,000	Videotron Ltee Sr. Note, 6.375%, 12/15/2015	122,188	0.43

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Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	CORPORATE BONDS (Continued)		
	Media - Cable (Continued)		
100,000	Virgin Media, Inc. Company Guarantee, Series 1, 9.50%, 8/15/2016	107,375	0.39
	Total Media - Cable	658,235	2.33
	Media - Non-Cable		
193,278	Affinity Group Holding, Inc. Sr. Note, 10.875%, 2/15/2012	77,070	0.27
75,000	Affinity Group, Inc. Sr. Sub. Note, 9.00%, 2/15/2012	51,094	0.18
50,000	Belo (A.H.) Corp. Sr. Note, 8.00%, 11/15/2016	51,375	0.18
75,000	Clear Channel Outdoor Holdings, Inc. Sr. Note, Series 144A-B, 9.25%, 12/15/2017	77,250	0.27
75,000	Dex Media West LLC Sr. Sub. Note, Series B, 9.875%, 8/15/2013	23,625	0.08
100,000	FoxCo Acquisitions, LLC Sr. Note, 13.375%, 7/15/2016	77,375	0.27
100,000	Inmarsat Finance PLC Company Guarantee, Series 144A, 7.375%, 12/1/2017	102,250	0.36
325,000	Intelsat Jackson Ltd. Sr. Note, 11.25%, 6/15/2016	351,812	1.26
200,000	Intelsat Jackson Ltd. Sr. Unsecd. Note, 2/1/2015	205,500	0.73
75,000	Interpublic Group Cos., Inc. Sr. Unsecd. Note, 10.00%, 7/15/2017	83,250	0.29
75,000	Lamar Media Corp. Sr. Sub. Note, 6.625%, 8/15/2015	72,000	0.26
75,000	Lamar Media Corp. Sr. Sub. Note, 7.25%, 1/1/2013	74,812	0.26
50,000	Lamar Media Corp. Sr. Unsecd. Note, Series C, 6.625%, 8/15/2015	48,000	0.17
125,000	MDC Corporation Inc. Company Guarantee, Series 144A, 11.00%, 11/1/2016	130,000	0.46
150,000	Medimedia USA, Inc. Sr. Sub. Note, 11.375%, 11/15/2014	126,000	0.45

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Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	CORPORATE BONDS (Continued)		
	Media - Non-Cable (Continued)		
160,312	Newport Television LLC Sr. Note, 13.00%, 3/15/2017	70,738	0.25
99,475	Nexstar Broadcasting Group, Inc. Company Guarantee, .50%, 1/15/2014	74,731	0.26
50,000	Nexstar Broadcasting Group, Inc. Company Guarantee, 7.00%, 1/15/2014	37,562	0.13
50,000	Nielsen Finance LLC/Nielsen Finance Co. Company Guarantee, 0/12.50%, 8/1/2016	45,625	0.16
50,000	Nielsen Finance LLC/Nielsen Finance Co. Sr. Note, 11.50%, 5/1/2016	55,875	0.20
100,000	Nielsen Finance LLC/Nielsen Finance Co. Sr. Note, 11.625%, 2/1/2014	112,375	0.40
50,000	QVC, Inc. Sr. Secd. Note, Series 144A, 7.50%, 10/1/2019	51,000	0.18
75,000	R.H. Donnelly Corp Sr. Disc. Note, Series W1, 6.875%, 1/15/2013	7,031	0.02
275,000	R.H. Donnelly Corp Sr. Note, 8.875%, 10/15/2017	25,781	0.09
150,000	R.H. Donnelly Corp Sr. Note, Series A-3, 8.875%, 1/15/2016	14,062	0.05
99,000	Rainbow National Services LLC Sr. Sub. Note, 10.375%, 9/1/2014	104,445	0.37
175,000	Readers Digest Association, Inc. Company Guarantee, 9.00%, 2/15/2017	1,969	0.01
200,000	Southern Graphics Systems, Inc. Sr. Sub. Note, Series W1, 12.00%, 12/15/2013	202,250	0.73
78,937	Univision Television Group, Inc. Sr. Note, 9.75%, 3/15/2015	69,168	0.25
50,000	Univision Television Group, Inc. Sr. Secd. Note, 12.00%, 7/1/2014	55,062	0.20
150,000	WDAC Subsidiary Corp. Sr. Note, 8.375%, 12/1/2014	12,000	0.04
75,000	XM Satellite Radio, Inc. Sr. Note, 13.00%, 8/1/2013	81,469	0.29
50,000	XM Satellite Radio, Inc. Sr. Secd. Note, 11.25%, 6/15/2013	53,750	0.19
	Total Media - Non-Cable	2,626,306	9.32

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Metals & Mining			
100,000	Aleris International, Inc. Company Guarantee, 9.00%, 12/15/2014	522	—
75,000	Aleris International, Inc. Sr. Sub. Note, 10.00%, 12/15/2016	375	—
75,000	Teck Cominco Ltd. Sr. Secd. Note, 10.75%, 5/15/2019	89,625	0.32
100,000	Teck Resources Ltd. Sr. Secd. Note, 10.25%, 5/15/2016	116,500	0.41
	Total Metals & Mining	207,022	0.73
Packaging			
75,000	Ball Corp. Sr. Note, 6.625%, 3/15/2018	74,250	0.26
125,000	Berry Plastics Corp. Sr. Secd. Note, 8.875%, 9/15/2014	121,562	0.43
150,000	Crown Americas LLC Sr. Note, 7.75%, 11/15/2015	155,250	0.56
50,000	Crown Americas LLC Sr. Unsecd. Note, 7.625%, 5/15/2017	51,875	0.18
75,000	Graham Packaging Co. Sr. Note, Series 144A, 8.25%, 1/1/2017	74,063	0.26
50,000	Greif, Inc. Sr. Unsecd. Note, 7.75%, 8/1/2019	51,000	0.18
100,000	Reynolds Group Sr. Secd. Note, Series 144A, 7.75%, 10/15/2016	102,250	0.36
50,000	Sealed Air Corp. Sr. Note, 7.875%, 6/15/2017	53,258	0.19
	Total Packaging	683,508	2.42
Paper			
50,000	Boise Cascade Corp. Sr. Note, Series 144A, 9.00%, 11/1/2017	51,812	0.18
50,000	Cascades, Inc. Sr. Note, 7.875%, 1/15/2020	50,750	0.18
50,000	Clearwater Paper Corp. Sr. Unsecd. Note, 10.625%, 6/15/2016	55,812	0.20
100,000	Georgia-Pacific Corp. Company Guarantee, 8.25%, 5/1/2016	106,000	0.38

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Paper (Continued)			
200,000	Graphic Packaging International Corp. Sr. Sub. Note, 9.50%, 8/15/2013	206,500	0.74
50,000	NewPage Corp. Sr. Secd. Note, Series 144A, 11.375%, 12/31/2014	50,500	0.18
75,000	NewPage Corp. Sr. Sub. Note, 12.00%, 5/1/2013	37,969	0.13
50,000	Rock-Tenn Co. 9.25%, 3/15/2016	54,313	0.19
100,000	Sappi Paper Holding AG Sr. Secd. Note, 12.00%, 8/1/2014	110,500	0.39
	Total Paper	724,156	2.57
Restaurants			
75,000	Dave & Buster's, Inc. Sr. Note, 11.25%, 3/15/2014	77,813	0.28
125,000	NPC International, Inc. 9.50%, 5/1/2014	123,750	0.44
100,000	Seminole Hard Rock Entertainment, Inc./ Seminole Hard Rock International LLC Sr. Secd. Note, 2.75363%, 3/15/2014	82,375	0.29
	Total Restaurants	283,938	1.01
Retailers			
92,000	Dollar General Corp. Company Guarantee, 11.875%, 7/15/2017	106,260	0.38
125,000	General Nutrition Center Company Guarantee, 5.1775%, 3/15/2014	116,563	0.41
75,000	Limited Brands, Inc. Sr. Note, Series 144A, 8.50%, 6/15/2019	81,562	0.29
50,000	Macy's Retail Holdings, Inc. Company Guarantee, 6.65%, 7/15/2024	45,500	0.16
75,000	Macy's Retail Holdings, Inc. Company Guarantee, 6.90%, 4/1/2029	66,000	0.23
150,000	NBC Acquisition Corp. Sr. Disc. Note, 11.00%, 3/15/2013	92,250	0.33
50,000	Nebraska Book Co., Inc. Sr. Secd. Note, Series 144A, 10.00%, 12/1/2011	50,625	0.18
150,000	Nebraska Book Co., Inc. Sr. Sub. Note, 8.625%, 3/15/2012	129,000	0.46

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Retailers (Continued)			
50,000	Penney (J.C.) Co., Inc. Sr. Unsecd. Note, 7.40%, 4/1/2037	49,625	0.18
125,000	Sally Beauty Holdings, Inc. 10.50%, 11/15/2016	134,375	0.48
200,000	The Yankee Candle Co. Inc., Sr. Sub. Note, 9.75%, 2/15/2017	197,000	0.70
125,000	Toys 'R' Us, Inc. Sr. Unsecd. Note, Series 144A, 10.75%, 7/15/2017	136,875	0.48
	Total Retailers	1,205,635	4.28
Services			
125,000	Ceridian Corp. Sr. Unsecd. Note, 11.25%, 11/15/2015	119,218	0.42
50,000	Geo Group, Inc. 7.75%, 10/15/2017	51,188	0.18
175,000	KAR Holdings, Inc. 10.00%, 5/1/2015	187,250	0.66
200,000	West Corp. Company Guarantee, 11.00%, 10/15/2016	209,000	0.75
175,000	West Corp. Sr. Note, 9.50%, 10/15/2014	177,625	0.63
	Total Services	744,281	2.64
Technology			
175,000	Activant Solutions, Inc. Sr. Sub. Note, 9.50%, 5/1/2016	165,155	0.59
50,000	Advanced Micro Devices, Inc. Sr. Unsecd. Note, Series 144A, 8.125%, 12/15/2017	49,812	0.18
150,000	Compucom System, Inc. Sr. Sub. Note, 12.50%, 10/1/2015	152,438	0.54
100,000	First Data Corp. Company Guarantee, 9.875%, 9/24/2015	93,250	0.33
32,649	Freescall Semiconductor, Inc. Company Guarantee, 9.125%, 12/15/2014	28,854	0.10
125,000	Freescall Semiconductor, Inc. Sr. Note, 8.875%, 12/15/2014	114,688	0.41

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Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	CORPORATE BONDS (Continued)		
	Technology (Continued)		
75,000	GXS WORLDWIDE INC. Sr. Secd. Note, Series 144A, 9.75%, 6/15/2015	73,688	0.26
50,000	JDA Software Group, Inc. Sr. Note, 8.00%, 12/15/2014	51,000	0.18
150,000	Seagate Technology HDD Holdings Sr. Note, 6.80%, 10/1/2016	145,125	0.51
150,000	SERENA Software, Inc. Sr. Sub. Note, 10.375%, 3/15/2016	144,188	0.51
98,000	Smart Modular Technologies, Inc. Sr. Secd. Note, 5.78969%, 4/1/2012	88,200	0.31
175,000	SS&C Technologies, Inc. Sr. Sub. Note, 11.75%, 12/1/2013	185,500	0.66
100,000	Stream Global Services, Inc. Sr. Secd. Note, Series 144A, 11.25%, 10/1/2014	101,125	0.36
75,000	SunGard Data Systems, Inc. Company Guarantee, 10.625%, 5/15/2015	82,594	0.29
75,000	SunGard Data Systems, Inc. Sr. Note, Series WI, 9.125%, 8/15/2013	76,875	0.27
175,000	SunGard Data Systems, Inc. Sr. Sub. Note, Series WI, 10.25%, 8/15/2015	186,375	0.66
100,000	Terremark Worldwide, Inc. Sr. Unsecd. Note, 12.00%, 6/15/2017	110,500	0.39
25,000	Unisys Corp. Sr. Unsecd. Note, 12.50%, 1/15/2016	25,875	0.09
75,000	Viasystems, Inc. Sr. Secd. Note, Series 144A, 12.00%, 1/15/2015	80,344	0.28
	Total Technology	1,955,586	6.92
	Textile		
50,000	Hanesbrands, Inc. 8.00%, 12/15/2016	50,938	0.18
	Transportation		
125,000	CEVA Group PLC Sr. Note, 10.00%, 9/1/2014	118,750	0.42
50,000	CEVA Group PLC Sr. Secd. Note, Series 144A, 11.625%, 10/1/2016	51,312	0.18
75,000	Hertz Corp. Sr. Note, 8.875%, 1/1/2014	76,688	0.27

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Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Transportation (Continued)			
50,000	Hertz Corp. Sr. Sub. Note, 10.50%, 1/1/2016	53,375	0.19
50,000	Kansas City Southern Railway Company 8.00%, 6/1/2015	51,813	0.18
100,000	Stena AB Sr. Note, 7.50%, 11/1/2013	96,250	0.34
	Total Transportation	448,188	1.58
Utility - Electric			
100,000	Dynegy Holdings, Inc. Sr. Note, 7.75%, 6/1/2019	86,750	0.31
150,000	Edison Mission Energy Sr. Unsecd. Note, 7.00%, 5/15/2017	118,500	0.42
50,000	Energy Future Holdings Corp. Company Guarantee, Series WI, 10.875%, 11/1/2017	40,875	0.14
67,245	FPL Energy National Wind Note, 6.125%, 3/25/2019	63,772	0.23
100,000	NRG Energy, Inc. Sr. Note, 7.25%, 2/1/2014	101,250	0.36
75,000	NRG Energy, Inc. Sr. Note, 7.375%, 1/15/2017	75,188	0.27
75,000	NRG Energy, Inc. Sr. Note, 7.375%, 2/1/2016	75,094	0.27
150,000	Sierra Pacific Resources Sr. Note, Series WI, 6.75%, 8/15/2017	146,142	0.52
200,000	Texas Competitive Electric Holdings Co. LLC Company Guarantee, Series WI, 10.25%, 11/1/2015	162,000	0.57
50,000	Texas Competitive Electric Holdings Co. LLC Company Guarantee, Series WI-B, 10.25%, 11/1/2015	40,500	0.14
	Total Utility - Electric	910,071	3.23
Utility - Natural Gas			
125,000	AmeriGas Partners LP Sr. Unsecd. Note, 7.25%, 5/20/2015	125,000	0.44
125,000	El Paso Corp. Sr. Note, 8.05%, 10/15/2030	117,899	0.42

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
CORPORATE BONDS (Continued)			
Utility - Natural Gas (Continued)			
200,000	Holly Energy Partners LP Sr. Note, 6.25%, 3/1/2015	191,000	0.68
50,000	Inergy LP Company Guarantee, 8.75%, 3/1/2015	51,375	0.18
150,000	Inergy LP Sr. Note, 6.875%, 12/15/2014	148,125	0.52
125,000	MarkWest Energy Partners LP Sr. Note, Series B, 8.75%, 4/15/2018	128,750	0.46
97,000	Regency Energy Partners LP Sr. Unsecd. Note, 8.375%, 12/15/2013	100,395	0.36
75,000	Southern Star Central Corp. Sr. Note, 6.75%, 3/1/2016	72,375	0.26
	Total Utility - Natural Gas	934,919	3.32
Wireless Communications			
50,000	Crown Castle International Corp. 9.00%, 1/15/2015	53,250	0.19
100,000	Digicel Ltd. Sr. Note, 8.875%, 1/15/2015	97,000	0.34
103,786	Digicel Ltd. Sr. Note, 9.125%, 1/15/2015	102,229	0.36
50,000	Digicel Ltd. Sr. Note, Series 144A, 8.25%, 9/1/2017	48,750	0.17
175,000	MetroPCS Wireless, Inc. Sr. Note, 9.25%, 11/1/2014	177,188	0.63
150,000	Nextel Communications, Inc. Sr. Note, Series D, 7.375%, 8/1/2015	145,875	0.52
50,000	SBA Communications, Corp. Company Guarantee, 8.00%, 8/15/2016	52,250	0.19
325,000	Sprint Capital Corp. Company Guarantee, 6.90%, 5/1/2019	299,000	1.07
50,000	Sprint Nextel Corp. Sr. Unsecd. Note, 8.375%, 8/15/2017	51,000	0.18

Portfolio of Investments

Federated High Income Advantage Fund

At December 31, 2009

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets				
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)						
	CORPORATE BONDS (Continued)						
	Wireless Communications (Continued)						
125,000	Sprint Nextel Corp. Unsecd. Note, 6.00%, 12/1/2016	114,062	0.40				
75,000	Wind Acquisition Finance SA Sr. Note, 11.75%, 7/15/2017	82,125	0.29				
	Total Wireless Communications	1,222,729	4.34				
	TOTAL CORPORATE BONDS	27,808,847	98.64				
	PREFERRED STOCK						
	Financial Institutions						
106	GMAC, Inc. Pfd., Series 144A	69,874	0.25				
	TOTAL PREFERRED STOCK	69,874	0.25				
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	27,925,565	99.06				
	TOTAL INVESTMENTS	27,925,565	99.06				
	INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS						
	FORWARD FOREIGN EXCHANGE CURRENCY CONTRACTS						
Settlement Date	Currency Sold	Amount Sold	Currency Bought	Amount Bought	Counterparty	Unrealised Depreciation	
06/01/2010	USD	(240,300)	EUR	160,564	BNY Mellon	(10,125)	(0.04)
	TOTAL UNREALISED DEPRECIATION ON FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS					(10,125)	(0.04)
	OTHER NET ASSETS					275,584	0.98
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES					28,191,024	100.00

Portfolio of Investments

Federated High Income Advantage Fund At December 31, 2009

	% of Total Assets
ANALYSIS OF TOTAL ASSETS	
(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	97.91
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	0.02
(d) Other assets	2.07
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$28,191,024) at December 31, 2009.

The following acronyms are used throughout this portfolio:

LLC—Limited Liability Company

PIK—Payment in Kind

Portfolio of Investments

Federated U.S. Bond Fund

At December 31, 2009

Principal Amount		Fair Value Euro (€)	% of Total Net Assets
	BALANCE DUE FROM BROKERS:		
	REPURCHASE AGREEMENTS		
55,000	Credit Suisse First Boston LLC 0.00%, dated 12/31/2009, due 1/4/2010	38,366	1.54
600,000	HSBC Securities (USA), Inc. 0.01%, dated 12/31/2009, due 1/4/2010	418,542	16.78
	TOTAL REPURCHASE AGREEMENTS	456,908	18.32
	TOTAL BALANCE DUE FROM BROKERS	456,908	18.32
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
	COMMERCIAL MORTGAGE-BACKED SECURITIES		
100,000	Citigroup / Deutsche Bank Commercial Mortgage 2007-CD5 Class A4, 5.886%, 11/15/2044	60,470	2.42
150,000	CS First Boston Mortgage Securities Corp. 2005-C6 Class A2FX, 5.207%, 12/15/2040	105,182	4.22
100,000	LB-UBS Commercial Mortgage Trust 2008-C1 Class A2, 6.148965%, 4/15/2041	66,273	2.66
222,297	Wells Fargo Mortgage Backed Securities Trust 2007-11 Class A85, 6.00%, 8/25/2037	122,285	4.90
	TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES	354,210	14.20
	CORPORATE BONDS		
25,000	AT&T Wireless Services, Inc. 8.75%, 3/1/2031	22,638	0.91
25,000	Atmos Energy Corp. 8.50%, 3/15/2019	21,186	0.85
25,000	BHP Finance (USA), Inc. 6.50%, 4/1/2019	20,120	0.81
25,000	Boston Properties LP Sr. Unsecd. Note, 5.875%, 10/15/2019	17,603	0.71
25,000	Bottling Group LLC Company Guarantee, 6.95%, 3/15/2014	20,244	0.81
25,000	Capital One Financial Corp. Sr. Note, 7.375%, 5/23/2014	19,789	0.79
15,000	Chubb Corp. Sr. Note, 5.75%, 5/15/2018	11,228	0.45
25,000	Citigroup, Inc. Sr. Unsecd. Note, 6.50%, 8/19/2013	18,627	0.75

Portfolio of Investments

Federated U.S. Bond Fund

At December 31, 2009

Principal Amount		Fair Value Euro (€)	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	CORPORATE BONDS (Continued)		
40,000	CNA Financial Corp. Note, 6.00%, 8/15/2011	28,373	1.14
25,000	Comcast Corp. Company Guarantee, 6.50%, 1/15/2017	19,357	0.78
25,000	Consolidated Edison Co. Sr. Unsecd. Note, 6.65%, 4/1/2019	19,836	0.80
25,000	Costco Wholesale Corp. 5.30%, 3/15/2012	18,794	0.75
25,000	CVS Caremark Corp. Sr. Note, 5.75%, 8/15/2011	18,566	0.74
25,000	Dow Chemical Co. Note, 8.55%, 5/15/2019	20,842	0.84
25,000	Duke Capital Corp. Sr. Note, 6.25%, 2/15/2013	18,825	0.75
25,000	Enbridge, Inc. Sr. Note, 5.60%, 4/1/2017	18,286	0.73
25,000	Enterprise Products Operating LLC Company Guarantee, 9.75%, 1/31/2014	20,831	0.83
25,000	EOG Resources, Inc. Note, 5.625%, 6/1/2019	18,737	0.75
25,000	Goldman Sachs Group, Inc. Sr. Note, 6.15%, 4/1/2018	18,727	0.75
60,000	Horace Mann Educators Corp. Sr. Note, 6.85%, 4/15/2016	41,904	1.68
50,000	Hubbell, Inc. 5.95%, 6/1/2018	35,592	1.43
25,000	Husky Energy, Inc. 5.90%, 6/15/2014	19,042	0.76
25,000	Kraft Foods, Inc. Sr. Unsecd. Note, 6.125%, 2/1/2018	18,502	0.74
25,000	Kroger Co. Bond, 6.90%, 4/15/2038	19,558	0.78
25,000	MetLife, Inc. Sr. Unsecd. Note, Series A, 6.817%, 8/15/2018	19,459	0.78
25,000	Nabors Industries, Inc. Company Guarantee, 9.25%, 1/15/2019	21,497	0.86
25,000	National Rural Utilities Cooperative Finance Corp. Sr. Unsecd. Note, 10.375%, 11/1/2018	23,330	0.94

Portfolio of Investments

Federated U.S. Bond Fund

At December 31, 2009

Principal Amount		Fair Value Euro (€)	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	CORPORATE BONDS (Continued)		
25,000	News America Holdings, Inc. Sr. Deb., 9.25%, 2/1/2013	20,292	0.81
25,000	Pacific Gas & Electric Co. 8.25%, 10/15/2018	21,357	0.86
25,000	PNC Funding Corp. Sr. Unsecd. Note, 5.40%, 6/10/2014	18,832	0.75
25,000	Prologis Sr. Note, 7.625%, 8/15/2014	18,254	0.73
25,000	Prudential Financial, Inc. Sr. Unsecd. Note, 4.75%, 9/17/2015	17,781	0.71
25,000	RPM International, Inc. Sr. Unsecd. Note, 6.125%, 10/15/2019	17,577	0.70
25,000	TD Ameritrade Holding Corp. Company Guarantee, 4.15%, 12/1/2014	17,263	0.69
25,000	Time Warner Cable, Inc. Company Guarantee, 8.75%, 2/14/2019	21,329	0.85
25,000	US Bancorp Sr. Note, Series MTN, 2.125%, 2/15/2013	17,304	0.69
25,000	Valero Energy Corp. 9.375%, 3/15/2019	20,881	0.84
25,000	Verizon Communications, Inc. Sr. Unsecd. Note, 6.35%, 4/1/2019	19,382	0.78
25,000	Wachovia Corp. Sr. Unsecd. Note, Series MTN, 5.50%, 5/1/2013	18,675	0.75
25,000	Waste Management, Inc. 7.375%, 3/11/2019	20,331	0.81
25,000	Westpac Banking Corp. Sr. Unsecd. Note, 4.875%, 11/19/2019	17,286	0.69
25,000	XTO Energy, Inc. Sr. Unsecd. Note, 6.25%, 8/1/2017	19,856	0.80
	TOTAL CORPORATE BONDS	857,893	34.37

Portfolio of Investments

Federated U.S. Bond Fund

At December 31, 2009

Principal Amount		Fair Value Euro (€)	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	GOVERNMENT AGENCIES		
175,000	Federal Home Loan Mortgage Corp. Note, 4.50%, 1/15/2014	131,274	5.26
25,000	Federal National Mortgage Association 5.00%, 2/13/2017	18,868	0.76
	TOTAL GOVERNMENT AGENCIES	150,142	6.02
	MORTGAGE BACKED SECURITIES		
402,165	Federal Home Loan Mortgage Corp. Pool A83402, 5.00%, 12/1/2038	288,045	11.55
372,524	Federal Home Loan Mortgage Corp. Pool A85593, 4.50%, 4/1/2039	259,537	10.40
	TOTAL MORTGAGE BACKED SECURITIES	547,582	21.95
	U.S. TREASURY		
100,000	United States Treasury Note 1.75%, 1/31/2014	68,460	2.74
100,000	United States Treasury Note 2.375%, 9/30/2014	69,193	2.77
75,000	United States Treasury Note 3.375%, 11/15/2019	50,331	2.02
	TOTAL U.S. TREASURY	187,984	7.53
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,097,811	84.07
	TOTAL INVESTMENTS	2,554,719	102.39

Portfolio of Investments

Federated U.S. Bond Fund

At December 31, 2009

INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

Settlement Date	Currency Sold	Amount Sold	Currency Bought	Amount Bought	Counterparty	Unrealised Depreciation	% of Total Net Assets
06/01/2010	USD	(3,669,900)	EUR	2,452,158	BNY Mellon	(107,869)	(4.32)
TOTAL UNREALISED DEPRECIATION ON FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS						(107,869)	(4.32)
OTHER NET ASSETS						48,087	1.93
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES						2,494,937	100.00

ANALYSIS OF TOTAL ASSETS

(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	96.47
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	3.53
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$2,494,937) at December 31, 2009.

The following acronym is used throughout this portfolio:

LLC—Limited Liability Corporation

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS		
108,000	HSBC Securities (USA), Inc. 0.01%, dated 12/31/2009, due 1/4/2010	108,000	5.26
	TOTAL REPURCHASE AGREEMENTS	108,000	5.26
	TOTAL BALANCE DUE FROM BROKERS	108,000	5.26
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: COMMON STOCKS		
	Aerospace & Defense		
366	GeoEye, Inc.	10,204	0.50
109	Precision Castparts Corp.	12,028	0.59
201	Rockwell Collins	11,127	0.54
225	United Technologies Corp.	15,617	0.76
	Total Aerospace & Defense	48,976	2.39
	Air Freight & Logistics		
30	C.H. Robinson Worldwide, Inc.	1,762	0.09
584	Expeditors International Washington, Inc.	20,282	0.99
321	FedEx Corp.	26,787	1.30
	Total Air Freight & Logistics	48,831	2.38
	Airlines		
3,214	Jet Blue Airways Corp.	17,516	0.85
848	Ryanair Holdings PLC, ADR	22,743	1.11
	Total Airlines	40,259	1.96
	Auto Components		
864	Bharat Forge Ltd.	5,041	0.25
43	BorgWarner, Inc.	1,428	0.07
	Total Auto Components	6,469	0.32
	Automobiles		
4,386	Ford Motor Co.	43,860	2.14

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Beverages		
65	Anheuser-Busch InBev NV	<u>3,358</u>	<u>0.16</u>
	Biotechnology		
3,453	Alkermes, Inc.	32,493	1.58
2,190	Arena Pharmaceuticals, Inc.	7,775	0.38
690	BioMarin Pharmaceutical, Inc.	12,979	0.63
137	Cepheid, Inc.	1,710	0.08
1,989	Cubist Pharmaceuticals, Inc.	37,731	1.85
3,388	Dyax Corp.	11,485	0.56
263	Human Genome Sciences, Inc.	8,048	0.39
2,600	Isis Pharmaceuticals, Inc.	28,860	1.41
280	Momenta Pharmaceuticals, Inc.	3,531	0.17
721	Neurocrine Biosciences, Inc.	1,961	0.10
533	Orexigen Therapeutics, Inc.	3,966	0.19
326	OSI Pharmaceuticals, Inc.	10,116	0.49
99	Pharmacyclics, Inc.	311	0.02
1,350	Progenics Pharmaceuticals, Inc.	5,994	0.29
865	Protalix Biotherapeutics, Inc.	5,726	0.28
113	Regeneron Pharmaceuticals, Inc.	2,732	0.13
899	Repligen Corp.	3,695	0.18
302	Savient Pharmaceuticals, Inc.	4,110	0.20
855	Seattle Genetics, Inc.	8,687	0.42
1,365	Talecris Biotherapeutics Holdings Corp.	30,399	1.48
900	Threshold Pharmaceuticals, Inc., Class THL	1,620	0.08
1,621	Vical, Inc.	5,333	0.26
	Total Biotechnology	<u>229,262</u>	<u>11.17</u>

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
COMMON STOCKS (Continued)			
Capital Markets			
571	Bank of New York Mellon Corp.	15,971	0.78
144	Goldman Sachs Group, Inc.	24,313	1.18
104	Greenhill & Co., Inc.	8,345	0.41
585	Morgan Stanley	17,316	0.84
385	State Street Corp.	16,763	0.82
	Total Capital Markets	82,708	4.03
Chemicals			
570	Dow Chemical Co.	15,749	0.77
200	Ecolab, Inc.	8,916	0.43
9,750	Huabao International Holdings Ltd.	10,513	0.51
105	Intrepid Potash, Inc.	3,063	0.15
150	Kraton Performance Polymers, Inc.	2,034	0.10
262	Monsanto Co.	21,419	1.04
185	Mosaic Co./The	11,050	0.54
124	Potash Corp. of Saskatchewan, Inc.	13,454	0.66
69	Praxair, Inc.	5,541	0.27
253	Sociedad Quimica Y Minera de Chile, ADR	9,505	0.46
589	STR Holdings, Inc.	9,253	0.45
4,000	Yingde Gases Group Co.	4,093	0.20
	Total Chemicals	114,590	5.58
Commercial Banks			
7,837	PT Bank Central Asia	4,029	0.20
1,014	Wells Fargo & Co.	27,368	1.33
119	Copart, Inc.	4,359	0.21
136	IESI-BFC Ltd.	2,179	0.11
180	Iron Mountain, Inc.	4,097	0.20
514	KAR Auction Services Inc.	7,088	0.35
	Total Commercial Banks	49,120	2.40

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Communications Equipment		
878	Brocade Communications Systems, Inc.	6,699	0.33
900	Comverse Technology, Inc.	8,505	0.41
117	Qualcomm, Inc.	5,412	0.26
319	RADWARE Ltd.	4,823	0.23
	Total Communications Equipment	25,439	1.23
	Computers & Peripherals		
158	Hewlett-Packard Co.	8,139	0.40
525	NCR Corp.	5,843	0.28
	Total Computers & Peripherals	13,982	0.68
	Consumer Finance		
284	American Express Co.	11,508	0.56
	Diversified Consumer Services		
376	ATA, Inc., ADR	1,654	0.08
141	Lincoln Educational Services	3,055	0.15
30	New Oriental Education & Technology Group, Inc., ADR	2,268	0.11
150	Regis Corp.	2,336	0.11
264	SEB - Sistema Educacional Brasileiro SA	3,507	0.17
6,550	CETIP SA	53,611	2.61
950	J.P. Morgan Chase & Co.	39,587	1.93
553	Power Finance Corp.	3,079	0.15
549	Rural Electrification Corp. Ltd.	2,871	0.14
75	Cbeyond Communications, Inc.	1,181	0.06
152	Neutral Tandem, Inc.	3,458	0.17
1,012	TW Telecom, Inc.	17,346	0.84
	Total Diversified Consumer Services	133,953	6.52
	Electric Utilities		
338	ITC Holdings Corp.	17,606	0.86

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Electrical Equipment		
330	Bharat Heavy Electricals Ltd.	16,945	0.83
350	Crompton Greaves Ltd.	3,204	0.16
28	First Solar, Inc.	3,791	0.18
	Total Electrical Equipment	23,940	1.17
	Electronic Equipment Instruments & Components		
700	Hon Hai Precision Industry Co. Ltd.	3,293	0.16
3,900	Inspur International Ltd.	552	0.03
	Total Electronic Equipment Instruments & Components	3,845	0.19
	Energy Equipment & Services		
1,200	Atlas Acquisition Holdings Corp.	12,000	0.58
1,200	Atlas Acquisition Holdings Corp., Warrants	264	0.01
877	Dresser-Rand Group, Inc.	27,722	1.35
	Total Energy Equipment & Services	39,986	1.94
	Food Products		
90	Kellogg Co.	4,788	0.23
	Health Care Equipment & Supplies		
210	AGA Medical Holdings, Inc.	3,102	0.15
128	Baxter International, Inc.	7,511	0.37
1,450	Dexcom, Inc.	11,716	0.57
2,747	Endologix, Inc.	14,504	0.71
815	Insulet Corp.	11,638	0.57
24	LifeWatch AG	432	0.02
574	Masimo Corp.	17,461	0.85
14	NuVasive, Inc.	448	0.02
938	Orthovita, Inc.	3,292	0.16
	Total Health Care Equipment & Supplies	70,104	3.42
	Health Care Providers & Services		
109	Chindex International, Inc.	1,540	0.08
165	Emergency Medical Services Corp., Class A	8,935	0.44
263	Express Scripts, Inc., Class A	22,736	1.11

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Health Care Providers & Services (Continued)		
400	Fleury SA	4,225	0.21
20	Genoptix, Inc.	711	0.03
	Total Health Care Providers & Services	38,147	1.87
	Health Care Technology		
360	Athenahealth, Inc.	16,286	0.79
	Hotels Restaurants & Leisure		
142	Penn National Gaming, Inc.	3,860	0.19
2,800	Sands China Ltd.	3,416	0.17
1,550	Wynn Macau Ltd.	1,887	0.09
	Total Hotels Restaurants & Leisure	9,163	0.45
	Household Durables		
500	Cyrela Brazil Realty S.A. Empreendimentos e Participacoes	6,930	0.34
	Independent Power Producers & Energy Traders		
50	BF Utilities Ltd.	1,367	0.07
	Industrial Conglomerates		
143	3M Co.	11,822	0.58
941	Max India Ltd.	4,462	0.22
	Total Industrial Conglomerates	16,284	0.80
	Insurance		
7	Axis Capital Holdings Ltd.	199	0.01
298	Willis Group Holdings Ltd.	7,861	0.38
	Total Insurance	8,060	0.39
	Internet & Catalog Retail		
110	B2W Companhia Global Do Varejo, GDR	6,040	0.29

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)			
COMMON STOCKS (Continued)			
Internet Software & Services			
300	Akamai Technologies, Inc.	7,599	0.37
17	Google Inc.	10,540	0.51
630	NIC, Inc.	5,758	0.28
626	Telecity Group PLC	3,855	0.19
	Total Internet Software & Services	27,752	1.35
IT Services			
294	Affiliated Computer Services, Inc., Class A	17,549	0.85
15	Amdocs Ltd.	428	0.02
1,300	CIELO S.A.	11,330	0.55
154	Lender Processing Services	6,262	0.30
273	ManTech International Corp., Class A	13,180	0.64
131	Mastercard, Inc.	33,533	1.63
10	NCI, Inc.	277	0.01
1,104	Redecard SA	18,191	0.89
650	TNS, Inc.	16,699	0.81
	Total IT Services	117,449	5.70
Life Sciences Tools & Services			
450	Dishman Pharmaceuticals & Chemicals Ltd.	2,276	0.11
575	Illumina, Inc.	17,624	0.86
	Total Life Sciences Tools & Services	19,900	0.97
Machinery			
444	CLARCOR, Inc.	14,403	0.70
29	Cummins, Inc.	1,330	0.06
106	Danaher Corp.	7,971	0.39
70	Joy Global, Inc.	3,611	0.18
	Total Machinery	27,315	1.33

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Media		
223	Dolan Media Co.	2,277	0.11
125	Imax Corp.	1,663	0.08
667	National CineMedia, Inc.	11,052	0.54
	Total Media	14,992	0.73
	Metals & Mining		
250	Barrick Gold Corp.	9,845	0.48
310	Newmont Mining Corp.	14,666	0.71
	Total Metals & Mining	24,511	1.19
	Multiline Retail		
650	New World Department Store China	591	0.03
1,000	Parkson Retail Group Ltd.	1,752	0.09
	Total Multiline Retail	2,343	0.12
	Paper & Forest Products		
41,684	Lee & Man Paper Manufacturing Ltd.	28,467	1.39
9,700	Nine Dragons Paper Holdings Ltd.	15,470	0.75
	Total Paper & Forest Products	43,937	2.14
	Personal Products		
1,645	Hypermarcas SA	37,757	1.84
	Pharmaceuticals		
100	Alexza Pharmaceuticals, Inc.	240	0.01
285	Allergan, Inc.	17,958	0.87
950	Auxilium Pharmaceutical, Inc.	28,481	1.39
706	Corcept Therapeutics, Inc.	1,963	0.10
156	Cypress Biosciences, Inc.	899	0.04
266	Durect Corp.	657	0.03
146	Hikma Pharmaceuticals PLC	1,195	0.06
225	Merck & Co., Inc.	8,222	0.40
492	Mylan Laboratories, Inc.	9,068	0.44
100	Nektar Therapeutics	932	0.05
559	Piramal Healthcare Ltd.	4,431	0.22
457	Vivus, Inc.	4,200	0.20

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Pharmaceuticals (Continued)		
2,035	Warner Chilcott PLC	57,936	2.82
	Total Pharmaceuticals	136,182	6.63
	Professional Services		
150	CoStar Group, Inc.	6,266	0.31
120	IHS, Inc., Class A	6,577	0.32
908	Verisk Analytics, Inc.	27,494	1.34
	Total Professional Services	40,337	1.97
	Real Estate Investment Trusts (REITs)		
14,450	Chimera Investment Corp.	56,066	2.73
40	Government Properties Income Trust	919	0.04
859	Two Harbors Investment Co.	8,418	0.41
	Total Real Estate Investment Trusts (REITs)	65,403	3.18
	Real Estate Management & Development		
475	BR Malls Participacoes	5,797	0.28
2,595	Brasil Brokers Participacoes	9,549	0.47
371	LPS Brasil Cons De Imoveis	5,145	0.25
275	Multiplan Empreendimentos Imobiliarios SA	5,115	0.25
	Total Real Estate Management & Development	25,606	1.25
	Road & Rail		
175	CSX Corp.	8,486	0.41
150	Norfolk Southern Corp.	7,863	0.38
625	RailAmerica, Inc.	7,625	0.37
175	Union Pacific Corp.	11,183	0.54
	Total Road & Rail	35,157	1.70
	Semiconductors & Semiconductor Equipment		
600	Advanced Micro Devices, Inc.	5,808	0.28
127	Avago Technologies Ltd.	2,323	0.11
464	Microchip Technology, Inc.	13,484	0.66
2,347	Micron Technology, Inc.	24,784	1.21
580	Microsemi Corp.	10,295	0.50
446	NVIDIA Corp.	8,331	0.41

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Shares or Principal Amount		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Semiconductors & Semiconductor Equipment (Continued)		
1,722	ON Semiconductor Corp.	15,171	0.74
148	Rubicon Technology, Inc.	3,006	0.15
	Total Semiconductors & Semiconductor Equipment	83,202	4.06
	Software		
256	Blackboard, Inc.	11,620	0.57
133	BMC Software, Inc.	5,333	0.26
218	Check Point Software Technologies Ltd.	7,386	0.36
300	Microsoft Corp.	9,147	0.45
	Total Software	33,486	1.64
	Textiles Apparel & Luxury Goods		
749	Cia Hering	12,531	0.61
	Thriffs & Mortgage Finance		
387	Housing Development Finance Corp. Ltd.	22,304	1.09
175	New York Community Bancorp, Inc.	2,539	0.12
	Total Thriffs & Mortgage Finance	24,843	1.21
	Tobacco		
475	Philip Morris International, Inc.	22,890	1.11
	Wireless Telecommunication Services		
434	NTELOS Holdings Corp.	7,734	0.38
	TOTAL COMMON STOCKS	1,918,188	93.44
	CORPORATE BONDS		
	Diversified Consumer Services		
4,000	Regis Corp. Conv. Bond, 5.00%, 7/15/2014	4,987	0.24
	Health Care Equipment & Supplies		
7,000	Insulet Corp. Conv. Bond, 5.375%, 6/15/2013	6,811	0.33
	Real Estate Investment Trusts (REITs)		
3,000	Alexandria Real Estate Equities, Inc. Conv. Bond, 8.00%, 4/15/2029	5,172	0.25

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	CORPORATE BONDS (Continued)		
	Specialty Retail		
1,000	Brown Shoe Co., Inc. Company Guarantee, 8.75%, 5/1/2012	<u>1,024</u>	<u>0.05</u>
	Wireless Telecommunication Services		
2,000	SBA Communications, Corp. Conv. Bond, 4.00%, 10/1/2014	<u>2,652</u>	<u>0.13</u>
	TOTAL CORPORATE BONDS	<u>20,646</u>	<u>1.00</u>
	PREFERRED STOCKS		
	Diversified Financial Services		
1,727	Bank of America Corp., Pfd.	<u>25,767</u>	<u>1.25</u>
	Media		
2	Lodgenet Entertainment, Conv. Pfd., Series B	<u>2,968</u>	<u>0.14</u>
	TOTAL PREFERRED STOCKS	<u>28,735</u>	<u>1.39</u>
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	<u>1,967,569</u>	<u>95.83</u>
	TOTAL INVESTMENTS	<u>2,075,569</u>	<u>101.09</u>
	OTHER NET LIABILITIES	<u>(22,391)</u>	<u>(1.09)</u>
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	<u>2,053,178</u>	<u>100.00</u>

Portfolio of Investments

Federated Kaufmann Growth Fund

At December 31, 2009

	% of Total Assets
ANALYSIS OF TOTAL ASSETS	
(a) Transferable securities admitted to official stock exchange listing	89.47
(b) Transferable securities dealt in another regulated market	7.34
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	3.19
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$2,053,178) at December 31, 2009.

The following acronyms are used throughout this portfolio:

ADR—American Depositary Receipt

GDR—Global Depositary Receipt

PLC—Public Limited Company

SA—Societe Anonyme (French: Corporation)

Portfolio of Investments

Federated Market Opportunity Value Fund

At December 31, 2009

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS		
143,000	Bank of America N.A. 0.01%, dated 12/31/2009, due 1/4/2010	143,000	13.83
250,000	Credit Suisse First Boston LLC 0.00%, dated 12/31/2009, due 1/4/2010	250,000	24.19
250,000	HSBC Securities (USA), Inc. 0.01%, dated 12/31/2009, due 1/4/2010	250,000	24.19
	TOTAL REPURCHASE AGREEMENTS	643,000	62.21
	TOTAL BALANCE DUE FROM BROKERS	643,000	62.21
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: COMMON STOCKS		
	Biotechnology		
200	Biogen Idec, Inc.	10,700	1.04
200	Cephalon, Inc.	12,482	1.21
300	Genzyme Corp.	14,703	1.42
300	Gilead Sciences, Inc.	12,984	1.26
	Total Biotechnology	50,869	4.93
	Commercial Services & Supplies		
200	Secom Co. Ltd.	9,460	0.92
	Energy Equipment & Services		
200	Baker Hughes, Inc.	8,096	0.78
300	ENSCO International, Inc., ADR	11,982	1.16
200	Noble Corp.	8,140	0.79
400	Patterson-UTI Energy, Inc.	6,140	0.59
600	Rowan Cos., Inc.	13,584	1.31
200	Tidewater, Inc.	9,590	0.93
300	Unit Corp.	12,750	1.23
	Total Energy Equipment & Services	70,282	6.79

Portfolio of Investments

Federated Market Opportunity Value Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Food & Staples Retailing		
300	BJ's Wholesale Club, Inc.	9,813	0.95
200	Familymart Co.	5,894	0.57
200	Lawson, Inc.	8,811	0.85
500	Seven & I Holdings Co. Ltd.	10,149	0.98
	Total Food & Staples Retailing	34,667	3.35
	Food Products		
200	Archer-Daniels-Midland Co.	6,262	0.61
200	Bunge Ltd.	12,766	1.24
	Total Food Products	19,028	1.85
	Hotels Restaurants & Leisure		
400	Greek Organization of Football Prognostics	8,757	0.85
	Leisure Equipment & Products		
200	Sankyo Co. Ltd.	9,963	0.96
	Life Sciences Tools & Services		
500	Pharmaceutical Product Development, Inc.	11,720	1.13
	Metals & Mining		
200	Agnico Eagle Mines Ltd.	10,800	1.04
400	Barrick Gold Corp.	15,752	1.52
200	Goldcorp, Inc., Class A	7,868	0.76
1,100	Kinross Gold Corp.	20,240	1.96
200	Pan American Silver Corp.	4,762	0.46
700	Yamana Gold, Inc.	7,966	0.77
	Total Metals & Mining	67,388	6.51
	Oil Gas & Consumable Fuels		
400	Enerplus Resources Fund	9,184	0.89
	Pharmaceuticals		
300	Bristol-Myers Squibb Co.	7,575	0.73
500	Takeda Pharmaceutical Co. Ltd.	20,528	1.99
	Total Pharmaceuticals	28,103	2.72

Portfolio of Investments

Federated Market Opportunity Value Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Wireless Telecommunication Services		
18	NTT DoCoMo, Inc.	25,074	2.43
	TOTAL COMMON STOCKS	344,495	33.33
	MUTUAL FUND		
2,000	Central Fund of Canada Ltd.	27,560	2.67
	TOTAL MUTUAL FUND	27,560	2.67
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	372,055	36.00
	TOTAL INVESTMENTS	1,015,055	98.21
	FINANCIAL DERIVATIVE INSTRUMENTS:		
	PUT OPTIONS		
	Capital Markets		
4	S&P Depository Receipts Trust 3/20/2010, Options Contract	5,210	0.50
	Diversified Financial Services		
8	iShares MSCI Emerging Market 3/20/2010, Options Contract	4,800	0.46
17	iShares Russell 2000 Index Fund 1/16/2010, Options Contract	5,865	0.57
45	Consumer Discretionary Select Sector SPDR Fund 1/16/2010, Options Contract	2,475	0.24
10	Consumer Discretionary Select Sector SPDR Fund 3/20/2010, Options Contract	4,350	0.42
7	Midcap SPDR Trust Series 1 1/16/2010, Options Contract	2,765	0.27
25	Powershares QQQ NASDAQ 100 Shares 1/16/2010, Options Contract	975	0.09
10	Powershares QQQ NASDAQ 100 Shares 3/20/2010, Options Contract	5,305	0.51
	Total Diversified Financial Services	26,535	2.56
	TOTAL PUT OPTIONS	31,745	3.06
	TOTAL FINANCIAL DERIVATIVE INSTRUMENTS	31,745	3.06

Portfolio of Investments

Federated Market Opportunity Value Fund

At December 31, 2009

INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

Settlement Date	Currency Sold	Amount Sold	Currency Bought	Amount Bought	Counterparty	Unrealised Appreciation	% of Net Assets
08/04/2010	CHF	10,753	SGD	14,715	HSBC Securities, Inc.	63	0.01
TOTAL UNREALISED APPRECIATION ON FORWARD FOREIGN EXCHANGE CURRENCY CONTRACTS						63	0.01
OTHER NET LIABILITIES						(13,226)	(1.28)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES						1,033,637	100.00

ANALYSIS OF TOTAL ASSETS

(a) Transferable securities admitted to official stock exchange listing	34.02
(b) Transferable securities dealt in another regulated market	58.80
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	—
(d) Financial Derivative Instruments	3.1
(e) Other assets	4.08
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$1,033,637) at December 31, 2009.

The following acronym is used throughout this portfolio:

ADR—American Depositary Fund

Portfolio of Investments

Federated Strategic Value Equity Fund

At December 31, 2009

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS		
14,000	HSBC Securities (USA), Inc. 0.01%, dated 12/31/2009, due 1/4/2010	14,000	3.74
	TOTAL REPURCHASE AGREEMENTS	14,000	3.74
	TOTAL BALANCE DUE FROM BROKERS	14,000	3.74
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: COMMON STOCKS		
	Beverages		
420	Diageo PLC	7,324	1.95
195	The Coca-Cola Co.	11,115	2.97
	Total Beverages	18,439	4.92
	Commercial Services & Supplies		
60	Waste Management, Inc.	2,029	0.54
	Diversified Telecommunication Services		
540	AT&T, Inc.	15,136	4.04
420	BCE, Inc.	11,646	3.11
65	CenturyTel, Inc.	2,353	0.63
396	Deutsche Telekom AG, Class REG	5,849	1.56
258	France Telecom SA	6,441	1.72
340	Telefonica SA	9,475	2.53
405	Verizon Communications, Inc.	13,417	3.58
370	Windstream Corp.	4,066	1.09
	Total Diversified Telecommunication Services	68,383	18.26
	Electric Utilities		
500	Duke Energy Corp.	8,605	2.30
200	Progress Energy, Inc.	8,202	2.19
200	Southern Co.	6,664	1.78
	Total Electric Utilities	23,471	6.27

Portfolio of Investments

Federated Strategic Value Equity Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Food Products		
275	H.J. Heinz Co.	11,759	3.14
200	Unilever PLC	6,401	1.71
	Total Food Products	18,160	4.85
	Gas Utilities		
130	AGL Resources, Inc.	4,741	1.27
	Hotels Restaurants & Leisure		
190	McDonald's Corp.	11,864	3.17
	Household Products		
100	Clorox Co.	6,100	1.63
190	Kimberly-Clark Corp.	12,105	3.23
65	Procter & Gamble Co.	3,941	1.05
	Total Household Products	22,146	5.91
	Multi-Utilities		
300	Dominion Resources, Inc.	11,676	3.12
100	NSTAR	3,680	0.98
210	SCANA Corp.	7,913	2.11
	Total Multi-Utilities	23,269	6.21
	Oil, Gas & Consumable Fuels		
230	BP PLC, ADR	13,333	3.56
180	Chevron Corp.	13,858	3.70
165	ConocoPhillips	8,426	2.25
445	Royal Dutch Shell PLC, Class B	12,966	3.46
185	Total S.A.	11,855	3.17
	Total Oil, Gas & Consumable Fuels	60,438	16.14

Portfolio of Investments

Federated Strategic Value Equity Fund

At December 31, 2009

Shares		Fair Value US\$	% of Total Net Assets
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)		
	COMMON STOCKS (Continued)		
	Pharmaceuticals		
110	Abbott Laboratories	5,939	1.59
75	AstraZeneca PLC	3,524	0.94
570	Bristol-Myers Squibb Co.	14,393	3.84
215	Eli Lilly & Co.	7,678	2.05
507	GlaxoSmithKline PLC	10,739	2.87
185	Johnson & Johnson	11,916	3.18
180	Merck & Co., Inc.	6,577	1.76
	Total Pharmaceuticals	60,766	16.23
	Real Estate Investment Trusts (REITs)		
110	HCP, Inc.	3,359	0.90
100	Health Care REIT, Inc.	4,432	1.18
200	Realty Income Corp.	5,182	1.38
	Total REITs	12,973	3.46
	Tobacco		
410	Altria Group, Inc.	8,048	2.15
100	Lorillard, Inc.	8,023	2.14
215	Philip Morris International, Inc.	10,361	2.77
195	Reynolds American, Inc.	10,329	2.76
	Total Tobacco	36,761	9.82
	Wireless Telecommunication Services		
3,649	Vodafone Group PLC	8,450	2.26
	TOTAL COMMON STOCKS	371,890	99.31
	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	371,890	99.31
	TOTAL INVESTMENTS	385,890	103.05
	OTHER NET LIABILITIES	(11,433)	(3.05)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	374,457	100.00

Portfolio of Investments

Federated Strategic Value Equity Fund

At December 31, 2009

	% of Total Assets
ANALYSIS OF TOTAL ASSETS	
(a) Transferable securities admitted to official stock exchange listing	86.13
(b) Transferable securities dealt in another regulated market	3.24
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	10.63
TOTAL ASSETS	100.00

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$374,457) at December 31, 2009.

The following acronyms are used throughout this portfolio:

PLC—Public Limited Company

SA—Societe Anonyme (French: Corporation)

Statement of Significant Portfolio Changes (Unaudited)

Federated High Income Advantage Fund

Purchases in 2009

Security Description	Nominal	Cost
GMAC LLC, Note, Series 144A, 6.875%, 9/15/2011	366,000	\$391,624
Toys 'R' Us, Inc., Sr. Unsecd. Note, Series 144A, 10.75%, 7/15/2017	125,000	124,337
School Specialty, Inc., Conv. Bond, 3.75%, 8/1/2023	150,000	122,281
MDC Corporation Inc., Company Guarantee, Series 144A, 11.00%, 11/1/2016	125,000	120,586
Sally Beauty Holdings, Inc., 10.50%, 11/15/2016	125,000	113,500
MGM Mirage, Inc., Sr. Note, 7.50%, 6/1/2016	150,000	113,125
Central Garden & Pet Co., Company Guarantee, 9.125%, 2/1/2013	125,000	106,969
Virgin Media, Inc., Company Guarantee, Series 1, 9.50%, 8/15/2016	100,000	100,537
Georgia-Pacific Corp., Company Guarantee, 8.25%, 5/1/2016	100,000	99,328
Inmarsat Finance PLC, Company Guarantee, Series 144A, 7.375%, 12/1/2017	100,000	99,256
Reynolds Group, Sr. Secd. Note, Series 144A, 7.75%, 10/15/2016	100,000	98,695
Ford Motor Credit Co., Sr. Unsecd. Note, 8.125%, 1/15/2020	100,000	98,304
Ameristar Casinos, Inc., 9.25%, 6/1/2014	100,000	97,823
Cinemark, Inc., Company Guarantee, Series 144A, 8.625%, 6/15/2019	100,000	97,560
McJunkin Red Man Corp., Sr. Secd. Note, Series 144A, 9.50%, 12/15/2016	100,000	97,533
Intelsat Jackson Ltd., Sr. Note, 11.25%, 6/15/2016	100,000	96,688
Stream Global Services, Inc., Sr. Secd. Note, Series 144A, 11.25%, 10/1/2014	100,000	95,454
Terremark Worldwide, Inc., Sr. Unsecd. Note, 12.00%, 6/15/2017	100,000	95,226
Sappi Paper Holding AG, Sr. Secd. Note, 12.00%, 8/1/2014	100,000	95,095
Seminole Tribe of Florida, Bond, Series 144A, 7.804%, 10/1/2020	100,000	91,500

Federated High Income Advantage Fund

Sales in 2009

Security Description	Nominal	Proceeds
GMAC LLC, 6.88%, 9/15/2011	500,000	\$451,947
Tennessee Gas Pipeline, Bond, 8.375%, 6/15/2032	275,000	291,606
Qwest Corp., Note, 8.875%, 3/15/2012	250,000	261,875
Education Management LLC, Sr. Sub. Note, 10.25%, 6/1/2016	195,000	214,375
MGM Mirage, Sr. Note, 8.50%, 9/15/2010	200,000	190,500
ASG Consolidated LLC, Sr. Disc. Note, 11.50%, 11/1/2011	200,000	182,031
DIRECTV Holdings LLC, Sr. Note, 8.375%, 3/15/2013	175,000	180,469
Intergen NV, Sr. Secd. Note, 9.00%, 6/30/2017	175,000	165,000
Pilgrim's Pride Corp., Sr. Sub. Note, 8.375%, 5/1/2017	150,000	164,531
Cinemark, Inc., Sr. Disc. Note, 0/9.75%, 3/15/2014	150,000	157,313
Pacific Energy Partners LP, Sr. Note, 6.25%, 9/15/2015	150,000	149,250
School Specialty, Inc., Conv. Bond, 3.75%, 8/1/2023	150,000	148,688
Range Resources Corp., Sr. Sub. Note, 7.375%, 7/15/2013	150,000	146,250
Terra Capital, Inc., Company Guarantee, Series B, 7.00%, 2/1/2017	125,000	144,225
Freeport-McMoRan Copper & Gold, Inc., Sr. Note, 8.375%, 4/1/2017	125,000	136,406
Centennial Communications Corp., Sr. Note, 10.00%, 1/1/2013	125,000	132,500
Rogers Wireless, Inc., Sr. Sub. Note, 8.00%, 12/15/2012	125,000	128,625
Valor Telecommunications Enterprises, Sr. Note, 7.75%, 2/15/2015	125,000	124,063
Ventas Realty LP, Sr. Note, 7.125%, 6/1/2015	125,000	120,936
Alltel Corp., Sr. Unsecd. Note, 10.375%, 12/1/2017	100,000	119,750

Statement of Significant Portfolio Changes (Unaudited)

Federated U.S. Bond Fund

Purchases in 2009

Security Description	Nominal	Cost
United States Treasury Note, 2.75%, 2/15/2019	1,650,000	€1,275,932
United States Treasury Note, 1.75%, 1/31/2014	1,500,000	1,163,392
United States Treasury Note, 4.50%, 2/15/2016	1,000,000	885,330
Federal Home Loan Mortgage Corp., Pool A83402, 5.00%, 12/1/2038	499,999	394,182
Federal Home Loan Mortgage Corp., Pool A83402, 4.50%, 2/1/2039	500,000	387,278
Federal Home Loan Mortgage Corp., Pool A85593, 4.50%, 4/1/2039	399,999	311,824
Federal National Mortgage Association, 5.00%, 2/13/2017	175,000	142,166
United States Treasury Note, 3.75%, 11/15/2018	175,000	142,033
Federal Home Loan Mortgage Corp., Note, 4.50%, 1/15/2014	175,000	140,709
United States Treasury Note, 2.375%, 9/30/2014	100,000	68,499
Duke Capital Corp., Sr. Note, 6.25%, 2/15/2013	75,000	58,139
United States Treasury Note, 3.375%, 11/15/2019	75,000	51,725
United States Treasury Note, 4.50%, 2/15/2036	50,000	45,755
VIRGINIA 5.1% 11/30/2012	50,000	40,108
National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 10.375%, 11/1/2018	25,000	22,629
Nabors Industries, Inc., Company Guarantee, 9.25%, 1/15/2019	25,000	21,618
Pacific Gas & Electric Co., 8.25%, 10/15/2018	25,000	20,957
Bottling Group LLC, Company Guarantee, 6.95%, 3/15/2014	25,000	20,800
News America Holdings, Inc., Sr. Deb., 9.25%, 2/1/2013	25,000	20,301
AT&T Wireless Services, Inc., 8.75%, 3/1/2031	25,000	20,083

Federated U.S. Bond Fund

Sales in 2009

Security Description	Nominal	Proceeds
United States Treasury Note, 1.75%, 1/31/2014	1,650,000	€1,221,768
United States Treasury Note, 2.75%, 2/15/2019	1,400,000	1,079,550
United States Treasury Note, 4.50%, 2/15/2016	1,070,000	961,809
FHLMC PC Gold, 4.50%, 2/1/2039	500,000	398,742
U.S. Treasury Inflation Protected Note, 2.50%, 7/15/2016	422,018	335,073
Federal Home Loan Mortgage Corp., 4.13%, 12/21/2012	350,000	295,125
Federal National Mortgage Association, 6.00%, 11/1/2034	347,661	284,464
FHLMC PC Gold, 5.00%, 1/1/2035	335,573	270,845
Federal Home Loan Mortgage Corp., Note, 4.50%, 1/15/2014	300,000	257,309
Federal National Mortgage Association, 6.00%, 7/1/2037	311,584	254,330
Federal Home Loan Mortgage Corp., Note, 5.50%, 2/01/2036	280,004	227,170
Federal Home Loan Mortgage Corp., 5.73%, 4/1/2037	289,231	226,005
United States Treasury Note, 4.50%, 2/15/2036	250,000	222,240
Federal Home Loan Mortgage Corp., 5.50%, 2/1/2037	203,496	165,098
United States Treasury Note, 3.75%, 11/15/2018	175,000	149,389
Federal Home Loan Mortgage Corp., Note, 5.125%, 11/17/2017	150,000	132,841
Federal Home Loan Mortgage Corp., 6.04%, 1/1/2037	147,698	117,860
Federal National Mortgage Association, 5.00%, 2/13/2017	150,000	113,441
Federal National Mortgage Association, 5.12%, 8/1/2037	136,809	108,597
FHLMC PC Gold, 5.90%, 9/1/2037	133,484	108,297

Statement of Significant Portfolio Changes (Unaudited)

Federated Kaufmann Growth Fund

Purchases in 2009

Security Description	Nominal	Cost
Bank of America Corp., Pfd.	3,600	\$56,772
CETIP SA	6,550	45,606
Chimera Investment Corp.	13,016	39,289
Bank of New York Mellon Corp.	1,166	33,671
Morgan Stanley	1,306	32,613
Wells Fargo & Co.	1,356	30,587
Ford Motor Co.	4,974	28,471
SPDR Unit Trust	370	28,207
Talecris Biotherapeutics Holdings Corp.	1,341	27,480
Goldman Sachs Group, Inc.	218	26,611
Cubist Pharmaceuticals, Inc.	1,464	25,449
Verisk Analytics, Inc.	908	25,253
J.P. Morgan Chase & Co.	695	24,393
Citigroup, Inc.	7,177	22,608
Dow Chemical Co.	1,416	21,428
Micron Technology, Inc.	2,647	20,174
FedEx Corp.	321	19,910
Express Scripts, Inc., Class A	307	18,919
Expeditors International Washington, Inc.	522	17,801
State Street Corp.	438	17,680

Federated Kaufmann Growth Fund

Sales in 2009

Security Description	Nominal	Proceeds
Wells Fargo & Co.	2,251	\$52,460
General Electric Co.	3,482	42,355
Dresser-Rand Group, Inc.	1,683	41,156
Alleghany Corp.	154	40,401
First Solar, Inc.	244	37,306
JP Morgan Chase and Co.	1,145	35,643
SPDR Unit Trust	370	32,020
Goldman Sachs Group, Inc.	199	28,618
Bank of America Corp., Pfd.	1,873	28,309
Citigroup, Inc.	7,177	23,751
OSI Pharmaceuticals, Inc.	668	21,176
Loews Corp.	897	20,773
Morgan Stanley	721	20,390
Potash Corp. of Saskatchewan, Inc.	231	19,641
Dominion Resources, Inc.	600	18,671
Schering Plough Corp.	664	18,493
MEMC Electronic Materials, Inc.	1,170	18,055
Brookfield Asset Management, Inc.	969	17,282
Illumina, Inc.	616	16,990
Bank of New York Mellon Corp.	595	16,193

Statement of Significant Portfolio Changes (Unaudited)

Federated Market Opportunity Value Fund

Purchases in 2009

Security Description	Nominal	Cost
Kinross Gold Corp.	1,900	\$30,179
NTT DoCoMo, Inc.	18	26,404
Central Fund of Canada Ltd.	2,000	23,033
Sankyo Co. Ltd.	400	20,869
Takeda Pharmaceutical Co. Ltd.	500	20,061
Ultrashort Financials ProShares	5,800	19,726
iShares iBoxx \$ High Yield Corporate Bond Fund	300	19,387
Intrepid Potash, Inc.	1,100	19,284
Yamana Gold, Inc.	2,300	18,864
Barrick Gold Corp.	600	18,019
Rowan Cos., Inc.	1,300	17,344
Agnico Eagle Mines Ltd.	300	15,978
Mosaic Co./The	400	15,244
Genzyme Corp.	300	14,956
Biogen Idec, Inc.	300	13,849
Gilead Sciences, Inc.	300	13,309
BJ's Wholesale Club, Inc.	400	13,006
Xstrata Plc	2,400	12,398
Adobe Systems Inc.	600	11,995
Harmony Gold Mining Co. Ltd., ADR	1,300	11,988

Federated Market Opportunity Value Fund

Sales in 2009

Security Description	Nominal	Proceeds
Yamana Gold, Inc.	7,900	\$79,645
iShares MSCI EAFE Index Fund	1,200	46,119
Mosaic Co./The	700	36,435
Intrepid Potash, Inc.	1,100	31,531
Patterson-UTI Energy, Inc.	2,500	30,409
Goldcorp, Inc., Class A	800	30,394
Rowan Cos., Inc.	1,500	30,309
AGCO Corp.	900	25,044
Newmont Mining Corp.	500	24,605
Kinross Gold Corp.	1,200	24,141
ENSCO International, Inc.	600	23,589
Bunge Ltd.	400	23,393
Freeport-McMoRan Copper & Gold, Inc.	800	23,261
Barrick Gold Corp.	600	22,862
iShares iBoxx \$ High Yield Corporate Bond Fund	300	22,466
Biogen Idec, Inc.	400	20,082
Unit Corp.	500	19,717
iShares S&P Europe 350 Index Fund	800	19,508
CF Industries Holdings, Inc.	300	18,735
Chesapeake Energy Corp.	800	17,331

Statement of Significant Portfolio Changes (Unaudited)

Federated Strategic Value Equity Fund

Purchases in 2009

Security Description	Nominal	Cost
Chevron Corp.	180	\$11,857
Total S.A.	185	11,235
Dominion Resources, Inc.	300	10,831
Johnson & Johnson	185	10,670
McDonald's Corp.	190	10,315
Telefonica SA	340	9,615
BCE, Inc.	490	9,553
The Coca-Cola Co.	195	8,123
Lorillard, Inc.	100	8,032
Merck & Co., Inc.	280	7,779
ConocoPhillips	165	7,470
Clorox Co.	100	6,005
Abbott Laboratories	110	4,947
Realty Income Corp.	200	4,892
Health Care REIT, Inc.	100	4,380
PepsiCo, Inc.	70	3,433
AstraZeneca PLC	75	3,405
HCP, Inc.	110	3,313
Sara Lee Corp.	375	3,210
NSTAR	100	3,173

Federated Strategic Value Equity Fund

Sales in 2009

Security Description	Nominal	Proceeds
Kraft Foods, Inc., Class A	615	\$15,749
Pfizer, Inc.	1,000	15,380
ENI SpA	617	14,399
Wyeth	240	10,406
Unilever PLC	235	6,865
Windstream Corp.	865	6,645
Progress Energy, Inc.	145	5,514
Frontier Communications Corp.	770	5,080
H.J. Heinz Co.	135	5,063
General Electric Co.	645	5,036
New York Community Bancorp, Inc.	625	5,026
Pinnacle West Capital Corp.	140	4,318
Gallagher (Arthur J.) & Co.	230	4,272
PepsiCo, Inc.	70	4,272
ConAgra Foods, Inc.	220	4,166
PNC Financial Services	155	4,165
HSBC Holdings PLC	505	4,150
Mercury General Corp.	130	4,021
AGL Resources, Inc.	125	3,843
Avon Products, Inc.	140	3,757

FEDERATED INTERNATIONAL FUNDS PLC NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting will be held at 9:00 a.m. on the 28th day of May, 2010 at Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland for the following purposes:

1. To receive and consider the Reports of the Directors and of the Auditors and the accounts for the year ended December 31, 2009.
2. To re-elect John W. McGonigle as a director.
3. To re-elect Denis McAuley III as a director.
4. To re-elect John Lyons as a director.
5. To re-elect Ronan Walsh as a director.
6. To re-elect Michael Boyce as a director.
7. To approve Directors' remuneration.
8. To authorise the Directors to fix the remuneration of the Auditors.
9. To ratify all dividends paid during the year ended December 31, 2009.

10. Special business:

10.1 To consider, and if thought fit, pass the following as a Special Resolution:

"RESOLVED that the objects clauses in the form presented to the meeting be and they are hereby adopted as the objects clauses of the Company to the exclusion of all existing objects clauses and that the articles of association in the form presented to the meeting be and they are hereby adopted as the articles of association of the Company to the exclusion of all existing articles of association."

BY ORDER OF THE BOARD

SIGNED: _____



C. Todd Gibson
Company Secretary

Registered Office: c/o BNY Mellon Fund Services (Ireland) Limited, Guild House, Guild Street, International Financial Services Centre, Dublin 1, Ireland

DATED THIS 22ND DAY OF APRIL, 2010

Note: Every member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A body corporate may appoint an authorised representative to attend, speak and vote on its behalf. A proxy or an authorised representative need not be a member of the Company.

FEDERATED INTERNATIONAL FUNDS PLC

ANNUAL GENERAL MEETING GENERAL FORM OF PROXY

I/We _____ of _____ being a holder of _____ Shares
in the above named company and entitled to vote, hereby appoint representatives of Bradwell Limited
including, Sarah Cunniff, Carl O'Sullivan, Sylvie McLaughlin, Louise O'Leary or failing them
_____ or failing him/her _____ or failing him/her _____ or failing
him/her the Chairman of the meeting (delete as applicable) as my/our proxy to vote for me/us on my/our
behalf at the Annual General Meeting of the Company to be held on the 28th day of May, 2010 and at any
adjournment thereof.

Please indicate with an "X" in the box below how you wish the proxy to vote.

RESOLUTIONS

1. To receive and consider the Reports of the Directors and the Auditors and the accounts for the year ended December 31, 2009.
2. To re-elect John W. McGonigle as a director.
3. To re-elect Denis McAuley III as a director.
4. To re-elect John Lyons as a director.
5. To re-elect Ronan Walsh as a director.
6. To re-elect Michael Boyce as a director.
7. To approve Directors' remuneration.
8. To authorise Directors to fix remuneration of the Auditors.
9. To ratify all dividends paid during the year ended December 31, 2009.
10. Special business:
- 10.1 To consider, and if thought fit, pass as a special resolution the special business in item 5.1 of the notice of the meeting.

FOR AGAINST

Unless otherwise indicated, the proxy will vote as s/he thinks fit.

Signed:

Name in block capitals:

Date:

NOTES:

- (a) Where this form of proxy is executed by a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorised.
- (b) If it is desired to appoint some other person as proxy, the name of the proxy must be inserted in the space provided instead of the option provided which should be deleted.
- (c) Original signed forms of proxy must be returned to the Administrator of the Company, for the attention of BNY Mellon Fund Services (Ireland) Limited, Guild House, Guild Street, International Financial Services Centre, Dublin 1, Ireland to arrive not later than 48 hours before the time of the meeting.

INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Société Générale S.A., Frankfurt Branch, Neue Mainzer Straße 46-50 D-60311, Frankfurt, Germany, has agreed to act as paying and information agent in the Federal Republic of Germany (the **“German Paying and Information Agent”**).

Redemption and conversion requests in respect of the Shares may be submitted to the German Paying and Information Agent. Any payments to the Shareholders (redemption proceeds, distributions (if any) and other payments) may, upon request of the Shareholders, be paid via the German Paying and Information Agent.

The relevant applicable full and simplified prospectuses, the Memorandum and Articles of Association and the annual and semi-annual reports may be obtained free of charge in paper form at the office of the German Paying and Information Agent.

The issue and redemption prices as well as any notices to the Shareholders will be published on each stock exchange day in the German “Börsen-Zeitung.” The issue and redemption prices as well as any notices to Shareholders may be obtained at the German Paying and Information Agent on each bank business day in Frankfurt am Main, Germany.

The Memorandum and Articles of Association of the Company, the Investment Advisory Agreement, the Administration Agreement, the Paying and Information Agency Agreement and any annual or semi-annual reports, together with copies of the UCITS Regulations and the Financial Regulator’s UCITS Notices issued by the Financial Regulator under the UCITS Regulations may be obtained and are available for inspection at the office of the German Paying and Information Agent.

INFORMATION FOR INVESTORS IN HONG KONG

Please note that the Federated Short-Term Euro Fund, Federated U.S. Bond Fund, Federated Kaufmann Growth Fund, Federated Market Opportunity Value Fund and Federated Strategic Value Equity Fund are not authorised in Hong Kong and are not available to the public of Hong Kong.

Effective from August 15, 2009, the Federated International Funds plc was de-authorised in Hong Kong and none of its sub-funds is available to the public of Hong Kong. The Company is currently making application for re-authorisation of certain of its sub-funds.

Addresses

Registered Office		c/o BNY Mellon Fund Services (Ireland) Limited Guild House Guild Street International Financial Services Centre Dublin 1, Ireland
Manager	Federated International Management Limited	c/o BNY Mellon Fund Services (Ireland) Limited Guild House Guild Street International Financial Services Centre Dublin 1, Ireland
Advisers	Federated Investment Counseling	Federated Investors Tower 1001 Liberty Avenue Pittsburgh, Pennsylvania 15222-3779, USA
	Federated Global Investment Management Corp.	450 Lexington Avenue Suite 3700 New York, New York 10017-3943, USA
	Federated MDTA LLC	125 High Street Oliver Tower 21st Floor Boston, Massachusetts 02110, USA
Custodian	BNY Mellon Trust Company (Ireland) Limited	Guild House Guild Street International Financial Services Centre Dublin 1, Ireland
Administrator	BNY Mellon Fund Services (Ireland) Limited	Guild House Guild Street International Financial Services Centre Dublin 1, Ireland
Support Services	Federated Administrative Services, Inc.	Federated Investors Tower 1001 Liberty Avenue Pittsburgh, Pennsylvania 15222-3779, USA
Legal Advisers	Arthur Cox	Earlsfort Centre Earlsfort Terrace Dublin 2, Ireland
Auditors	Ernst & Young, Chartered Accountants	Ernst & Young Building Harcourt Centre, Harcourt Street Dublin 2, Ireland
Sponsoring Broker	Arthur Cox Listings Services Limited	Earlsfort Centre Earlsfort Terrace Dublin 2, Ireland
Promoter	Federated Investors, Inc.	Federated Investors Tower 1001 Liberty Avenue Pittsburgh, Pennsylvania 15222-3779, USA
German Paying and Information Agent	Société Générale S.A., Frankfurt Branch	Neue Mainzer Straße 45-50 D-60311 Frankfurt, Germany
Directors		John W. McGonigle Denis McAuley III John Lyons Ronan Walsh Michael Boyce (appointed effective April 30, 2009)
Officers		John W. McGonigle, Chairman C. Todd Gibson, Company Secretary Bradwell Limited, Assistant Company Secretary

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

Federated International Funds plc
Guild House
Guild Street
International Financial Services Centre
Dublin 1, Ireland

Federated International Management Limited, Manager

G02582-01 (4/10)

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