

The top of the page features a detailed illustration of an eagle's head in profile, facing right. The eagle has a sharp beak and a focused eye. The illustration is rendered in a light, golden-brown color that blends with the background. The background itself is a textured, feather-like pattern in the same color, creating a sense of depth and movement.

**Federated**

WORLD-CLASS INVESTMENT MANAGER<sup>®</sup>

FEDERATED INTERNATIONAL FUNDS PLC  
(an umbrella fund with segregated liability between sub-funds)

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**SEMI-ANNUAL REPORT AND UNAUDITED ACCOUNTS**

For the six months ended June 30, 2010

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; Federated Strategic Value Equity Fund; and Federated MDT All Cap U.S. Stock Fund (collectively, the “**Funds**” and each a “**Fund**”). As of June 30, 2010, Federated Market Opportunity Value Fund and Federated Kaufmann Growth Fund were closed to new subscriptions (including conversions into the Funds), and are in the process of being terminated.

The Federated MDT All Cap U.S. Stock Fund was approved by the Irish Financial Services Regulatory Authority (the “**Financial Regulator**”) effective June 5, 2009; however, no operations commenced during the six-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

#### **Federated MDT All Cap U.S. Stock Fund**

Class A (dis) Shares-USD

Each class of Shares, except Federated MDT All Cap U.S. Stock Fund, was marketed during the six-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

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Dear Investor:

I am pleased to present the Semi-Annual Report to Shareholders of Federated International Funds plc. This report covers the six-month period ended June 30, 2010. The Semi-Annual Report begins with overviews of the U.S. economy and the European economy and an overview of the U.S. high yield market. Following the overviews are the Funds' (unaudited) 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 Semi-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*

The first quarter of 2010 saw a very positive investment environment across most asset classes, abetted by increasing, if not accelerating, gross domestic product growth. The corporate earnings picture continued to brighten; the economy at large grew above expectations; inflation was virtually absent; and the U.S. Federal Reserve remained on the sidelines and, in its own words, signaled it would stay there “for an extended period.” All of this led to decreased volatility and increased risk appetite in the investment market during the first quarter. Moreover, interest rates changed very little across the entire maturity spectrum over the first quarter. In fact, most bond asset classes experienced price appreciation in addition to the income that they generated. As one moved down the quality spectrum away from U.S. government issues into the corporate and high-yield sectors, returns progressively grew more and more positive.

The second quarter of 2010 saw a rush back to quality as risk aversion re-entered the financial markets, a consequence of troublesome headlines that dominated the news. Overseas, this included volcanic ash from Iceland that periodically closed major European airports; growing military tensions between North Korea and South Korea; indications of a slowing Chinese economy; and an emerging European debt crisis that started with Greece and spread to Spain and Portugal. Closer to home, the April 2010 Gulf oil spill intensified as the weeks wore on, further dragging down the nation’s mood as the U.S. economy exhibited a much slower growth pattern than anticipated, with housing worsening, job growth slowing and consumer attitudes falling. These issues combined to create a difficult environment for higher-risk asset classes, with the S&P 500 having its first down quarter in five quarters and higher-yielding, higher-risk bonds—such as high yield and investment-grade corporate—underperforming the perceived risk-free U.S. Treasury securities.

The first half of 2010 marked the continuation of the beginnings of a long-awaited recovery of the global economy as developed and emerging economies began to emerge from the depths of the housing- and employment-led recession of 2008-2009. Fourth-quarter gross domestic product numbers reflected a sharp pick-up of economic activity while unemployment began to improve and jobs were added. In response to these improving macroeconomic fundamentals, governments across the globe responded by removing much of the quantitative easing that had been injected into the financial and economic markets over the 2009 time period. This included removal and repayment of excess liquidity provisions that governments had made available to key financial institutions, reversals of market-stimulating purchases of government bonds, and tightening of regulatory restrictions in the general money markets. In fact, several key countries around the globe, including Australia, Canada, Norway and others, have begun to tighten their short-term interest rates in reaction to the possibilities of inflation emerging based on the excess liquidity in the near past.

A bit of a wrinkle in this improving economic picture comes from the assessment of credit health in various countries (Portugal, Ireland, Italy, Greece and Spain) and even more broadly across European banks. Concern over exposures to economies that are continuing to deteriorate, albeit at a much slower pace, has brought increasing credit spreads and liquidity premiums into the money markets recently. Increased disclosure of this exposure as well as modest improvements in the financing options for these countries has currently capped the market's anguish over this issue.

Given these improving economic fundamentals, though somewhat offset by a more tenuous credit situation, the current outlook for the euro money markets remains cautiously optimistic.

The high yield market generated attractive returns during the six-month reporting period, though it underperformed the high quality bond market. For example, the total return of the Barclay's Capital U.S. Corporate High Yield 2% Issuer Capped Index ("BCHY2%ICI"), a broad-based securities market index, was 4.45%. For reference, the return for the Barclay's Capital Aggregate Bond Index, a measure of high quality bond performance, was 5.33% for the period.

The high yield market started 2010 generating strong gains building on the outsized returns of 2009. Yield spreads started the reporting period well above historical averages and the economic recovery appeared to be gaining momentum; however, debt problems in Greece as well as concerns about government debt levels in other European countries provided an overall negative backdrop for financial markets in the latter part of the period. The U.S. economy, while still expanding, continues to be plagued by high unemployment and a weak housing sector. The strong economic momentum of the early part of the reporting period gave way to doubts about the sustainability of the recovery as economic statistics became more mixed. Global equities sold off in response to Eurozone debt problems and lingering fears that long-term economic growth would be anemic. On the plus side, corporate earnings remain strong helping high yield companies improve debt servicing capabilities. Also, default activity in the first half of 2010 was extremely low and well below most estimates. For the reporting period as a whole, the high yield market generated attractive returns as illustrated by the BCHY2%ICI but trailed higher quality bonds which benefitted from the substantial decline in government bond interest rates. This is illustrated by the yield spread between the Credit Suisse High Yield Bond Index and U.S. Treasury securities with comparable maturities which increased from 6.34% on December 31, 2009 to 7.08% on June 30, 2010.

Within the high yield market, the higher quality BB-rated sector of the BCHY2%ICI generated the best total returns at 4.93%, followed by the CCC-rated sector at 3.77%, with the B-rated sector modestly lower at 3.50%. It is worth noting that the CCC-rated sector got off to a very strong start in the period but trailed off in the latter part of the period as equities weakened and economic concerns intensified. From a major industry perspective, the Financial Institution, Gaming, Consumer Products, Transportation and Aerospace & Defense sectors generated the best returns while the Technology, Electric Utility, Media—Cable, Packaging and Energy sectors underperformed the BCHY2%ICI.

STATEMENT OF OPERATIONS (unaudited)

	Federated Short-Term U.S. Government Securities Fund Six Months Ended June 30, 2010 US\$	Federated Short-Term U.S. Government Securities Fund Year Ended December 31, 2009 US\$	Federated Short-Term U.S. Government Securities Fund Six Months Ended June 30, 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund Six Months Ended June 30, 2010 US\$	Federated Short-Term U.S. Treasury Securities Fund Year Ended December 31, 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund Six Months Ended June 30, 2009 US\$
<b>INCOME—CONTINUING OPERATIONS</b>						
Interest & Dividend Income	<u>3,977,856</u>	<u>22,537,042</u>	<u>16,311,639</u>	<u>1,073,369</u>	<u>5,768,412</u>	<u>4,052,988</u>
	<u>3,977,856</u>	<u>22,537,042</u>	<u>16,311,639</u>	<u>1,073,369</u>	<u>5,768,412</u>	<u>4,052,988</u>
<b>EXPENSES—CONTINUING OPERATIONS</b>						
Management Fees	(18,058,724)	(43,273,299)	(22,762,936)	(5,802,699)	(20,732,048)	(13,388,517)
Fund Accounting Fees	(262,827)	(589,773)	(336,977)	(87,486)	(299,422)	(222,084)
Transfer Agency Fees	(47,670)	(170,875)	(107,296)	(25,057)	(86,239)	(52,095)
Custodian Fees	(52,461)	(162,959)	(102,687)	(18,807)	(66,624)	(29,110)
Trustee Fees	(153,091)	(452,142)	(341,473)	(50,954)	(239,806)	(200,845)
Directors' Fees	(4,428)	(7,480)	(2,130)	(4,427)	(7,480)	(2,130)
Auditors' Remuneration	(15,806)	(41,556)	(13,034)	(13,976)	(37,872)	(11,567)
Legal Fees	(30,554)	(89,836)	(25,383)	(30,552)	(89,836)	(25,384)
Other Expenses	<u>(78,516)</u>	<u>(181,038)</u>	<u>(70,140)</u>	<u>(45,292)</u>	<u>(87,915)</u>	<u>(31,274)</u>
	<u>(18,704,077)</u>	<u>(44,968,958)</u>	<u>(23,762,056)</u>	<u>(6,079,250)</u>	<u>(21,647,242)</u>	<u>(13,963,006)</u>
Waiver of Management Fee (Note 11)	9,238,335	24,225,778	13,166,663	3,607,323	14,802,349	9,324,372
Reimbursement of Other Expenditures (Note 11)	<u>5,665,298</u>	<u>6,618,883</u>	<u>1,703,042</u>	<u>1,412,589</u>	<u>2,172,807</u>	<u>1,480,199</u>
<b>NET OPERATING EXPENSES</b>	<u>(3,800,444)</u>	<u>(14,124,297)</u>	<u>(8,892,351)</u>	<u>(1,059,338)</u>	<u>(4,672,086)</u>	<u>(3,158,435)</u>
<b>NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS</b>	<u>177,412</u>	<u>8,412,745</u>	<u>7,419,288</u>	<u>14,031</u>	<u>1,096,326</u>	<u>894,553</u>
<b>Finance Costs</b>						
Distribution to Shareholders	<u>(157,393)</u>	<u>(8,412,176)</u>	<u>(7,295,347)</u>	<u>(13,498)</u>	<u>(1,089,677)</u>	<u>(888,740)</u>
<b>NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS</b>	<u>20,019</u>	<u>569</u>	<u>123,941</u>	<u>533</u>	<u>6,649</u>	<u>5,813</u>

There are no recognised gains or losses arising in the year other than those dealt with in the Statement of Operations. In arriving at the result for the financial period, all amounts above relate to continuing operations.

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

STATEMENT OF OPERATIONS (unaudited)

	Federated Short-Term U.S. Prime Fund Six Months Ended June 30, 2010 US\$	Federated Short-Term U.S. Prime Fund Year Ended December 31, 2009 US\$	Federated Short-Term U.S. Prime Fund Six Months Ended June 30, 2009 US\$	Federated Short-Term Euro Fund Six Months Ended June 30, 2010 Euro (€)	Federated Short-Term Euro Fund Year Ended December 31, 2009 Euro (€)	Federated Short-Term Euro Fund Six Months Ended June 30, 2009 Euro (€)
<b>INCOME—CONTINUING OPERATIONS</b>						
Interest & Dividend Income	<u>4,333,988</u>	<u>32,557,898</u>	<u>22,740,116</u>	<u>462,956</u>	<u>2,050,618</u>	<u>1,500,144</u>
	4,333,988	32,557,898	22,740,116	462,956	2,050,618	1,500,144
<b>EXPENSES—CONTINUING OPERATIONS</b>						
Management Fees	(14,223,609)	(57,144,123)	(28,843,351)	(1,405,814)	(2,830,673)	(1,405,321)
Fund Accounting Fees	(217,049)	(803,599)	(468,986)	(18,215)	(37,710)	(22,823)
Transfer Agency Fees	(59,206)	(170,007)	(88,758)	(10,745)	(38,784)	(31,723)
Custodian Fees	(82,950)	(190,940)	(135,338)	(17,865)	(25,223)	(20,958)
Trustee Fees	(127,774)	(602,322)	(432,685)	(10,238)	(29,273)	(21,081)
Directors' Fees	(4,410)	(7,516)	(2,130)	(3,047)	(5,618)	(1,636)
Auditors' Remuneration	(17,126)	(43,515)	(14,063)	(11,168)	(27,607)	(10,039)
Legal Fees	(36,597)	(124,710)	(27,885)	(19,410)	(59,231)	(17,613)
Other Expenses	<u>(92,697)</u>	<u>(224,967)</u>	<u>(54,880)</u>	<u>(37,559)</u>	<u>(69,823)</u>	<u>(27,745)</u>
	(14,861,418)	(59,311,699)	(30,068,076)	(1,534,061)	(3,123,942)	(1,558,939)
Waiver of Management Fee (Note 11)	9,146,376	40,736,018	20,754,503	1,182,562	2,432,219	1,224,689
Reimbursement of Other Expenditures (Note 11)	<u>2,068,938</u>	<u>2,583,748</u>	<u>426,830</u>	<u>32,525</u>	<u>21,169</u>	<u>—</u>
<b>NET OPERATING EXPENSES</b>	<u>(3,646,104)</u>	<u>(15,991,933)</u>	<u>(8,886,743)</u>	<u>(318,974)</u>	<u>(670,554)</u>	<u>(334,250)</u>
<b>NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS</b>	<u>687,884</u>	<u>16,565,965</u>	<u>13,853,373</u>	<u>143,982</u>	<u>1,380,064</u>	<u>1,165,894</u>
<b>Finance Costs</b>						
Distribution to Shareholders	<u>(639,347)</u>	<u>(16,400,476)</u>	<u>(13,767,220)</u>	<u>(143,278)</u>	<u>(1,380,443)</u>	<u>(1,187,701)</u>
<b>NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS</b>	<u>48,537</u>	<u>165,489</u>	<u>86,153</u>	<u>704</u>	<u>(379)</u>	<u>(21,807)</u>

There are no recognised gains or losses arising in the year other than those dealt with in the Statement of Operations. In arriving at the result for the financial period, all amounts above relate to continuing operations.

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

STATEMENT OF OPERATIONS (unaudited)

	Federated High Income Advantage Fund Six Months Ended June 30, 2010 US\$	Federated High Income Advantage Fund Year Ended December 31, 2009 US\$	Federated High Income Advantage Fund Six Months Ended June 30, 2009 US\$	Federated U.S. Bond Fund Six Months Ended June 30, 2010 Euro (€)	Federated U.S. Bond Fund Year Ended December 31, 2009 Euro (€)	Federated U.S. Bond Fund Six Months Ended June 30, 2009 Euro (€)
INCOME—CONTINUING OPERATIONS						
Interest & Dividend Income	1,315,804	2,657,247	1,287,534	57,723	128,116	75,716
NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:						
Net Realised Gain/(Loss) on Investments	(297,064)	(1,408,342)	(907,741)	(451,532)	506,835	464,369
Net Unrealised Gain/(Loss) on Investments	465,163	9,220,625	5,023,524	572,081	(443,383)	(477,662)
	<u>1,483,903</u>	<u>10,469,530</u>	<u>5,403,317</u>	<u>178,272</u>	<u>191,568</u>	<u>62,423</u>
EXPENSES—CONTINUING OPERATIONS						
Management Fees	(135,806)	(248,000)	(132,710)	(13,708)	(30,254)	(17,746)
Fund Accounting Fees	(24,023)	(4,099)	(3,052)	(2,573)	(3,077)	(1,631)
Transfer Agency Fees	(18,424)	(50,548)	(29,568)	(4,063)	(12,470)	(6,290)
Custodian Fees	(3,767)	(15,522)	(16,530)	(2,349)	(9,622)	(4,178)
Trustee Fees	(1,055)	(2,444)	(1,659)	(132)	(338)	(266)
Directors' Fees	(4,410)	(7,516)	(2,121)	(3,072)	(5,586)	(1,625)
Auditors' Remuneration	(12,357)	(34,498)	(10,353)	(8,967)	(23,332)	(8,100)
Legal Fees	(30,945)	(87,432)	(24,506)	(20,563)	(53,914)	(16,626)
Other Expenses	(29,899)	(67,643)	(31,285)	(15,733)	(35,935)	(14,943)
	<u>(260,686)</u>	<u>(517,702)</u>	<u>(251,784)</u>	<u>(71,160)</u>	<u>(174,528)</u>	<u>(71,405)</u>
Waiver of Management Fee (Note 11)	124,213	232,928	132,710	13,708	30,254	17,746
Reimbursement of Other Expenditures (Note 11)	—	29,483	1,862	49,160	125,974	42,924
<b>NET OPERATING EXPENSES</b>	<u>(136,473)</u>	<u>(255,291)</u>	<u>(117,212)</u>	<u>(8,292)</u>	<u>(18,300)</u>	<u>(10,735)</u>
<b>NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS</b>	<u>1,347,430</u>	<u>10,214,239</u>	<u>5,286,105</u>	<u>169,980</u>	<u>173,268</u>	<u>51,688</u>
<b>Finance Costs</b>						
Distribution to Shareholders	—	—	—	—	—	—
<b>NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS</b>	<u>1,347,430</u>	<u>10,214,239</u>	<u>5,286,105</u>	<u>169,980</u>	<u>173,268</u>	<u>51,688</u>

There are no recognised gains or losses arising in the year other than those dealt with in the Statement of Operations. In arriving at the result for the financial period, all amounts above relate to continuing operations.

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

STATEMENT OF OPERATIONS (unaudited)

	Federated Kaufmann Growth Fund Six Months Ended June 30, 2010 US\$	Federated Kaufmann Growth Fund Year Ended December 31, 2009 US\$	Federated Kaufmann Growth Fund Six Months Ended June 30, 2009 US\$	Federated Market Opportunity Value Fund Six Months Ended June 30, 2010 US\$	Federated Market Opportunity Value Fund Year Ended December 31, 2009 US\$	Federated Market Opportunity Value Fund Six Months Ended June 30, 2009 US\$
<b>INCOME—CONTINUING OPERATIONS</b>						
Interest & Dividend Income	10,651	24,609	12,194	9,120	8,935	5,518
<b>NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>						
Net Realised Gain/(Loss) on Investments	326,064	(285,471)	(300,311)	(20,956)	(53,464)	(52,305)
Net Unrealised Gain/(Loss) on Investments	(314,291)	743,010	429,439	—	41,829	91,966
	<u>22,424</u>	<u>482,148</u>	<u>141,322</u>	<u>(11,836)</u>	<u>(2,700)</u>	<u>45,179</u>
<b>EXPENSES—CONTINUING OPERATIONS</b>						
Management Fees	(20,758)	(34,731)	(15,264)	(6,519)	(13,809)	(6,826)
Fund Accounting Fees	(15,926)	(1,417)	(1,603)	(10,853)	(1,368)	(1,566)
Transfer Agency Fees	(7,039)	(35,302)	(26,815)	(12,309)	(35,333)	(27,033)
Custodian Fees	(17,201)	(75,957)	(68,497)	(6,869)	(31,664)	(30,540)
Trustee Fees	(73)	(170)	(114)	(41)	(109)	(79)
Directors' Fees	(4,410)	(7,517)	(2,125)	(7,794)	(7,517)	(2,125)
Auditors' Remuneration	(13,976)	(40,701)	(11,805)	(24,514)	(40,701)	(11,805)
Legal Fees	(28,909)	(75,408)	(21,707)	(66,691)	(75,907)	(21,706)
Other Expenses	(28,429)	(61,374)	(23,162)	(42,096)	(60,054)	(22,585)
	<u>(136,721)</u>	<u>(332,577)</u>	<u>(171,092)</u>	<u>(177,686)</u>	<u>(266,462)</u>	<u>(124,265)</u>
Waiver of Management Fee (Note 11)	20,758	34,731	15,264	6,519	13,809	6,826
Reimbursement of Other Expenditures (Note 11)	<u>95,205</u>	<u>263,194</u>	<u>140,606</u>	<u>164,672</u>	<u>238,865</u>	<u>110,636</u>
<b>NET OPERATING EXPENSES</b>	<u>(20,758)</u>	<u>(34,652)</u>	<u>(15,222)</u>	<u>(6,495)</u>	<u>(13,788)</u>	<u>(6,803)</u>
<b>NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS</b>	<u>1,666</u>	<u>447,496</u>	<u>126,100</u>	<u>(18,331)</u>	<u>(16,488)</u>	<u>38,376</u>
<b>Finance Costs</b>						
Distribution to Shareholders	—	—	—	—	—	—
<b>NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS</b>	<u>1,666</u>	<u>447,496</u>	<u>126,100</u>	<u>(18,331)</u>	<u>(16,488)</u>	<u>38,376</u>

There are no recognised gains or losses arising in the year other than those dealt with in the Statement of Operations. In arriving at the result for the financial period, all amounts above relate to continuing operations.

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

STATEMENT OF OPERATIONS (unaudited)

	Federated Strategic Value Equity Fund Six Months Ended June 30, 2010 US\$	Federated Strategic Value Equity Fund Year Ended December 31, 2009 US\$	Federated Strategic Value Equity Fund Six Months Ended June 30, 2009 US\$	Total Six Months Ended June 30, 2010 US\$	Total Year Ended December 31, 2009 US\$	Total Six Months Ended June 30, 2009 US\$
<b>INCOME—CONTINUING OPERATIONS</b>						
Interest & Dividend Income	7,916	19,299	12,975	11,418,165	66,693,448	46,648,674
<b>NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>						
Net Realised Gain/(Loss) on Investments	(5,962)	(65,908)	(54,497)	(595,818)	(1,087,384)	(658,990)
Net Unrealised Gain/(Loss) on Investments	(27,597)	83,981	18,242	880,801	9,454,509	4,888,532
	<u>(25,643)</u>	<u>37,372</u>	<u>(23,280)</u>	<u>11,703,148</u>	<u>75,060,573</u>	<u>50,878,216</u>
<b>EXPENSES—CONTINUING OPERATIONS</b>						
Management Fees	(2,268)	(4,075)	(1,881)	(40,130,054)	(125,547,010)	(67,159,531)
Fund Accounting Fees	(4,118)	(1,255)	(1,521)	(649,809)	(1,759,341)	(1,070,327)
Transfer Agency Fees	(6,665)	(34,672)	(25,787)	(195,978)	(656,373)	(411,041)
Custodian Fees	(2,330)	(11,645)	(10,570)	(211,152)	(605,210)	(428,774)
Trustee Fees	(13)	(33)	(22)	(346,733)	(1,339,430)	(1,007,027)
Directors' Fees	(4,427)	(7,481)	(2,125)	(42,409)	(68,551)	(19,492)
Auditors' Remuneration	(13,847)	(40,702)	(11,805)	(138,264)	(352,491)	(110,051)
Legal Fees	(28,722)	(75,908)	(21,706)	(305,901)	(781,064)	(216,635)
Other Expenses	(28,373)	(59,683)	(22,392)	(415,869)	(894,121)	(316,009)
	<u>(90,763)</u>	<u>(235,454)</u>	<u>(97,809)</u>	<u>(42,436,169)</u>	<u>(132,003,591)</u>	<u>(70,738,887)</u>
Waiver of Management Fee (Note 11)	2,268	4,075	1,881	23,729,842	83,576,016	45,157,007
Reimbursement of Other Expenditures (Note 11)	86,228	227,301	94,047	9,601,094	12,344,994	4,015,985
<b>NET OPERATING EXPENSES</b>	<u>(2,267)</u>	<u>(4,078)</u>	<u>(1,881)</u>	<u>(9,105,233)</u>	<u>(36,082,581)</u>	<u>(21,565,895)</u>
<b>NET INVESTMENT INCOME/(LOSS) BEFORE FINANCE COSTS</b>	<u>(27,910)</u>	<u>33,294</u>	<u>(25,161)</u>	<u>2,597,915</u>	<u>38,977,992</u>	<u>29,312,321</u>
<b>Finance Costs</b>						
Distribution to Shareholders	—	(15,093)	—	(999,961)	(27,894,254)	(23,628,716)
<b>NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES RESULTING FROM OPERATIONS</b>	<u>(27,910)</u>	<u>18,201</u>	<u>(25,161)</u>	<u>1,597,954</u>	<u>11,083,738</u>	<u>5,683,605</u>

There are no recognised gains or losses arising in the year other than those dealt with in the Statement of Operations. In arriving at the result for the financial period, all amounts above relate to continuing operations.

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

STATEMENT OF ASSETS AND LIABILITIES (unaudited)

	Notes	Federated Short-Term U.S. Government Securities Fund As at June 30, 2010 US\$	Federated Short-Term U.S. Government Securities Fund As at December 31, 2009 US\$	Federated Short-Term U.S. Government Securities Fund As at June 30, 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund As at June 30, 2010 US\$	Federated Short-Term U.S. Treasury Securities Fund As at December 31, 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund As at June 30, 2009 US\$
<b>ASSETS</b>							
Balances due from Brokers	6	2,468,287,000	2,006,847,000	2,157,901,000	573,007,000	1,202,437,000	1,481,004,000
Financial Assets at Fair Value through Profit or Loss		1,361,904,189	1,955,229,675	2,076,271,221	188,475,433	368,183,794	573,264,066
Cash	5	126,221	—	115,073	—	—	—
Debtors	4						
Income Receivable		897,951	3,538,466	2,956,498	770,205	2,548,906	3,201,968
Other Debtors		830,377	974,695	42,640	142,198	188,722	38,433
<b>TOTAL ASSETS</b>		<u>3,832,045,738</u>	<u>3,966,589,836</u>	<u>4,237,286,432</u>	<u>762,394,836</u>	<u>1,573,358,422</u>	<u>2,057,508,467</u>
<b>LIABILITIES</b>							
Bank Overdraft	5	—	453,351	—	309	353,650	259,402
Creditors							
Dividends Payable		61,904	84,021	496,066	3,838	1,665	115,086
Payable for Investments Purchased		—	—	5,745,886	—	—	20,884,278
Accrued Expenses	7	1,567,751	2,022,349	1,695,371	346,994	550,166	711,862
<b>TOTAL LIABILITIES</b>		<u>1,629,655</u>	<u>2,559,721</u>	<u>7,937,323</u>	<u>351,141</u>	<u>905,481</u>	<u>21,970,628</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<u>3,830,416,083</u>	<u>3,964,030,115</u>	<u>4,229,349,109</u>	<u>762,043,695</u>	<u>1,572,452,941</u>	<u>2,035,537,839</u>

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

STATEMENT OF ASSETS AND LIABILITIES (unaudited)

	Notes	Federated Short-Term U.S. Prime Fund As at June 30, 2010 US\$	Federated Short-Term U.S. Prime Fund As at December 31, 2009 US\$	Federated Short-Term U.S. Prime Fund As at June 30, 2009 US\$	Federated Short-Term Euro Fund As at June 30, 2010 Euro (€)	Federated Short-Term Euro Fund As at December 31, 2009 Euro (€)	Federated Short-Term Euro Fund As at June 30, 2009 Euro (€)
<b>ASSETS</b>							
Balances due from Brokers	6	595,251,000	2,612,296,000	3,486,694,000	65,000,000	64,000,000	73,000,000
Financial Assets at Fair Value through Profit or Loss		2,225,071,200	2,194,954,595	2,871,125,208	195,625,471	196,885,566	221,450,210
Cash	5	—	—	1,197,686	538,000	130,242	205,961
Debtors	4						
Income Receivable		732,618	1,267,744	4,409,609	744	858	63,917
Other Debtors		276,924	503,510	79,294	9,531	5,525	23,442
<b>TOTAL ASSETS</b>		<u>2,821,331,742</u>	<u>4,809,021,849</u>	<u>6,363,505,797</u>	<u>261,173,746</u>	<u>261,022,191</u>	<u>294,743,530</u>
<b>LIABILITIES</b>							
Bank Overdraft	5	190	277,735	—	—	—	—
Creditors							
Dividends Payable		177,402	82,102	1,371,045	22,039	23,723	113,670
Payable for Investments Purchased		—	—	—	—	—	873,250
Accrued Expenses	7	1,163,413	1,733,413	2,255,522	102,939	117,214	167,905
<b>TOTAL LIABILITIES</b>		<u>1,341,005</u>	<u>2,093,250</u>	<u>3,626,567</u>	<u>124,978</u>	<u>140,937</u>	<u>1,154,825</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<u>2,819,990,737</u>	<u>4,806,928,599</u>	<u>6,359,879,230</u>	<u>261,048,768</u>	<u>260,881,254</u>	<u>293,588,705</u>

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

STATEMENT OF ASSETS AND LIABILITIES (unaudited)

	Notes	Federated High Income Advantage Fund As at June 30, 2010 US\$	Federated High Income Advantage Fund As at December 31, 2009 US\$	Federated High Income Advantage Fund As at June 30, 2009 US\$	Federated U.S. Bond Fund As at June 30, 2010 Euro (€)	Federated U.S. Bond Fund As at December 31, 2009 Euro (€)	Federated U.S. Bond Fund As at June 30, 2009 Euro (€)
<b>ASSETS</b>							
Balances due from Brokers	6	80,000	—	227,000	237,150	456,908	277,291
Financial Assets at Fair Value through Profit or Loss		25,925,211	27,925,565	24,446,652	2,594,126	2,097,811	2,135,242
Cash	5	5,225	—	6582	39,690	38,584	6,009
Debtors	4						
Income Receivable		528,246	558,169	552,774	25,403	22,181	21,581
Other Debtors		4,804	21,700	33,360	10,572	32,753	20,160
Receivable for Investments Sold		50,156	13,122	166,500	—	—	50,698
<b>TOTAL ASSETS</b>		<u>26,593,642</u>	<u>28,518,556</u>	<u>25,432,868</u>	<u>2,906,941</u>	<u>2,648,237</u>	<u>2,510,981</u>
<b>LIABILITIES</b>							
Bank Overdraft	5	—	256,074	—	—	—	—
Creditors							
Payable for Investments Purchased		149,539	5,774	263,610	—	—	38,136
Accrued Expenses	7	32,229	55,559	96,526	31,101	45,431	38,620
Unrealised Depreciation on Spot Currency Exchange Contracts		—	—	2,155	—	—	—
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts		798	10,125	—	11,213	107,869	26,746
<b>TOTAL LIABILITIES</b>		<u>182,566</u>	<u>327,532</u>	<u>362,291</u>	<u>42,314</u>	<u>153,300</u>	<u>103,502</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<u>26,411,076</u>	<u>28,191,024</u>	<u>25,070,577</u>	<u>2,864,627</u>	<u>2,494,937</u>	<u>2,407,479</u>

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

STATEMENT OF ASSETS AND LIABILITIES (unaudited)

	Notes	Federated Kaufmann Growth Fund As at June 30, 2010 US\$	Federated Kaufmann Growth Fund As at December 31, 2009 US\$	Federated Kaufmann Growth Fund As at June 30, 2009 US\$	Federated Market Opportunity Value Fund As at June 30, 2010 US\$	Federated Market Opportunity Value Fund As at December 31, 2009 US\$	Federated Market Opportunity Value Fund As at June 30, 2009 US\$
<b>ASSETS</b>							
Balances due from Brokers	6	2,082,000	108,000	76,000	—	643,000	690,000
Financial Assets at Fair Value through Profit or Loss		1,719	1,967,569	1,679,665	—	372,055	351,445
Financial Derivative Instruments		—	—	—	—	31,745	90,243
Cash	5	2,165	2,204	348	—	971	741
Debtors	4						
Income Receivable		1,741	2,970	2,715	—	132	3,032
Other Debtors		18,032	45,953	35,450	—	45,624	23,234
Receivable for Investments Sold		—	13,632	19,309	—	—	—
Unrealised Appreciation on Forward Foreign Currency Exchange Contracts		—	—	—	—	63	455
<b>TOTAL ASSETS</b>		<u>2,105,657</u>	<u>2,140,328</u>	<u>1,813,487</u>	<u>—</u>	<u>1,093,590</u>	<u>1,159,150</u>
<b>LIABILITIES</b>							
<b>Creditors</b>							
Payable for Investments Purchased		—	15,333	6,790	—	—	—
Accrued Expenses	7	50,813	71,817	90,130	—	59,953	69,687
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts		—	—	—	—	—	962
<b>TOTAL LIABILITIES</b>		<u>50,813</u>	<u>87,150</u>	<u>96,920</u>	<u>—</u>	<u>59,953</u>	<u>70,649</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<u>2,054,844</u>	<u>2,053,178</u>	<u>1,716,567</u>	<u>—</u>	<u>1,033,637</u>	<u>1,088,501</u>

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

STATEMENT OF ASSETS AND LIABILITIES (unaudited)

	Notes	Federated Strategic Value Equity Fund As at June 30, 2010 US\$	Federated Strategic Value Equity Fund As at December 31, 2009 US\$	Federated Strategic Value Equity Fund As at June 30, 2009 US\$	Total As at June 30, 2010 US\$	Total As at December 31, 2009 US\$	Total As at June 30, 2009 US\$
<b>ASSETS</b>							
Balances due from Brokers	6	3,000	14,000	19,000	3,718,485,445	5,914,747,064	7,229,408,709
Financial Assets at Fair Value through Profit or Loss		370,007	371,890	323,634	4,044,141,188	4,834,257,343	5,861,120,761
Financial Derivative Instruments			—	—	—	31,745	90,243
Cash	5	247	527	838	840,288	245,722	1,618,632
Debtors	4						
Income Receivable		1,696	1,218	1,570	2,964,431	7,950,633	11,246,538
Other Debtors		17,684	44,155	26,143	1,314,602	1,879,232	339,721
Receivable for Investments Sold		—	—	—	50,156	26,754	258,501
Unrealised Appreciation on Forward Foreign Currency Exchange Contracts		196	—	—	196	63	455
<b>TOTAL ASSETS</b>		<u>392,830</u>	<u>431,790</u>	<u>371,185</u>	<u>7,767,796,306</u>	<u>10,759,138,556</u>	<u>13,104,083,560</u>
<b>LIABILITIES</b>							
Bank Overdraft	5	—	—	—	499	1,340,810	259,402
Creditors							
Dividends Payable		—	—	—	270,094	201,797	2,141,660
Payable for Investments Purchased		—	—	—	149,539	21,107	28,179,110
Accrued Expenses	7	44,584	57,333	55,183	3,369,696	4,783,749	5,264,006
Unrealised Depreciation on Spot Currency Exchange Contracts		—	—	—	—	—	2,155
Unrealised Depreciation on Forward Foreign Currency Exchange Contracts		1,699	—	—	16,209	164,760	38,483
<b>TOTAL LIABILITIES</b>		<u>46,283</u>	<u>57,333</u>	<u>55,183</u>	<u>3,806,037</u>	<u>6,512,223</u>	<u>35,884,816</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<u>346,547</u>	<u>374,457</u>	<u>316,002</u>	<u>7,763,990,269</u>	<u>10,752,626,333</u>	<u>13,068,198,744</u>

The accompanying notes are 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 (\$1,243,011,426 / 1,242,999,743 Shares outstanding) \$ 1.00

Institutional Series

Net Asset Value per Share (\$1,859,734,836 / 1,859,738,388 Shares outstanding) \$ 1.00

Investment-Dividend Series

Net Asset Value per Share (\$726,028,476 / 726,016,959 Shares outstanding) \$ 1.00

Investment-Growth Series

Net Asset Value per Share (\$1,641,345 / 9,717 Shares outstanding) \$168.91

## **Federated Short-Term U.S. Treasury Securities Fund**

Institutional Service Series

Net Asset Value per Share (\$377,164,123 / 377,166,666 Shares outstanding) \$ 1.00

Institutional Series

Net Asset Value per Share (\$384,879,572 / 384,869,846 Shares outstanding) \$ 1.00

## **Federated Short-Term U.S. Prime Fund**

Institutional Service Series

Net Asset Value per Share (\$1,049,217,429 / 1,049,177,112 Shares outstanding) \$ 1.00

Institutional Series

Net Asset Value per Share (\$1,428,478,778 / 1,428,474,438 Shares outstanding) \$ 1.00

Investment-Dividend Series

Net Asset Value per Share (\$313,339,548 / 313,334,348 Shares outstanding) \$ 1.00

Institutional Services-Dividend Series

Net Asset Value per Share (\$28,904,218 / 28,903,656 Shares outstanding) \$ 1.00

Accumulating Shares-Institutional Series

Net Asset Value per Share (\$50,764 / 473 Shares outstanding) \$107.36

## **Federated Short-Term Euro Fund**

Institutional Series

Net Asset Value per Share (€213,605,003 / 213,605,349 Shares outstanding) € 1.00

Institutional Service Series

Net Asset Value per Share (€47,377,657 / 47,377,647 Shares outstanding) € 1.00

Accumulating Shares-Institutional Series

Net Asset Value per Share (€45,421 / 382 Shares outstanding) €118.88

Accumulating Shares-Institutional Service Series

Net Asset Value per Share (€20,687 / 181 Shares outstanding) €114.41

## **Federated High Income Advantage Fund**

U.S. Dollar Shares-Institutional Service Series

Net Asset Value per Share (\$26,139,659 / 981,687 Shares outstanding) \$ 26.63

Euro Shares-Institutional Series

Net Asset Value per Share (€221,954 / 1,329 Shares outstanding) €167.01

# Federated International Funds plc

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

**Federated U.S. Bond Fund**

Euro Shares-Institutional Series

Net Asset Value per Share (€2,864,627 / 22,468 Shares outstanding) €127.50

**Federated Kaufmann Growth Fund**

Class A (dis) Shares-USD

Net Asset Value per Share (\$2,003,696 / 250,927 Shares outstanding) \$ 7.99

Class C (dis) Shares-USD

Net Asset Value per Share (\$51,148 / 6,594 Shares outstanding) \$ 7.76

**Federated Strategic Value Equity Fund**

Class A (dis) Shares-USD

Net Asset Value per Share (\$346,486 / 59,047 Shares outstanding) \$ 5.87

Class C (dis) Shares-USD

Net Asset Value per Share (\$61 / 10 Shares outstanding) \$ 5.87

Note: Shares outstanding are rounded to the nearest whole total.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE PARTICIPATING SHARES (unaudited)**

	Federated Short-Term U.S. Government Securities Fund Six Months Ended June 30, 2010 US\$	Federated Short-Term U.S. Government Securities Fund Year Ended December 31, 2009 US\$	Federated Short-Term U.S. Government Securities Fund Six Months Ended June 30, 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund Six Months Ended June 30, 2010 US\$	Federated Short-Term U.S. Treasury Securities Fund Year Ended December 31, 2009 US\$	Federated Short-Term U.S. Treasury Securities Fund Six Months Ended June 30, 2009 US\$
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Period</b>	3,964,030,115	4,337,917,633	4,337,917,633	1,572,452,941	3,474,932,526	3,474,932,526
Translation Adjustment on Consolidation*	—	—	—	—	—	—
	<u>3,964,030,115</u>	<u>4,337,917,633</u>	<u>4,337,917,633</u>	<u>1,572,452,941</u>	<u>3,474,932,526</u>	<u>3,474,932,526</u>
<b>Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations</b>	20,019	569	123,941	533	6,649	5,813
<b>Capital Transactions</b>						
Subscriptions	7,925,688,355	18,589,660,302	9,171,940,848	2,700,374,891	8,804,642,886	5,247,609,738
Reinvestments	125,843	5,930,163	7,091,076	7,425	548,620	556,968
Redemptions	(8,059,448,249)	(18,969,478,552)	(9,287,724,389)	(3,510,792,095)	(10,707,677,740)	(6,687,567,206)
	<u>(133,634,051)</u>	<u>(373,888,087)</u>	<u>(108,692,465)</u>	<u>(810,409,779)</u>	<u>(1,902,486,234)</u>	<u>(1,439,400,500)</u>
<b>Net Increase/(Decrease) from Operations and Capital Transactions</b>	<u>(133,614,032)</u>	<u>(373,887,518)</u>	<u>(108,568,524)</u>	<u>(810,409,246)</u>	<u>(1,902,479,585)</u>	<u>(1,439,394,687)</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at End of Period</b>	<u>3,830,416,083</u>	<u>3,964,030,115</u>	<u>4,229,349,109</u>	<u>762,043,695</u>	<u>1,572,452,941</u>	<u>2,035,537,839</u>

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

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (unaudited)

	Federated Short-Term U.S. Prime Fund Six Months Ended June 30, 2010 US\$	Federated Short-Term U.S. Prime Fund Year Ended December 31, 2009 US\$	Federated Short-Term U.S. Prime Fund Six Months Ended June 30, 2009 US\$	Federated Short-Term Euro Fund Six Months Ended June 30, 2010 Euro (€)	Federated Short-Term Euro Fund Year Ended December 31, 2009 Euro (€)	Federated Short-Term Euro Fund Six Months Ended June 30, 2009 Euro (€)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Period</b>	4,806,928,599	5,805,476,065	5,805,476,065	260,881,254	268,393,808	268,393,808
Translation Adjustment on Consolidation*	—	—	—	—	—	—
	<u>4,806,928,599</u>	<u>5,805,476,065</u>	<u>5,805,476,065</u>	<u>260,881,254</u>	<u>268,393,808</u>	<u>268,393,808</u>
<b>Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations</b>	48,537	165,489	86,153	704	(379)	(21,807)
<b>Capital Transactions</b>						
Subscriptions	3,606,180,525	8,328,926,066	4,528,848,169	222,298,590	665,563,090	362,496,003
Reinvestments	193,817	15,309,347	14,265,558	129,351	1,226,730	1,453,359
Redemptions	(5,593,360,741)	(9,342,948,368)	(3,988,796,715)	(222,261,131)	(674,301,995)	(338,732,658)
	<u>(1,986,986,399)</u>	<u>(998,712,955)</u>	<u>554,317,012</u>	<u>166,810</u>	<u>(7,512,175)</u>	<u>25,216,704</u>
<b>Net Increase/(Decrease) from Operations and Capital Transactions</b>	<u>(1,986,937,862)</u>	<u>(998,547,466)</u>	<u>554,403,165</u>	<u>167,514</u>	<u>(7,512,554)</u>	<u>25,194,897</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at End of Period</b>	<u>2,819,990,737</u>	<u>4,806,928,599</u>	<u>6,359,879,230</u>	<u>261,048,768</u>	<u>260,881,254</u>	<u>293,588,705</u>

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

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (unaudited)

	Federated High Income Advantage Fund Six Months Ended June 30, 2010 US\$	Federated High Income Advantage Fund Year Ended December 31, 2009 US\$	Federated High Income Advantage Fund Six Months Ended June 30, 2009 US\$	Federated U.S. Bond Fund Six Months Ended June 30, 2010 Euro (€)	Federated U.S. Bond Fund Year Ended December 31, 2009 Euro (€)	Federated U.S. Bond Fund Six Months Ended June 30, 2009 Euro (€)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Period</b>	28,191,024	20,025,849	20,025,849	2,494,937	5,979,576	5,979,576
Translation Adjustment on Consolidation*	—	—	—	—	—	—
	<u>28,191,024</u>	<u>20,025,849</u>	<u>20,025,849</u>	<u>2,494,937</u>	<u>5,979,576</u>	<u>5,979,576</u>
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations	1,347,430	10,214,239	5,286,105	169,980	173,268	51,688
<b>Capital Transactions</b>						
Subscriptions	2,822,944	160,053	102,572	200,000	2,000,000	2,000,000
Redemptions	(5,950,322)	(2,209,117)	(343,949)	(290)	(5,657,907)	(5,623,785)
	<u>(3,127,378)</u>	<u>(2,049,064)</u>	<u>(241,377)</u>	<u>199,710</u>	<u>(3,657,907)</u>	<u>(3,623,785)</u>
Net Increase/(Decrease) from Operations and Capital Transactions	<u>(1,779,948)</u>	<u>8,165,175</u>	<u>5,044,728</u>	<u>369,690</u>	<u>(3,484,639)</u>	<u>(3,572,097)</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at End of Period</b>	<u>26,411,076</u>	<u>28,191,024</u>	<u>25,070,577</u>	<u>2,864,627</u>	<u>2,494,937</u>	<u>2,407,479</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE PARTICIPATING SHARES (unaudited)**

	Federated Kaufmann Growth Fund Six Months Ended June 30, 2010 US\$	Federated Kaufmann Growth Fund Year Ended December 31, 2009 US\$	Federated Kaufmann Growth Fund Six Months Ended June 30, 2009 US\$	Federated Market Opportunity Value Fund Six Months Ended June 30, 2010 US\$	Federated Market Opportunity Value Fund Year Ended December 31, 2009 US\$	Federated Market Opportunity Value Fund Six Months Ended June 30, 2009 US\$
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Period</b>	2,053,178	1,563,748	1,563,748	1,033,637	1,050,125	1,050,125
Translation Adjustment on Consolidation*	—	—	—	—	—	—
	<u>2,053,178</u>	<u>1,563,748</u>	<u>1,563,748</u>	<u>1,033,637</u>	<u>1,050,125</u>	<u>1,050,125</u>
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations	1,666	447,496	126,100	(18,331)	(16,488)	38,376
<b>Capital Transactions</b>						
Subscriptions	—	41,934	26,719	—	—	—
Redemptions	—	—	—	(1,015,306)	—	—
	<u>—</u>	<u>41,934</u>	<u>26,719</u>	<u>(1,015,306)</u>	<u>—</u>	<u>—</u>
Net Increase/(Decrease) from Operations and Capital Transactions	<u>1,666</u>	<u>489,430</u>	<u>152,819</u>	<u>(1,033,637)</u>	<u>(16,488)</u>	<u>38,376</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at End of Period</b>	<u>2,054,844</u>	<u>2,053,178</u>	<u>1,716,567</u>	<u>—</u>	<u>1,033,637</u>	<u>1,088,501</u>

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

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (unaudited)

	Federated Strategic Value Equity Fund Six Months Ended June 30, 2010 US\$	Federated Strategic Value Equity Fund Year Ended December 31, 2009 US\$	Federated Strategic Value Equity Fund Six Months Ended June 30, 2009 US\$	Total Six Months Ended June 30, 2010 US\$	Total Year Ended December 31, 2009 US\$	Total Six Months Ended June 30, 2009 US\$
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at Beginning of Period</b>	374,457	341,163	341,163	10,752,626,333	14,022,699,876	14,022,699,876
Translation Adjustment on Consolidation*	—	—	—	(55,546,435)	11,917,891	3,308,513
	<u>374,457</u>	<u>341,163</u>	<u>341,163</u>	<u>10,697,079,898</u>	<u>14,034,617,767</u>	<u>14,026,008,389</u>
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares Resulting from Operations	(27,910)	18,201	(25,161)	1,597,954	11,083,738	5,683,605
<b>Capital Transactions</b>						
Subscriptions	—	—	—	14,529,690,003	36,679,399,598	19,463,933,468
Reinvestments	—	15,093	—	498,366	23,559,933	23,366,961
Redemptions	—	—	—	(17,464,875,952)	(39,996,034,703)	(20,450,793,679)
	<u>—</u>	<u>15,093</u>	<u>—</u>	<u>(2,934,687,583)</u>	<u>(3,293,075,172)</u>	<u>(963,493,250)</u>
Net Increase/(Decrease) from Operations and Capital Transactions	<u>(27,910)</u>	<u>33,294</u>	<u>(25,161)</u>	<u>(2,933,089,629)</u>	<u>(3,281,991,434)</u>	<u>(957,809,645)</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at End of Period</b>	<u>346,547</u>	<u>374,457</u>	<u>316,002</u>	<u>7,763,990,269</u>	<u>10,752,626,333</u>	<u>13,068,198,744</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\$1.222853 to €1 at June 30, 2010, US\$1.43355 to €1 at December 31, 2009, US\$1.402859 to €1 at June 30, 2009, and an average rate of \$1.324158 for the six months ended June 30, 2010 for consolidation purposes.

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

This adjustment is solely for the purpose of reporting a fund in U.S. dollars, and has no effect on any individual share class.

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

## NOTES TO FINANCIAL STATEMENTS (unaudited)

### (1) THE COMPANY

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

All trading Share classes and series of the Company are listed on the Irish Stock Exchange.

The investment objective and policies of the Funds as at June 30, 2010 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 maximum 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.

#### **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 Quotations 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 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

## NOTES TO FINANCIAL STATEMENTS (unaudited)

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. Significant Accounting Policies

The financial statements presented are unaudited condensed financial statements for the six-month period ended June 30, 2010. They have been prepared in accordance with pronouncements on Half Yearly Financial Reports issued by the Accounting Standards Board (“ASB”). The unaudited condensed financial statements should be read in conjunction with the financial statements for the year ended December 31, 2009 which were prepared in accordance with accounting standards generally accepted in Ireland, as issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland, Irish Statute comprising the Companies Acts and the Regulations. All references to net assets throughout this document refer to net assets attributable to redeemable participating shareholders unless otherwise stated.

There have been no changes to the significant accounting policies adopted by the Company since the last audited financial statements dated December 31, 2009.

#### B. Fair Valued Securities

The following securities have been valued at a fair value derived by the Directors as no quoted market price was available:

	Principal Amount			Fair Value		
	6/30/2010	12/31/2009	6/30/2009	6/30/2010	12/31/2009	6/30/2009
<b>Federated High Income Advantage Fund</b>						
CVC Claims Litigation LLC	40	40	40	\$ —	\$ —	\$ —
Hard Rock Park Operations LLC, Sr. Secd. Note, 4/1/2012	125,000	—	—	—	—	—
Herbst Gaming, Inc., Sr. Sub. Note, 7.0%, 11/15/2014	125,000	—	—	—	—	—
Insight Communications Co. Sr. Note, Series 144A, 9.375%, 7/15/2018	50,000	—	—	50,000	—	—
Nortek Holdings, Inc	—	1,148	—	—	40,754	—
Pliant Corp. Warrants	—	—	1	—	—	—
Royal Oak Mines, Inc.	11,506	11,506	11,506	254	259	314
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	106	1	1	1
Supermedia, Inc.	—	138	—	—	5,774	—
<b>Federated Kaufmann Growth Fund</b>						
BF Investment Ltd.	50	—	—	161	—	—

### (3) 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 Service-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 from the 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 Funds’ Shares.

For 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.

For Federated Market Opportunity Value Fund and Federated Kaufmann Growth Fund: it was the policy of the Directors so far as possible to declare and pay any dividends of the Funds’ net investment income annually with respect to the Shares.

## NOTES TO FINANCIAL STATEMENTS (unaudited)

### (4) DEBTORS (amounts falling due within one year)

	June 30, 2010	December 31, 2009	June 30, 2009
Income Receivable	\$2,964,431	\$7,950,633	\$11,246,538
Other Debtors	1,314,602	1,879,232	339,721
Receivable for investments sold	50,156	26,754	258,501
	<u>4,329,189</u>	<u>9,856,619</u>	<u>11,844,760</u>

### (5) CASH

	June 30, 2010	December 31, 2009	June 30, 2009
<b>Cash on Deposit</b>			
United States dollar	\$133,858	\$ 3,702	\$1,321,268
Euro (translated into US\$)	706,430	242,020	297,364
	<u>840,288</u>	<u>245,722</u>	<u>1,618,632</u>
<b>Bank Overdraft</b>			
United States dollar	\$ 499	\$1,340,810	\$ 259,402
	<u>499</u>	<u>1,340,810</u>	<u>259,402</u>

### (6) BALANCES DUE FROM BROKERS

	June 30, 2010	December 31, 2009	June 30, 2009
Receivables from Repurchase Agreements	<u>\$3,718,485,445</u>	<u>\$5,914,747,064</u>	<u>\$7,229,408,709</u>

### (7) ACCRUED EXPENSES

	June 30, 2010	December 31, 2009	June 30, 2009
Management Fees Payable	\$2,437,128	\$3,155,596	\$2,609,744
Administrator Fees Payable	327,766	565,322	1,236,732
Custodian Fees Payable	125,433	279,155	308,743
Trustee Fees Payable	75,004	205,764	684,798
Audit Fees	111,703	259,145	116,982
Other Creditors	292,662	318,767	307,007
	<u>3,369,696</u>	<u>4,783,749</u>	<u>5,264,006</u>

### (8) DERIVATIVE CONTRACTS

Forward contracts entered into by the Company represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based 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 outset and the value of the contract at settlement date/period-end date and is included in the Statement of Operations and/or the Statement of Assets and Liabilities.

### (9) SOFT COMMISSION ARRANGEMENTS

Federated International Management Limited (the “**Manager**”), on behalf of Federated Strategic Value Equity Fund and Federated Market Opportunity Value Fund, has delegated to its affiliate, Federated Investment Counseling (“**FIC**”), responsibility for the 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 the 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 the Advisers 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

## NOTES TO FINANCIAL STATEMENTS (unaudited)

primarily to performance measurement, valuation and research services. The Advisers are satisfied that the arrangements generating soft commissions comply with the requirements for best execution both as to price and settlement.

### (10) CONTINGENT LIABILITIES

As at June 30, 2010, no commitments or contingent liabilities existed.

### (11) 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 currently receives for its services an annual management fee for Federated Strategic Value Equity Fund, and during the period, for Federated Kaufmann Growth Fund and Federated Market Opportunity Value Fund, as follows:

<b>Fund</b>	<b>Percentage of Daily Net Assets</b>
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:

<b>Fund</b>	<b>Expense Cap</b>
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%
Institutional Services-Dividend Series	0.55%
Accumulating Shares-Institutional Series	0.20%
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%

## NOTES TO FINANCIAL STATEMENTS (unaudited)

Fund	Expense Cap
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 Amended and Restated Investment Advisory Agreement dated June 5, 2009, FIC was retained to act as adviser to the Manager in relation to all Funds, except Federated Kaufmann Growth Fund, and FGIMC was retained to act as adviser to the Manager in relation to 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 period ended June 30, 2010, the management fee across all sub-funds amounted to \$40,130,054 (December 31, 2009: \$125,547,010 and June 30, 2009: \$67,159,531) of which \$23,729,842 (December 31, 2009: \$83,576,016 and June 30, 2009: \$45,157,007) was voluntarily waived by the Manager and an additional \$9,601,094 (December 31, 2009: \$12,344,994 and June 30, 2009: \$4,015,985) was reimbursed by the Manager. From this fee the Manager paid advisory fees to the Advisers in the amount of \$1,161,044 (December 31, 2009: \$4,068,294 and June 30, 2009: \$2,246,327).

During the period, 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 June 30, 2010 this investment amounted to shares at a value of \$8,091,960 and \$165,431, respectively (December 31, 2009: \$8,088,621 and \$193,487, respectively and June 30, 2009: \$8,683,037 and \$189,359, respectively).

Federated Administrative Services, Inc. ("**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 across all sub-funds for the period were \$42,409 (December 31, 2009: \$68,551 and June 30, 2009: \$19,492, respectively).

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, Secretary, Director and Chief Legal Officer of Federated.

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

### (12) ADMINISTRATOR FEES

BNY Mellon Fund Services (Ireland) Limited (the "**Administrator**") acts as administrator, registrar, and transfer agent for the Company pursuant to the Administration Agreement dated May 29, 2009, as amended, during the period June 1, 2009 to June 30, 2010. J.P. Morgan Administration Services (Ireland) Limited served as the administrator, registrar and transfer agent for the Company during the period January 1, 2009 through May 31, 2009. The Administrator also maintains the Company's registered office. The Administrator performs certain day-to-day administrative tasks on behalf of the Company, including maintenance of the Company's books and records, processing of shareholder transactions, calculation of the net asset value and fees and payment of the Company's expenses. For the period ended June 30, 2010, the Funds paid the Administrator \$845,787 (December 31, 2009: \$2,415,714 and June 30, 2009: \$242,753 respectively) for fund accounting and transfer agency services provided to the Funds. The Funds paid J.P. Morgan Administration Services (Ireland) Limited a total of \$1,238,615 for its services from January 1, 2009 through May 31, 2009.

### (13) CUSTODIAN FEES

BNY Mellon Trust Company (Ireland) Limited (the "**Custodian**") acts as the custodian for the Company's assets pursuant to the Custodian Agreement dated May 29, 2009, as amended, during the period June 1, 2009 to June 30, 2010. J.P. Morgan Bank (Ireland) plc acted as the custodian for the Company's assets from January 1, 2009 through

## NOTES TO FINANCIAL STATEMENTS (unaudited)

May 31, 2009. Some of the Custodian's responsibilities may be delegated to certain sub-custodians. For the period ended June 30, 2010, the Funds paid the Custodian \$211,152 (December 31, 2009: \$245,901 and June 30, 2009: \$69,465, respectively) for custody services provided to the Funds. The Funds paid J.P. Morgan Bank (Ireland) plc \$359,309 for custody services provided to the Funds during the period January 1, 2009 through May 31, 2009.

### (14) LEGAL PROCEEDINGS

The Company is not involved in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against the Company or any of the Funds.

### (15) SEGREGATED LIABILITY

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

### (16) SIGNIFICANT EVENTS DURING THE PERIOD

As of May 30, 2010, a supplemental prospectus was approved by the Financial Regulator.

As of June 30, 2010, Federated Market Opportunity Value Fund and Federated Kaufmann Growth Fund were closed to new subscriptions (including conversions into the Funds), and are in the process of being terminated. As of the same date, Federated Market Opportunity Value Fund had no Shareholders and a net asset value of zero.

# Portfolio of Investments (unaudited)

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

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS:</b>		
	<b>REPURCHASE AGREEMENTS</b>		
946,000	Bank of America N.A., 0.04%, dated 6/30/2010, due 7/1/2010	946,000	0.02
24,923,000	BNP Paribas Securities Corp., 0.02%, dated 6/30/2010, due 7/1/2010	24,923,000	0.65
194,000,000	BNP Paribas Securities Corp., 0.05%, dated 6/30/2010, due 7/1/2010	194,000,000	5.06
499,918,000	Citigroup Global Markets, Inc., 0.08%, dated 6/30/2010, due 7/1/2010	499,918,000	13.05
499,500,000	Goldman Sachs & Co., 0.01%, dated 6/30/2010, due 7/1/2010	499,500,000	13.04
250,000,000	(3) Goldman Sachs & Co., 0.21%, dated 6/23/2010, due 7/23/2010	250,000,000	6.53
249,500,000	HSBC Securities (USA), Inc., 0.04%, dated 6/30/2010, due 7/1/2010	249,500,000	6.51
499,500,000	J.P. Morgan Securities, Inc., 0.03%, dated 6/30/2010, due 7/1/2010	499,500,000	13.05
250,000,000	(3) RBS Securities, Inc., 0.22%, dated 6/14/2010, due 7/15/2010	250,000,000	6.53
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<b>2,468,287,000</b>	<b>64.44</b>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<b>2,468,287,000</b>	<b>64.44</b>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>		
	<b>U.S. GOVERNMENT AGENCIES</b>		
33,000,000	(2) Federal Home Loan Bank System Discount Notes, 0.39%, 2/23/2011 - 2/25/2011	32,914,904	0.86
282,000,000	(1) Federal Home Loan Bank System Floating Rate Notes, 0.163% - 0.428%, 7/5/2010 - 9/1/2010	281,884,502	7.36
318,333,333	Federal Home Loan Bank System Notes, 0.270% - 3.375%, 8/4/2010 - 6/20/2011	318,451,318	8.31
15,000,000	Federal Home Loan Bank System Notes, 0.7%, 5/27/2011	15,000,000	0.39
67,000,000	(2) Federal Home Loan Mortgage Corp. Discount Notes, 0.21% - 0.25%, 7/2/2010 - 10/5/2010	66,973,176	1.75
148,500,000	(1) Federal Home Loan Mortgage Corp. Floating Rate Notes, 0.297% - 1.254%, 7/12/2010 - 9/10/2010	148,447,479	3.88
40,000,000	Federal Home Loan Mortgage Corp. Notes, 1.5% - 2.875%, 11/23/2010 - 1/7/2011	40,343,296	1.05
187,500,000	(2) Federal National Mortgage Association Discount Notes, 0.21% - 0.54%, 7/1/2010 - 10/25/2010	187,430,823	4.89
99,500,000	(1) Federal National Mortgage Association Floating Rate Notes, 0.247% - 0.308%, 7/11/2010 - 7/27/2010	99,445,045	2.60
12,000,000	Federal National Mortgage Association Notes, 4.5%, 2/11/2011	12,309,328	0.32

# Portfolio of Investments (unaudited)

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

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued) U.S. GOVERNMENT AGENCIES (Continued)</b>		
158,787,000	(2) Straight A Funding , LLC Discount Notes, 0.25% - 0.43%, 7/1/2010 - 9/7/2010, (unconditional liquidity support from Federal Financing Bank)	158,704,318	4.14
	<b>TOTAL U.S. GOVERNMENT AGENCIES</b>	<u>1,361,904,189</u>	<u>35.55</u>
	<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<u>1,361,904,189</u>	<u>35.55</u>
	<b>TOTAL INVESTMENTS</b>	<u>3,830,191,189</u>	<u>99.99</u>
	<b>OTHER NET ASSETS</b>	<u>224,894</u>	<u>0.01</u>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>	<u>3,830,416,083</u>	<u>100.00</u>
			<b>% of Total Assets</b>
	<b>ANALYSIS OF TOTAL ASSETS</b>		
	(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 an official stock exchange listing or dealt in on another regulated market		—
	(d) Other assets		<u>0.05</u>
	<b>TOTAL ASSETS</b>		<u>100.00</u>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$3,830,416,083) at June 30, 2010.

(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 (unaudited)

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

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS</b>		
100,000,000	Barclays Capital, Inc., 0.01%, dated 6/30/2010, due 7/1/2010	100,000,000	13.12
73,007,000	BNP Paribas Securities Corp., 0.02%, dated 6/30/2010, due 7/1/2010	73,007,000	9.59
100,000,000	(2) BNP Paribas Securities Corp., 0.19%, dated 4/1/2010, due 7/6/2010	100,000,000	13.12
150,000,000	RBS Securities, Inc., 0.02%, dated 6/30/2010, due 7/1/2010	150,000,000	19.68
150,000,000	Société Générale, Paris, 0.01%, dated 6/30/2010, due 7/1/2010	150,000,000	19.68
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<b>573,007,000</b>	<b>75.19</b>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<b>573,007,000</b>	<b>75.19</b>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: U.S. TREASURY</b>		
44,000,000	(1) United States Treasury Bills, 0.155% - 0.545%, 7/1/2010	44,000,000	5.77
26,000,000	(1) United States Treasury Bills, 0.22%, 9/16/2010	25,987,765	3.41
16,000,000	(1) United States Treasury Bills, 0.285%, 8/26/2010	15,992,907	2.10
14,000,000	United States Treasury Notes, 0.875% - 4.75%, 3/31/2011	14,199,772	1.86
11,500,000	United States Treasury Notes, 0.875%, 2/28/2011	11,546,067	1.52
13,000,000	United States Treasury Notes, 1.5%, 10/31/2010	13,053,520	1.71
26,500,000	United States Treasury Notes, 2.0%, 9/30/2010	26,613,752	3.49
12,000,000	United States Treasury Notes, 4.375%, 12/15/2010	12,213,535	1.60
5,000,000	United States Treasury Notes, 5.125%, 6/30/2011	5,233,383	0.69
19,500,000	United States Treasury Notes, 5.75%, 8/15/2010	19,634,732	2.58
	<b>TOTAL U.S. TREASURY</b>	<b>188,475,433</b>	<b>24.73</b>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>188,475,433</b>	<b>24.73</b>
	<b>TOTAL INVESTMENTS</b>	<b>761,482,433</b>	<b>99.92</b>
	<b>OTHER NET ASSETS</b>	<b>561,262</b>	<b>0.08</b>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>	<b>762,043,695</b>	<b>100.00</b>

# Portfolio of Investments (unaudited)

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

At June 30, 2010

	<b>% of Total Assets</b>
<b>ANALYSIS OF TOTAL ASSETS</b>	
(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	99.88
(c) Transferable securities other than those admitted to an official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	0.12
<b>TOTAL ASSETS</b>	<b><u>100.00</u></b>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$762,043,695) at June 30, 2010.

(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.

# Portfolio of Investments (unaudited)

## Federated Short-Term U.S. Prime Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS:</b>		
	<b>REPURCHASE AGREEMENTS</b>		
498,181,000	Bank of America N.A., 0.04%, dated 6/30/2010, due 7/1/2010	498,181,000	17.67
22,070,000	BNP Paribas Securities Corp., 0.02%, dated 6/30/2010, due 7/1/2010	22,070,000	0.78
75,000,000	BNP Paribas Securities Corp., 0.05%, dated 6/30/2010, due 7/1/2010	75,000,000	2.66
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<b><u>595,251,000</u></b>	<b><u>21.11</u></b>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<b><u>595,251,000</u></b>	<b><u>21.11</u></b>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>		
	<b>ASSET-BACKED SECURITIES</b>		
	<b>Finance - Automotive</b>		
13,349,395	AmeriCredit Automobile Receivables Trust 2010-2, Class A1, 0.501%, 6/8/2011	13,349,395	0.47
1,417,623	Bank of America Auto Trust 2009-3, Class A1, 0.296%, 11/15/2010	1,417,623	0.05
6,030,939	Chrysler Financial Auto Securitization Trust 2009-B, Class A1, 0.306%, 12/8/2010	6,030,939	0.22
	<b>Total Finance - Automotive</b>	<b><u>20,797,957</u></b>	<b><u>0.74</u></b>
	<b>Finance - Equipment</b>		
788,820	CNH Equipment Trust 2009-C, Class A1, 0.421%, 12/3/2010	788,820	0.03
	<b>Total Finance - Equipment</b>	<b><u>788,820</u></b>	<b><u>0.03</u></b>
	<b>Finance - Retail</b>		
49,000,000	Arkle Master Issuer PLC 2010-1, Class 1A, 0.55%, 5/17/2011	49,000,000	1.74
	<b>TOTAL ASSET-BACKED SECURITIES</b>	<b><u>70,586,777</u></b>	<b><u>2.51</u></b>
	<b>CERTIFICATE OF DEPOSITS</b>		
	<b>Banking</b>		
25,000,000	Banco Bilbao Vizcaya Argentaria SA, 0.27%, 7/6/2010	25,000,017	0.89
140,000,000	Bank of Tokyo-Mitsubishi UFJ Ltd., 0.45% - 0.55%, 8/10/2010 - 9/24/2010	140,000,000	4.95
40,000,000	Barclays Bank PLC, 0.71%, 1/21/2011	40,000,000	1.42
130,000,000	BNP Paribas SA, 0.31% - 0.72%, 7/15/2010 - 12/14/2010	130,000,000	4.61
140,000,000	Credit Agricole Corporate and Investment Bank, 0.34% - 0.46%, 8/20/2010 - 9/16/2010	140,000,000	4.97
80,000,000	Mizuho Corporate Bank Ltd., 0.5%, 10/1/2010	80,000,000	2.84
63,000,000	Société Générale, Paris, 0.26% - 0.34%, 7/2/2010 - 8/2/2010	63,000,000	2.23

# Portfolio of Investments (unaudited)

## Federated Short-Term U.S. Prime Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CERTIFICATE OF DEPOSITS (Continued)</b>		
20,000,000	State Street Bank and Trust Co., 0.34%, 9/8/2010	20,000,000	0.71
	<b>TOTAL CERTIFICATE OF DEPOSITS</b>	<b>638,000,017</b>	<b>22.62</b>
	<b>COMMERCIAL PAPER</b>		
	<b>Aerospace</b>		
135,200,000	Toyota Motor Credit Corp., (Toyota Motor Corp. Support Agreement), 0.33% - 0.37%, 7/1/2010 - 7/14/2010	135,194,749	4.79
	<b>Total Aerospace</b>	<b>135,194,749</b>	<b>4.79</b>
	<b>Banking</b>		
50,000,000	Alpine Securitization Corp., 0.29%, 7/12/2010	49,995,569	1.77
25,000,000	Banco Bilbao Vizcaya Argentaria SA, 0.28%, 7/1/2010	25,000,000	0.89
9,000,000	BNP Paribas Finance, Inc., 0.601%, 9/27/2010	8,986,800	0.32
75,000,000	CBA (Delaware) Finance Inc., 0.32%, 8/5/2010	74,976,667	2.66
110,000,000	Clipper Receivables Company LLC, 0.28% - 0.351%, 7/6/2010 - 8/23/2010	109,967,806	3.90
75,000,000	Danske Corp., Inc., 0.3%, 7/19/2010	74,988,750	2.66
75,000,000	ING (U.S.) Funding LLC, 0.501% - 0.501%, 8/17/2010 - 8/27/2010	74,944,097	2.66
55,091,000	Market Street Funding LLC, 0.28%, 7/8/2010	55,088,001	1.95
75,000,000	Société Générale North America, Inc., (Guaranteed by Société Générale, Paris), 0.26%, 7/1/2010	75,000,000	2.66
50,000,000	Surrey Funding Corporation, 0.33%, 8/2/2010	49,985,333	1.77
100,000,000	Ticonderoga Funding LLC, (Bank of America N.A. Swap Agreement), 0.3% - 0.501%, 7/14/2010 - 9/23/2010	99,936,250	3.54
	<b>Total Banking</b>	<b>698,869,273</b>	<b>24.78</b>
	<b>Finance - Automotive</b>		
140,000,000	FCAR Auto Loan Trust, A1+/P1 Series, 0.3% - 0.733%, 7/1/2010 - 12/22/2010	139,906,399	4.96
	<b>TOTAL COMMERCIAL PAPER</b>	<b>973,970,421</b>	<b>34.53</b>
	<b>CORPORATE BOND</b>		
	<b>Banking</b>		
25,000,000	JPMorgan Chase Bank, N.A., 0.348%, 7/21/2011	25,000,000	0.89
	<b>Total Banking</b>	<b>25,000,000</b>	<b>0.89</b>

# Portfolio of Investments (unaudited)

## Federated Short-Term U.S. Prime Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BOND (Continued)</b>		
	<b>Finance - Commercial</b>		
2,420,000	General Electric Capital Corp., 4.875%, 10/21/2010	2,452,981	0.09
	<b>TOTAL CORPORATE BOND</b>	<b>27,452,981</b>	<b>0.98</b>
	<b>GOVERNMENT AGENCIES</b>		
	<b>Government Agency</b>		
25,000,000	Federal Home Loan Bank System, 0.4%, 12/27/2010	25,000,000	0.89
20,000,000	Federal Home Loan Bank System, 0.6%, 4/18/2011	20,000,000	0.71
	<b>TOTAL GOVERNMENT AGENCIES</b>	<b>45,000,000</b>	<b>1.60</b>
	<b>NOTES VARIABLE (1)</b>		
	<b>Banking</b>		
55,000,000	Abbey National Treasury Services PLC, 0.397%-0.398%, 7/21/2010-7/29/2010	55,000,000	1.95
50,000,000	Australia & New Zealand Banking Group, Melbourne, 0.377%, 7/26/2010	50,000,000	1.77
25,000,000	Barclays Bank PLC, 0.598%, 7/21/2010	25,000,000	0.89
25,000,000	Canadian Imperial Bank of Commerce, 0.42%, 7/19/2010	25,000,000	0.89
8,050,000	Capital Markets Access Co. LC, (Wells Fargo Bank, N.A. LOC), 0.4%, 7/1/2010	8,050,000	0.29
50,000,000	JPMorgan Chase Bank, N.A., 0.347%, 7/28/2010	50,000,000	1.77
16,275,000	Mississippi Business Finance Corp., Dollar Tree Distribution, Inc. Series 1998, (Wells Fargo Bank, N.A. LOC), 0.35%, 7/1/2010	16,275,000	0.58
7,420,000	Mississippi Business Finance Corp., Series 2002, (Wells Fargo Bank, N.A. LOC), 0.4%, 7/1/2010	7,420,000	0.26
5,600,000	New York State HFA, Series 2008-B, (Landesbank Hessen-Thuringen LOC), 0.4%, 7/7/2010	5,600,000	0.20
4,000,000	Presbyterian Home and Services of New Jersey Obligated Group, Series 1998-B2, (Wells Fargo Bank, N.A. LOC), 0.35%, 7/7/2010	4,000,000	0.14
50,000,000	Toronto Dominion Bank, 0.351%, 7/5/2010	50,000,000	1.77
10,000,000	Tuscaloosa County, AL IDA, Series 2009 A, (JPMorgan Chase Bank, N.A. LOC), 0.44%, 7/1/2010	10,000,000	0.35
3,800,000	Urban Campus Environments LLC, Series 2006, (Wells Fargo Bank, N.A. LOC), 0.35%, 7/1/2010	3,800,000	0.13
80,700,000	Westpac Banking Corp. Ltd., Sydney, 0.4%-0.401%, 7/5/2010-7/14/2010	80,703,425	2.87
	<b>Total Banking</b>	<b>390,848,425</b>	<b>13.86</b>

# Portfolio of Investments (unaudited)

## Federated Short-Term U.S. Prime Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>NOTES VARIABLE (1) (Continued)</b>		
	<b>Finance - Commercial</b>		
79,000,000	General Electric Capital Corp., 0.728%, 8/2/2010	79,212,579	2.81
	<b>TOTAL NOTES VARIABLE</b>	<u>470,061,004</u>	<u>16.67</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>	<u>2,225,071,200</u>	<u>78.91</u>
	<b>TOTAL INVESTMENTS</b>	<u>2,820,322,200</u>	<u>100.02</u>
	<b>OTHER NET LIABILITIES</b>	<u>(331,463)</u>	<u>(0.02)</u>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>	<u>2,819,990,737</u>	<u>100.00</u>
			<b>% of Total Assets</b>
	<b>ANALYSIS OF TOTAL ASSETS</b>		
	(a) Transferable securities admitted to official stock exchange listing		—
	(b) Transferable securities dealt in another regulated market		99.96
	(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market		—
	(d) Other assets		0.04
	<b>TOTAL ASSETS</b>		<u>100.00</u>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$2,819,990,737) at June 30, 2010.

(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—Société Anonyme (French: Corporation)

# Portfolio of Investments (unaudited)

## Federated Short-Term Euro Fund

At June 30, 2010

Principal Amount or Shares		Fair Value Euro (€)	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENTS</b>		
65,000,000	Morgan Stanley & Co. International Ltd., London, 0.18%, dated 6/30/2010, due 7/1/2010	<u>65,000,000</u>	<u>24.90</u>
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<u>65,000,000</u>	<u>24.90</u>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<u>65,000,000</u>	<u>24.90</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: COMMERCIAL PAPER</b>		
	<b>Banking</b>		
12,000,000	Banco Bilbao Vizcaya Argentaria SA, 0.44%, 7/26/2010	11,996,339	4.60
10,000,000	Banco Santander, S.A., 0.695%, 10/19/2010	9,978,839	3.82
8,000,000	Grampian Funding Ltd., 0.47%, 7/26/2010	7,997,390	3.06
12,000,000	ING Bank N.V., 0.54%, 9/14/2010	11,986,525	4.59
10,200,000	Matchpoint Finance plc, 0.37% - 0.42%, 7/5/2010 - 7/12/2010	10,198,993	3.91
27,000,000	Société Générale, Paris, 0.42% - 0.5%, 7/6/2010 - 8/9/2010	<u>26,990,775</u>	<u>10.34</u>
	<b>Total Banking</b>	<u>79,148,861</u>	<u>30.32</u>
	<b>Finance - Commercial</b>		
22,000,000	General Electric Capital Corp., 0.5% - 0.52%, 9/6/2010 - 9/17/2010	<u>21,977,207</u>	<u>8.42</u>
	<b>Finance - Equipment</b>		
10,000,000	Caterpillar International Finance Limited, (Guaranteed by Caterpillar Financial Services Corporation), 0.43%, 7/6/2010	<u>9,999,403</u>	<u>3.83</u>
	<b>TOTAL COMMERCIAL PAPER</b>	<u>111,125,471</u>	<u>42.57</u>

# Portfolio of Investments (unaudited)

## Federated Short-Term Euro Fund

At June 30, 2010

Principal Amount or Shares		Fair Value Euro (€)	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>TIME DEPOSITS</b>		
	<b>Banking</b>		
20,000,000	Bank of Scotland, Edinburgh, 0.15%, 7/1/2010	20,000,000	7.66
35,000,000	Barclays Bank PLC, 0.16%, 7/1/2010	35,000,000	13.41
29,500,000	UBS AG, 0.22%, 7/1/2010	29,500,000	11.30
	<b>TOTAL TIME DEPOSITS</b>	<u>84,500,000</u>	<u>32.37</u>
	<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<u>195,625,471</u>	<u>74.94</u>
	<b>TOTAL INVESTMENTS</b>	<u>260,625,471</u>	<u>99.84</u>
	<b>OTHER NET ASSETS</b>	<u>423,297</u>	<u>0.16</u>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>	<u>261,048,768</u>	<u>100.00</u>
			<b>% of Total Assets</b>
	<b>ANALYSIS OF TOTAL ASSETS</b>		
	(a) Transferable securities admitted to official stock exchange listing		—
	(b) Transferable securities dealt in another regulated market		99.79
	(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market		—
	(d) Other assets		<u>0.21</u>
	<b>TOTAL ASSETS</b>		<u>100.00</u>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (€261,048,768) at June 30, 2010.

The following acronyms are used throughout this portfolio:

PLC—Public Limited Company

SA—Société Anonyme (French: Corporation)

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS REPURCHASE AGREEMENTS</b>		
80,000	Bank of America N.A., 0.04%, dated 6/30/2010, due 7/1/2010	80,000	0.30
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<u>80,000</u>	<u>0.30</u>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<u>80,000</u>	<u>0.30</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>		
	<b>COMMON STOCKS</b>		
	<b>Consumer Products</b>		
106	Sleepmaster LLC	1	—
	<b>Media - Non-Cable</b>		
1,340	Dex One Corp.	25,460	0.10
558	Readers Digest Association, Inc., Warrants	—	—
	<b>Total</b>	<u>25,460</u>	<u>0.10</u>
	<b>Metals &amp; Mining</b>		
11,506	Royal Oak Mines, Inc.	254	—
	<b>Other</b>		
40	CVC Claims Litigation LLC	—	—
	<b>TOTAL COMMON STOCKS</b>	<u>25,715</u>	<u>0.10</u>
	<b>CORPORATE BONDS</b>		
	<b>Aerospace / Defense</b>		
75,000	Alliant Techsystems, Inc., Sr. Sub. Note, 6.75%, 4/1/2016	73,875	0.28
75,000	Altegrity, Inc., Company Guarantee, 10.5%, 11/1/2015	71,625	0.27
50,000	Altegrity, Inc., Company Guarantee, 11.75%, 5/1/2016	45,625	0.17
50,000	ManTech International Corp., Sr. Note, 7.25%, 4/15/2018	50,750	0.19
61,017	Sequa Corp., Sr. Deb., 13.5%, 12/1/2015	60,102	0.23
100,000	TransDigm, Inc., Sr. Sub. Note, 7.75%, 7/15/2014	100,750	0.38
	<b>Total Aerospace / Defense</b>	<u>402,727</u>	<u>1.52</u>
	<b>Automotive</b>		
50,000	Affinia Group, Inc., Sr. Secd. Note, 10.75%, 8/15/2016	54,750	0.21
50,000	American Axle & Manufacturing Holdings, Inc., Sr. Sub. Note, 9.25%, 1/15/2017	51,750	0.20
50,000	ArvinMeritor, Inc., Company Guarantee, 10.625%, 3/15/2018	53,250	0.20
100,000	Cooper-Standard Automotive, Inc., Sr. Note, Series 144A, 8.5%, 5/1/2018	101,250	0.38

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Automotive (Continued)</b>			
275,000	Ford Motor Credit Co., Sr. Note, 8.0%, 6/1/2014	284,131	1.08
150,000	Ford Motor Credit Co., Sr. Unsecd. Note, 8.0%, 12/15/2016	153,657	0.58
100,000	Ford Motor Credit Co., Sr. Unsecd. Note, 8.125%, 1/15/2020	102,305	0.39
275,000	General Motors Corp., Deb., 7.4%, 9/1/2025	81,813	0.31
50,000	Lear Corp., Company Guarantee, 7.875%, 3/15/2018	50,375	0.19
50,000	Navistar International Corp., Sr. Note, 8.25%, 11/1/2021	51,000	0.19
175,000	Tenneco Automotive, Inc., Sr. Sub. Note, 8.625%, 11/15/2014	177,406	0.67
50,000	TRW Automotive, Inc., Sr. Note, Series 144A, 8.875%, 12/1/2017	51,750	0.20
150,000	United Components, Inc., Sr. Sub. Note, 9.375%, 6/15/2013	151,500	0.57
	<b>Total Automotive</b>	<b>1,364,937</b>	<b>5.17</b>
<b>Building Materials</b>			
50,000	Building Materials Corp. of America, Sr. Note, 7.5%, 3/15/2020	49,375	0.19
75,000	Goodman Global Holdings, Inc., Company Guarantee, 13.5%, 2/15/2016	82,875	0.31
125,000	Goodman Global Holdings, Inc., Sr. Disc. Note, 12.481% accrual, 12/15/2014	76,875	0.29
35,000	Norcraft Holdings LP, Sr. Disc. Note, 9.75%, 9/1/2012	33,294	0.13
75,000	Norcraft Holdings LP, Sr. Secd. Note, Series 144A, 10.5%, 12/15/2015	77,625	0.29
50,222	Nortek Holdings, Inc., Sr. Secd. Note, 11.0%, 12/1/2013	52,608	0.20
75,000	Ply Gem Industries, Inc., Sr. Secd. Note, 11.75 %, 6/15/2013	78,750	0.30
	<b>Total Building Materials</b>	<b>451,402</b>	<b>1.71</b>
<b>Chemicals</b>			
50,000	CF Industries Holdings, Inc., Sr. Unsecd. Note, 6.875%, 5/1/2018	51,000	0.19
75,000	Chemtura Corp., Sr. Note, 6.875%, 6/1/2016	84,750	0.32
50,000	Compass Minerals International, Inc., Company Guarantee, 8.0%, 6/1/2019	51,344	0.19
100,000	Hexion U.S. Finance Corp., Sr. Secd. Note, 8.875%, 2/1/2018	90,750	0.34

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Chemicals (Continued)</b>			
50,000	Hexion U.S. Finance Corp., Sr. Secd. Note, 9.75%, 11/15/2014	47,500	0.18
50,000	Huntsman International LLC, Company Guarantee, Series 144A, 5.5%, 6/30/2016	44,000	0.17
50,000	Huntsman International LLC, Sr. Sub., Series 144A, 8.625%, 3/15/2020	46,375	0.18
50,000	Koppers Holdings, Inc., Company Guarantee, Series WI, 7.875%, 12/1/2019	50,750	0.19
50,000	Nalco Co., Sr. Note, 8.25%, 5/15/2017	52,000	0.20
125,000	Nalco Co., Sr. Sub. Note, 8.875%, 11/15/2013	128,750	0.49
50,000	Solutia, Inc., Company Guarantee, 8.75%, 11/1/2017	52,250	0.20
50,000	Solutia, Inc., Sr. Note, 7.875%, 3/15/2020	50,125	0.19
75,000	Union Carbide Corp., Deb., 7.5%, 6/1/2025	73,944	0.28
	<b>Total Chemicals</b>	<b>823,538</b>	<b>3.12</b>
<b>Construction Machinery</b>			
50,000	Case New Holland, 7.875%, 12/1/2017	50,625	0.19
50,000	Rental Service Corp., Sr. Note, 9.5%, 12/1/2014	49,937	0.19
50,000	Rental Service Corp., Sr. Secd. Note, 10.0%, 7/15/2017	53,875	0.20
	<b>Total Construction Machinery</b>	<b>154,437</b>	<b>0.58</b>
<b>Consumer Products</b>			
125,000	AAC Group Holding Corp., Sr. Disc. Note, 10.25%, 10/1/2012	124,375	0.47
87,353	AAC Group Holding Corp., Sr. PIK Deb., 16.75%, 10/1/2012	84,296	0.32
125,000	Easton Bell Sports Inc., Sr. Secd. Note, Series 144A, 9.75%, 12/1/2016	130,000	0.49
125,000	Jarden Corp., Sr. Sub. Note, 7.5%, 5/1/2017	123,125	0.47
50,000	Jarden Corp., Sr. Unsecd. Note, 8.0%, 5/1/2016	51,625	0.20
225,000	Jostens Holding Corp., 10.25%, 12/1/2013	230,906	0.87
50,000	Libbey, Inc., Sr. Secd. Note, Series 144A, 10.0%, 2/15/2015	52,250	0.20
48,000	Sealy Mattress Co., Sr. Secd. Note, Series 144A, 10.875%, 4/15/2016	53,280	0.20

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Consumer Products (Continued)</b>			
125,000	Sealy Mattress Co., Sr. Sub. Note, 8.25%, 6/15/2014	125,938	0.48
75,000	Simmons Co., Company Guarantee, Series 144A, 11.25%, 7/15/2015	78,656	0.30
106,000	Spectrum Brands, Inc., Bond, 12.0%, 8/28/2019	116,070	0.44
50,000	Spectrum Brands, Inc., Sr. Secd. Note, 9.5%, 6/15/2018	51,625	0.19
250,000	Visant Holding Corp., Sr. Note, 8.75%, 12/1/2013	253,750	0.96
	<b>Total Consumer Products</b>	<b>1,475,896</b>	<b>5.59</b>
<b>Energy</b>			
75,000	ATP Oil & Gas Corp., Sr. Secd. 2nd Priority Note, 11.875%, 5/1/2015	54,750	0.21
125,000	Basic Energy Services, Inc., Company Guarantee, 7.125%, 4/15/2016	104,375	0.40
100,000	Chesapeake Energy Corp., Sr. Note, 9.5%, 2/15/2015	111,000	0.42
50,000	Cie Generale de Geophysique, Company Guarantee, 9.5%, 5/15/2016	51,000	0.19
75,000	Cie Generale de Geophysique, Sr. Unsecd. Note, 7.75%, 5/15/2017	71,437	0.27
75,000	Complete Production Services, Inc., Sr. Note, 8.0%, 12/15/2016	73,687	0.28
75,000	CVR Energy, Inc., 2nd Priority Sr. Secd. Note, Series 144A, 10.875%, 4/1/2017	73,500	0.28
75,000	Forest Oil Corp., Sr. Note, 7.25%, 6/15/2019	72,750	0.28
75,000	Hilcorp Energy I LP/Hilcorp Finance Co., Sr. Note, 7.75%, 11/1/2015	74,250	0.28
75,000	Linne Energy LLC, Company Guarantee, 11.75%, 5/15/2017	85,500	0.32
50,000	Linne Energy LLC, Sr. Note, Series 144A, 8.625%, 4/15/2020	51,437	0.19
100,000	McJunkin Red Man Corp., Sr. Secd. Note, Series 144A, 9.5%, 12/15/2016	97,500	0.37
125,000	Plains Exploration & Production Co., Sr. Note, 7.75%, 6/15/2015	124,375	0.47
50,000	Sandridge Energy, Inc., Company Guarantee, 8.0%, 6/1/2018	47,625	0.18
	<b>Total Energy</b>	<b>1,093,186</b>	<b>4.14</b>

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Entertainment</b>			
100,000	Cinemark USA, Inc., Company Guarantee, 8.625%, 6/15/2019	101,000	0.38
125,000	Hard Rock Park Operations LLC, Sr. Secd. Note, 4/1/2012	—	—
50,000	Live Nation, Inc., Sr. Note, Series 144A, 8.125%, 5/15/2018	48,750	0.18
50,000	Regal Cinemas, Inc., Company Guarantee, 8.625%, 7/15/2019	50,500	0.19
75,000	Universal City Development Partners Ltd., Sr. Note, Series 144A, 8.875%, 11/15/2015	75,750	0.29
50,000	Universal City Development Partners Ltd., Sr. Sub. Note, Series 144A, 10.875%, 11/15/2016	51,250	0.20
	<b>Total Entertainment</b>	<b>327,250</b>	<b>1.24</b>
<b>Environmental</b>			
50,000	Browning-Ferris Industries, Inc., Deb., 9.25%, 5/1/2021	60,062	0.23
	<b>Total Environmental</b>	<b>60,062</b>	<b>0.23</b>
<b>Financial Institutions</b>			
79,000	Ally Financial, Inc., Company Guarantee, 7.0%, 2/1/2012	80,284	0.31
92,000	Ally Financial, Inc., Company Guarantee, 8.0%, 11/1/2031	85,330	0.32
100,000	Ally Financial, Inc., Company Guarantee, 8.3%, 2/12/2015	101,500	0.39
75,000	CIT Group, Inc., Sr. Secd. Note, 10.25%, 5/1/2017	77,062	0.29
400,000	CIT Group, Inc., Sr. Secd. Note, 7.0%, 5/1/2017	362,000	1.37
75,000	International Lease Finance Corp., Sr. Note, Series 144A, 8.625%, 9/15/2015	71,250	0.27
200,000	International Lease Finance Corp., Sr. Note, Series 144A, 8.75%, 3/15/2017	190,000	0.72
75,000	iPayment Holdings, Inc., Sr. Sub. Note, Series WI, 9.75%, 5/15/2014	68,625	0.26
75,000	Lender Processing Services, Sr. Note, 8.125%, 7/1/2016	79,312	0.30
200,000	Nuveen Investments, Company Guarantee, 10.5%, 11/15/2015	175,000	0.66
	<b>Total Financial Institutions</b>	<b>1,290,363</b>	<b>4.89</b>

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE</b>			
<b>THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Food &amp; Beverage</b>			
200,000	Aramark Corp., Sr. Note, 8.5%, 2/1/2015	203,000	0.77
50,000	B&G Foods, Inc., Sr. Note, 7.625%, 1/15/2018	50,375	0.19
100,000	Dean Foods Co., Company Guarantee, 7.0%, 6/1/2016	94,000	0.35
50,000	Michael Foods, Inc., Sr. Note, Series 144A, 9.75%, 7/15/2018	51,625	0.19
100,000	Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., Sr. Note, Series WI, 9.25%, 4/1/2015	102,500	0.39
75,000	Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., Sr. Sub. Note, Series WI, 10.625%, 4/1/2017	78,562	0.30
150,000	Reddy Ice Corp., Sr. Secd. Note, Series 144A, 13.25%, 11/1/2015	145,500	0.55
50,000	Reddy Ice Group, Inc., Sr. Secd. Note, Series 144A, 11.25%, 3/15/2015	51,750	0.20
125,000	Smithfield Foods, Inc., Sr. Note, 7.75%, 7/1/2017	120,000	0.45
75,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 10.0%, 7/15/2014	83,437	0.32
50,000	TreeHouse Foods, Inc., Sr. Unsecd. Note, 7.75%, 3/1/2018	52,250	0.20
	<b>Total Food &amp; Beverage</b>	<b>1,032,999</b>	<b>3.91</b>
<b>Gaming</b>			
75,000	American Casino & Entertainment, Sr. Secd. Note, 11.0%, 6/15/2014	71,625	0.27
125,000	Ameristar Casinos, Inc., Company Guarantee, 9.25%, 6/1/2014	131,562	0.50
84,000	Global Cash Access LLC, Sr. Sub. Note, 8.75%, 3/15/2012	84,525	0.32
125,000	Great Canadian Gaming Corp., Company Guarantee, 7.25%, 2/15/2015	123,750	0.47
150,000	Harrah's Operating Co., Inc., Sr. Secd. Note, 11.25%, 6/1/2017	158,625	0.60
125,000	Herbst Gaming, Inc., Sr. Sub. Note, 7.0%, 11/15/2014	—	—
125,000	Indianapolis Downs LLC /Indiana Downs Capital Corp., Sr. Secd. Note, 11.0%, 11/1/2012	99,219	0.38
72,647	Indianapolis Downs LLC /Indiana Downs Capital Corp., Sub. PIK Note, 15.5%, 11/1/2013	22,975	0.09
125,000	Jacobs Entertainment, Inc., Sr. Note, 9.75%, 6/15/2014	116,875	0.44
300,000	MGM Mirage, Inc., Sr. Note, 7.5%, 6/1/2016	237,750	0.90
50,000	MGM Mirage, Inc., Sr. Secd. Note, 11.125%, 11/15/2017	55,375	0.21

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Gaming (Continued)</b>			
50,000	MGM Mirage, Inc., Sr. Secd. Note, 13.0%, 11/15/2013	57,875	0.22
75,000	Peninsula Gaming, LLC, Company Guarantee, 10.75%, 8/15/2017	75,000	0.28
50,000	Peninsula Gaming, LLC, Sr. Secd. Note, 8.375%, 8/15/2015	50,062	0.19
50,000	Pinnacle Entertainment, Inc., Sr. Sub. Note, Series 144A, 8.75%, 5/15/2020	46,562	0.17
75,000	San Pasqual Casino Development Group, Inc., Sr. Note, 8.0%, 9/15/2013	71,625	0.27
100,000	Seminole Tribe of Florida, Bond, Series 144A, 7.804%, 10/1/2020	91,687	0.35
50,000	Yonkers Racing Corp., Sr. Secd. Note, 11.375%, 7/15/2016	53,812	0.20
	<b>Total Gaming</b>	<b>1,548,904</b>	<b>5.86</b>
<b>Healthcare</b>			
75,000	Accellent, Inc., Sr. Sub., 10.5%, 12/1/2013	74,250	0.28
125,000	Bausch & Lomb, Inc., Sr. Unsecd. Note, 9.875%, 11/1/2015	129,062	0.48
250,000	Biomet, Inc., Sr. Sub. Note, 11.625%, 10/15/2017	271,875	1.03
50,000	BioScrip, Inc., Sr. Note, Series 144A, 10.25%, 10/1/2015	49,750	0.19
100,000	CRC Health Corp., Sr. Sub. Note, 10.75%, 2/1/2016	92,500	0.35
50,000	Fresenius Medical Care AG & Co. KGaA, Sr. Unsecd. Note, 9.0%, 7/15/2015	54,437	0.21
75,000	HCA, Inc., Sr. Note, 7.5%, 11/6/2033	64,500	0.24
472,000	HCA, Inc., Sr. Secd. 2nd Priority Note, 9.625%, 11/15/2016	506,268	1.92
50,000	Inverness Medical Innovations, Inc., Sr. Note, 7.875%, 2/1/2016	49,125	0.19
75,000	Inverness Medical Innovations, Inc., Sr. Sub. Note, 9.0%, 5/15/2016	75,375	0.29
150,000	National Mentor Holdings, Inc., Sr. Sub. Note, 11.25%, 7/1/2014	150,375	0.57
125,000	Omnicare, Inc., Sr. Sub. Note, 6.875%, 12/15/2015	125,625	0.47
50,000	Omnicare, Inc., Sr. Sub., 7.75%, 6/1/2020	51,250	0.19
175,000	United Surgical Partners International, Inc., Company Guarantee, 9.25%, 5/1/2017	175,875	0.67
150,000	Universal Hospital Services, Inc., Sr. Secd. Note, 8.5%, 6/1/2015	148,500	0.56

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BONDS (Continued)</b>		
	<b>Healthcare (Continued)</b>		
100,000	Vanguard Health Holdings II, Company Guarantee, 8.0%, 2/1/2018	96,500	0.37
178,000	Viant Holdings, Inc., Company Guarantee, 10.125%, 7/15/2017	182,227	0.69
187,656	VWR Funding, Inc., Company Guarantee, 10.25%, 7/15/2015	190,471	0.72
	<b>Total Healthcare</b>	<b>2,487,965</b>	<b>9.42</b>
	<b>Industrial - Other</b>		
125,000	ALH Finance LLC/ALH Finance Corp., Sr. Sub. Note, 8.5%, 1/15/2013	125,625	0.47
75,000	American Tire Distributors, Inc., Sr. Secd. Note, 9.75%, 6/1/2017	75,562	0.29
50,000	Amsted Industries, Inc., Sr. Note, Series 144A, 8.125%, 3/15/2018	50,125	0.19
50,000	Aquilex Holdings, Sr. Note, Series 144A, 11.125%, 12/15/2016	50,250	0.19
75,000	Baker & Taylor Acquisition Corp., Sr. Secd. Note, 11.5%, 7/1/2013	55,312	0.21
50,000	Baldor Electric Co., Sr. Note, 8.625%, 2/15/2017	52,000	0.20
50,000	Belden CDT, Inc., Company Guarantee, 9.25%, 6/15/2019	53,000	0.20
75,000	Belden CDT, Inc., Sr. Sub. Note, 7.0%, 3/15/2017	72,844	0.28
50,000	Cleaver-Brooks, Inc., Sr. Secd. Note, Series 144A, 12.25%, 5/1/2016	48,875	0.19
100,000	ESCO Corp., Sr. Note, 8.625%, 12/15/2013	99,750	0.38
75,000	General Cable Corp., Floating Rate Note - Sr. Note, 2.66588%, 4/1/2015	67,312	0.24
75,000	General Cable Corp., Sr. Note, 7.125%, 4/1/2017	74,625	0.28
75,000	Interline Brands, Inc., Sr. Sub. Note, 8.125%, 6/15/2014	75,469	0.29
75,000	International Wire Group, Sr. Secd. Note, Series 144A, 9.75%, 4/15/2015	74,625	0.28
50,000	JohnsonDiversay, Inc., Sr. Unsecd. Note, Series 144A, 8.25%, 11/15/2019	51,750	0.20
75,000	JohnsonDiversay, Inc., Sub. PIK Deb., Series 144A, 10.5%, 5/15/2020	83,625	0.32
175,000	Knowledge Learning Corp., Sr. Sub. Note, 7.75%, 2/1/2015	161,875	0.61
50,000	Maxim Finance Corp., Sr. Secd. Note, Series 144A, 12.25%, 4/15/2015	49,187	0.19
75,000	Mueller Water Products, Inc., Sr. Sub. Note, Series WI, 7.375%, 6/1/2017	66,187	0.25

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Industrial - Other (Continued)</b>			
75,000	Reliance Intermediate Holdings LP, Sr. Unsecd. Note, 9.5%, 12/15/2019	79,406	0.30
75,000	Rexnord, Inc., Sr. Note, Series 144A, 8.5%, 5/1/2018	73,125	0.28
75,000	Sensus Metering Systems, Inc., Sr. Sub. Note, 8.625%, 12/15/2013	73,500	0.28
100,000	SPX Corp., Sr. Unsecd. Note, 7.625%, 12/15/2014	103,250	0.39
50,000	The Hillman Group, Inc., Company Guarantee, Series 144A, 10.875%, 6/1/2018	51,750	0.19
50,000	Thermon Industries, Inc., Sr. Secd. Note, Series 144A, 9.5%, 5/1/2017	51,000	0.19
	<b>Total Industrial - Other</b>	<b>1,820,029</b>	<b>6.89</b>
<b>Lodging</b>			
50,000	Host Hotels & Resorts LP, Sr. Note, 6.875%, 11/1/2014	50,125	0.19
100,000	Host Marriott LP, Unsecd. Note, 7.125%, 11/1/2013	101,250	0.38
	<b>Total Lodging</b>	<b>151,375</b>	<b>0.57</b>
<b>Media - Cable</b>			
125,000	Charter Communications Holdings II, Company Guarantee, Series 144A, 7.875%, 4/30/2018	126,250	0.48
55,003	Charter Communications Holdings II, Sr. Note, 13.5%, 11/30/2016	64,353	0.25
50,000	Insight Communications Co., Sr. Note, Series 144A, 9.375%, 7/15/2018	50,000	0.19
125,000	Kabel Deutschland GMBH, Company Guarantee, 10.625%, 7/1/2014	130,156	0.49
100,000	Virgin Media, Inc., Company Guarantee, Series 1, 9.5%, 8/15/2016	106,125	0.40
	<b>Total Media - Cable</b>	<b>476,884</b>	<b>1.81</b>
<b>Media - Non-Cable</b>			
193,278	Affinity Group Holding, Inc., Sr. Note, 10.875%, 2/15/2012	78,278	0.30
75,000	Affinity Group, Inc., Sr. Sub. Note, 9.0%, 2/15/2012	56,344	0.21
50,000	Belo (A.H.) Corp., Sr. Note, 8.0%, 11/15/2016	51,625	0.20
75,000	Clear Channel Outdoor Holdings, Inc., Sr. Note, Series 144A-B, 9.25%, 12/15/2017	75,750	0.29
100,000	FoxCo Acquisitions, LLC, Sr. Note, 13.375%, 7/15/2016	98,500	0.37
175,000	Idearc, Inc., Company Guarantee, 8.0%, 11/15/2016	1,312	—

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued) CORPORATE BONDS (Continued) Media - Non-Cable (Continued)</b>		
100,000	Inmarsat Finance PLC, Company Guarantee, Series 144A, 7.375%, 12/1/2017	102,750	0.39
350,000	Intelsat Jackson Ltd., Sr. Note, 11.25%, 6/15/2016	374,500	1.42
100,000	Intelsat Jackson Ltd., Sr. Unsecd. Note, 9.5%, 2/1/2015	102,250	0.39
75,000	Interpublic Group Cos., Inc., Sr. Unsecd. Note, 10.0%, 7/15/2017	83,062	0.31
75,000	Lamar Media Corp., Sr. Sub. Note, 6.625%, 8/15/2015	71,438	0.27
50,000	Lamar Media Corp., Sr. Sub. Note, Series 144A, 7.875%, 4/15/2018	50,125	0.19
50,000	Lamar Media Corp., Sr. Unsecd. Note, Series C, 6.625%, 8/15/2015	47,625	0.18
50,000	Lin TV Corp., Sr. Note, 8.375%, 4/15/2018	50,000	0.19
125,000	MDC Corporation Inc., Company Guarantee, Series 144A, 11.0%, 11/1/2016	133,750	0.51
150,000	Medimedia USA, Inc., Sr. Sub. Note, 11.375%, 11/15/2014	137,625	0.52
99,723	Nexstar Broadcasting Group, Inc., Company Guarantee, 0.5%, 1/15/2014	89,252	0.34
50,000	Nexstar Broadcasting Group, Inc., Company Guarantee, 7.0%, 1/15/2014	44,750	0.17
50,000	Nielsen Finance LLC/Nielsen Finance Co., Company Guarantee, 12.5%, 8/1/2016	47,875	0.18
50,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Note, 11.5%, 5/1/2016	54,875	0.21
100,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Note, 11.625%, 2/1/2014	109,750	0.42
125,000	QVC, Inc., Sr. Secd. Note, Series 144A, 7.5%, 10/1/2019	123,438	0.47
99,000	Rainbow National Services LLC, Sr. Sub. Note, 10.375%, 9/1/2014	103,579	0.39
200,000	Southern Graphics Systems, Inc., Sr. Sub. Note, Series WI, 12.0%, 12/15/2013	205,250	0.78
83,081	Univision Television Group, Inc., Sr. Note, 9.75%, 3/15/2015	69,580	0.26
50,000	Univision Television Group, Inc., Sr. Secd. Note, 12.0%, 7/1/2014	53,875	0.20
75,000	XM Satellite Radio, Inc., Sr. Note, 13.0%, 8/1/2013	82,313	0.31
50,000	XM Satellite Radio, Inc., Sr. Secd. Note, 11.25%, 6/15/2013	53,625	0.20
	<b>Total Media - Non-Cable</b>	<b>2,553,096</b>	<b>9.67</b>

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Metals &amp; Mining</b>			
100,000	Aleris International, Inc., Company Guarantee, 9.0%, 12/15/2014	998	0.01
75,000	Aleris International, Inc., Sr. Sub. Note, 10.0%, 12/15/2016	844	—
	<b>Total Metals &amp; Mining</b>	<b>1,842</b>	<b>0.01</b>
<b>Packaging</b>			
50,000	Berry Plastics Corp., Sr. Secd. 2nd Priority Note, Series 144A, 9.5%, 5/15/2018	46,000	0.17
125,000	Berry Plastics Corp., Sr. Secd. Note, 8.875%, 9/15/2014	120,938	0.46
50,000	Bway Holding Co., Sr. Note, Series 144a, 10.0%, 6/15/2018	52,375	0.20
150,000	Crown Americas, LLC, Sr. Note, 7.75%, 11/15/2015	156,375	0.59
75,000	Graham Packaging Co., Sr. Note, Series 144A, 8.25%, 1/1/2017	74,250	0.28
50,000	Greif, Inc., Sr. Unsecd. Note, 7.75%, 8/1/2019	51,750	0.20
100,000	Reynolds Group, Sr. Note, Series 144A, 8.5%, 5/15/2018	98,625	0.37
100,000	Reynolds Group, Sr. Secd. Note, Series 144A, 7.75%, 10/15/2016	98,250	0.37
	<b>Total Packaging</b>	<b>698,563</b>	<b>2.64</b>
<b>Paper</b>			
50,000	Boise Cascade Corp., Sr. Note, Series 144A, 9.0%, 11/1/2017	51,750	0.19
50,000	Cascades, Inc., Company Guarantee, Series WI, 7.875%, 1/15/2020	50,000	0.19
50,000	Clearwater Paper Corp., Sr. Unsecd. Note, 10.625%, 6/15/2016	55,313	0.21
100,000	Georgia-Pacific Corp., Company Guarantee, 8.25%, 5/1/2016	107,125	0.41
175,000	Graphic Packaging International Corp., Sr. Sub. Note, 9.5%, 8/15/2013	178,938	0.68
50,000	NewPage Corp., Sr. Secd. Note, 11.375%, 12/31/2014	45,625	0.17
50,000	Rock-Tenn Co., Company Guarantee, 9.25%, 3/15/2016	53,875	0.20
	<b>Total Paper</b>	<b>542,626</b>	<b>2.05</b>

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>			
<b>CORPORATE BONDS (Continued)</b>			
<b>Restaurants</b>			
150,000	NPC International, Inc., Company Guarantee, 9.5%, 5/1/2014	150,750	0.58
100,000	Seminole Hard Rock Entertainment, Inc./ Seminole Hard Rock International LLC, Sr. Secd. Note, 3.03706%, 3/15/2014	85,750	0.32
<b>Total Restaurants</b>		<b>236,500</b>	<b>0.90</b>
<b>Retailers</b>			
92,000	Dollar General Corp., Company Guarantee, 11.875%, 7/15/2017	104,995	0.40
50,000	Express, LLC, Sr. Note, 8.75%, 3/1/2018	51,125	0.19
125,000	General Nutrition Center, Company Guarantee, 5.75%, 3/15/2014	115,313	0.44
50,000	Macy's Retail Holdings, Inc., Company Guarantee, 6.65%, 7/15/2024	48,250	0.18
50,000	NBC Acquisition Corp., Sr. Disc. Note, 11.0%, 3/15/2013	45,000	0.17
50,000	Nebraska Book Co., Inc., Sr. Secd. Note, 10.0%, 12/1/2011	50,250	0.19
50,000	Nebraska Book Co., Inc., Sr. Sub. Note, 8.625%, 3/15/2012	46,625	0.18
125,000	Sally Beauty Holdings, Inc., 10.5%, 11/15/2016	134,375	0.51
50,000	Susser Holdings Corp., Sr. Note, Series 144A, 8.5%, 5/15/2016	50,250	0.19
200,000	The Yankee Candle Co., Inc., Sr. Sub. Note, 9.75%, 2/15/2017	204,500	0.77
150,000	Toys 'R' Us, Inc., Sr. Unsecd. Note, Series 144A, 10.75%, 7/15/2017	164,625	0.62
<b>Total</b>		<b>1,015,308</b>	<b>3.84</b>
<b>Services</b>			
50,000	Bankrate, Inc., Company Guarantee, Series 144A, 11.75%, 7/15/2015	49,875	0.19
100,000	Ceridian Corp., Sr. Unsecd. Note, 11.25%, 11/15/2015	90,750	0.34
125,000	Garda World Security Corp., Sr. Unsecd. Note, Series 144A, 9.75%, 3/15/2017	127,500	0.48
50,000	KAR Holdings, Inc., Company Guarantee, 8.75%, 5/1/2014	50,500	0.19
5,000	KAR Holdings, Inc., Company Guarantee, 10.0%, 5/1/2015	5,125	0.02
125,000	SITEL Corp., Sr. Unsecd. Note, Series 144A, 11.5%, 4/1/2018	116,250	0.44
50,000	Trans Union LLC, Company Guarantee, 11.375%, 6/15/2018	52,000	0.20

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BONDS (Continued)</b>		
	<b>Services (Continued)</b>		
150,000	West Corp., Company Guarantee, 11.0%, 10/15/2016	153,375	0.58
175,000	West Corp., Sr. Note, 9.5%, 10/15/2014	176,750	0.67
	<b>Total Services</b>	<b>822,125</b>	<b>3.11</b>
	<b>Technology</b>		
175,000	Activant Solutions, Inc., Sr. Sub. Note, 9.5%, 5/1/2016	167,125	0.63
125,000	Advanced Micro Devices, Inc., Sr. Unsecd. Note, Series 144A, 8.125%, 12/15/2017	125,000	0.47
75,000	Aspect Software, Inc., Sr. Note, Series 144A, 10.625%, 5/15/2017	75,375	0.29
150,000	Compucom System, Inc., Sr. Sub. Note, 12.5%, 10/1/2015	158,625	0.60
75,000	First Data Corp., Company Guarantee, 9.875%, 9/24/2015	57,375	0.22
75,000	Freescale Semiconductor, Inc., Sr. Note, 8.875%, 12/15/2014	68,813	0.26
75,000	Freescale Semiconductor, Inc., Sr. Secd. Note, Series 144A, 9.25%, 4/15/2018	74,438	0.28
100,000	GXS WORLDWIDE INC., Sr. Secd. Note, Series 144A, 9.75%, 6/15/2015	96,000	0.36
50,000	Kemet Corp., Sr. Note, Series 144A, 10.5%, 5/1/2018	49,750	0.19
75,000	MagnaChip Semiconductor S.A., Sr. Note, Series 144A, 10.5%, 4/15/2018	76,688	0.29
150,000	SERENA Software, Inc., Sr. Sub. Note, 10.375%, 3/15/2016	143,625	0.55
98,000	Smart Modular Technologies, Inc., Sr. Secd. Note, 5.79088%, 4/1/2012	92,978	0.35
115,000	SS&C Technologies, Inc., Sr. Sub. Note, 11.75%, 12/1/2013	120,750	0.46
100,000	SSI Investments II Ltd., Sr. Note, Series 144A, 11.125%, 6/1/2018	102,000	0.39
100,000	Stream Global Services, Inc., Sr. Secd. Note, 11.25%, 10/1/2014	102,750	0.39
75,000	SunGard Data Systems, Inc., Company Guarantee, 10.625%, 5/15/2015	80,531	0.30
50,000	SunGard Data Systems, Inc., Sr. Note, Series WI, 9.125%, 8/15/2013	51,063	0.19
175,000	SunGard Data Systems, Inc., Sr. Sub. Note, Series WI, 10.25%, 8/15/2015	181,563	0.69
100,000	Terremark Worldwide, Inc., Sr. Secd. Note, Series WI, 12.0%, 6/15/2017	113,000	0.43

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BONDS (Continued)</b>		
	<b>Technology (Continued)</b>		
25,000	Unisys Corp., Sr. Unsecd. Note, 12.5%, 1/15/2016	27,125	0.10
75,000	Viasystems, Inc., Sr. Secd. Note, Series 144A, 12.0%, 1/15/2015	81,375	0.31
	<b>Total Technology</b>	<b>2,045,949</b>	<b>7.75</b>
	<b>Transportation</b>		
50,000	Avis Budget Group, Inc., Sr. Note, Series 144A, 9.625%, 3/15/2018	50,750	0.19
50,000	CEVA Group PLC, Sr. Secd. Note, Series 144A, 11.625%, 10/1/2016	51,875	0.20
75,000	Hertz Corp., Sr. Note, 8.875%, 1/1/2014	76,313	0.29
50,000	Hertz Corp., Sr. Sub. Note, 10.5%, 1/1/2016	52,125	0.20
50,000	Kansas City Southern Railway Company, 8.0%, 6/1/2015	51,750	0.19
50,000	Teekay Shipping Corp., Sr. Note, 8.5%, 1/15/2020	50,000	0.19
	<b>Total Transportation</b>	<b>332,813</b>	<b>1.26</b>
	<b>Utility - Electric</b>		
50,000	Dynegy Holdings, Inc., Sr. Note, 7.75%, 6/1/2019	34,813	0.13
100,000	Edison Mission Energy, Sr. Unsecd. Note, 7.0%, 5/15/2017	64,500	0.25
50,000	Energy Future Holdings Corp., Company Guarantee, Series WI, 10.875%, 11/1/2017	37,250	0.14
62,715	FPL Energy National Wind, Note, 6.125%, 3/25/2019	61,532	0.23
75,000	NRG Energy, Inc., Sr. Note, 7.375%, 2/1/2016	74,813	0.28
75,000	NRG Energy, Inc., Sr. Note, 7.375%, 1/15/2017	74,438	0.28
150,000	Sierra Pacific Resources, Sr. Note, Series WI, 6.75%, 8/15/2017	151,971	0.58
100,000	Texas Competitive Electric Holdings Co. LLC, Company Guarantee, Series WI, 10.25%, 11/1/2015	66,500	0.25
50,000	Texas Competitive Electric Holdings Co. LLC, Company Guarantee, Series WI-B, 10.25%, 11/1/2015	33,250	0.13
	<b>Total Utility - Electric</b>	<b>599,067</b>	<b>2.27</b>

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BONDS (Continued)</b>		
	<b>Utility - Natural Gas</b>		
125,000	AmeriGas Partners LP, Sr. Unsecd. Note, 7.25%, 5/20/2015	125,625	0.48
100,000	Crosstex Energy, Inc., Company Guarantee, 8.875%, 2/15/2018	100,375	0.38
125,000	Holly Energy Partners LP, Sr. Note, 6.25%, 3/1/2015	120,000	0.45
50,000	Inergy LP, Company Guarantee, 8.75%, 3/1/2015	51,125	0.19
150,000	Inergy LP, Sr. Note, 6.875%, 12/15/2014	148,500	0.56
125,000	MarkWest Energy Partners LP, Sr. Note, Series B, 8.75%, 4/15/2018	126,875	0.48
100,000	Niska Gas Storage US, LLC, Sr. Unsecd. Note, Series 144A, 8.875%, 3/15/2018	102,000	0.39
97,000	Regency Energy Partners LP, Sr. Unsecd. Note, 8.375%, 12/15/2013	100,395	0.38
75,000	Southern Star Central Corp., Sr. Note, 6.75%, 3/1/2016	72,938	0.28
	<b>Total Utility - Natural Gas</b>	<b>947,833</b>	<b>3.59</b>
	<b>Wireless Communications</b>		
100,000	Digicel Ltd., Sr. Note, 8.875%, 1/15/2015	98,250	0.37
103,000	Digicel Ltd., Sr. Note, 9.125%, 1/15/2015	102,359	0.39
75,000	Digicel Ltd., Sr. Note, Series 144A, 8.25%, 9/1/2017	74,625	0.28
175,000	MetroPCS Wireless, Inc., Sr. Note, 9.25%, 11/1/2014	181,125	0.69
150,000	Nextel Communications, Inc., Sr. Note, Series D, 7.375%, 8/1/2015	143,250	0.54
325,000	Sprint Capital Corp., Company Guarantee, 6.9%, 5/1/2019	295,750	1.12
125,000	Sprint Nextel Corp., Unsecd. Note, 6.0%, 12/1/2016	112,813	0.43
50,000	TW Telecom, Inc., Sr. Note, Series 144A, 8.0%, 3/1/2018	51,250	0.19
	<b>Total Wireless Communications</b>	<b>1,059,422</b>	<b>4.01</b>
	<b>TOTAL CORPORATE BONDS</b>	<b>25,817,098</b>	<b>97.75</b>

# Portfolio of Investments (unaudited)

## Federated High Income Advantage Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>PREFERRED STOCK</b>		
	<b>Financial Institutions</b>		
106	Ally Financial, Inc., Pfd., Series 144A	82,398	0.31
	<b>TOTAL PREFERRED STOCK</b>	<u>82,398</u>	<u>0.31</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<u>25,925,211</u>	<u>98.16</u>
	<b>TOTAL INVESTMENTS</b>	<u>26,005,211</u>	<u>98.46</u>

### FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

Settlement Date	Currency Sold	Amount Sold	Currency Bought	Amount Bought	Counterparty	Unrealised Depreciation	% of Total Net Assets
7/2/2010	USD	(230,000)	EUR	187,923	BNY Mellon	(798)	—
						<u>(798)</u>	<u>—</u>

### TOTAL UNREALISED DEPRECIATION ON FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

### OTHER NET ASSETS

### NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

### ANALYSIS OF TOTAL ASSETS

(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	97.79
(c) Transferable securities other than those admitted to an official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	2.21
<b>TOTAL ASSETS</b>	<u>100.00</u>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$26,411,076) at June 30, 2010.

The following acronyms are used throughout this portfolio:

LLC—Limited Liability Company

LP—Limited Partnership

PIK—Payment in Kind

# Portfolio of Investments (unaudited)

## Federated U.S. Bond Fund

At June 30, 2010

Principal Amount or Shares		Fair Value Euro (€)	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS:</b>		
	<b>REPURCHASE AGREEMENT</b>		
290,000	Bank of America N.A., 0.04%, dated 6/30/2010, due 7/1/2010	<u>237,150</u>	<u>8.28</u>
	<b>TOTAL REPURCHASE AGREEMENT</b>	<u>237,150</u>	<u>8.28</u>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<u>237,150</u>	<u>8.28</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>		
	<b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b>		
100,000	Citigroup/Deutsche Bank Commercial Mortgage 2007-CD5, Class A4, 5.886%, 11/15/2044	83,396	2.91
144,744	CS First Boston Mortgage Securities Corp. 2005-C6, Class A2FX, 5.207%, 12/15/2040	118,855	4.15
100,000	LB-UBS Commercial Mortgage Trust 2008-C1, Class A2, 6.32355%, 4/15/2041	87,290	3.05
202,490	Wells Fargo Mortgage Backed Securities Trust 2007-11, Class A85, 6.0%, 8/25/2037	<u>156,275</u>	<u>5.45</u>
	<b>TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES</b>	<u>445,816</u>	<u>15.56</u>
	<b>CORPORATE BONDS</b>		
25,000	Aflac, Inc., Sr. Unsecd. Note, 8.5%, 5/15/2019	24,617	0.86
25,000	Atmos Energy Corp., 8.5%, 3/15/2019	25,713	0.90
25,000	Berkshire Hathaway, Inc., Company Guarantee, 4.85%, 1/15/2015	22,484	0.78
25,000	BHP Finance (USA), Inc., 6.5%, 4/1/2019	24,628	0.86
25,000	BlackRock, Inc., Sr. Unsecd. Note, Series 2, 5.0%, 12/10/2019	22,046	0.77
25,000	Boston Properties LP, Sr. Unsecd. Note, 5.875%, 10/15/2019	21,990	0.77
25,000	Bottling Group LLC, Company Guarantee, 6.95%, 3/15/2014	24,114	0.84
25,000	Capital One Financial Corp., Sr. Note, 7.375%, 5/23/2014	23,509	0.82
25,000	Charles Schwab Corp., Sr. Unsecd. Note, 4.95%, 6/1/2014	22,152	0.77
15,000	Chubb Corp., Sr. Note, 5.75%, 5/15/2018	13,679	0.48
25,000	Citigroup, Inc., Sr. Unsecd. Note, 6.5%, 8/19/2013	21,847	0.76
25,000	CME Group, Inc., Sr. Unsecd. Note, 5.4%, 8/1/2013	22,579	0.79
40,000	CNA Financial Corp., Note, 6.0%, 8/15/2011	33,674	1.18
25,000	Comcast Corp., Company Guarantee, 6.5%, 1/15/2017	23,342	0.81

# Portfolio of Investments (unaudited)

## Federated U.S. Bond Fund

At June 30, 2010

Principal Amount or Shares		Fair Value Euro (€)	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BONDS (Continued)</b>		
25,000	Costco Wholesale Corp., 5.3%, 3/15/2012	21,919	0.77
25,000	Credit Suisse Group AG, Sub., 5.4%, 1/14/2020	20,475	0.71
25,000	CVS Caremark Corp., Sr. Note, 5.75%, 8/15/2011	21,442	0.75
25,000	Dow Chemical Co., Note, 8.55%, 5/15/2019	25,083	0.88
25,000	Duke Capital Corp., Sr. Note, 6.25%, 2/15/2013	22,247	0.78
25,000	Enbridge, Inc., Sr. Note, 5.6%, 4/1/2017	22,797	0.80
25,000	Enterprise Products Operating LLC, Company Guarantee, 9.75%, 1/31/2014	24,686	0.86
25,000	EOG Resources, Inc., Note, 5.625%, 6/1/2019	23,154	0.81
25,000	Goldman Sachs Group, Inc., Sr. Note, 6.15%, 4/1/2018	21,483	0.75
25,000	Hess Corp., 7.0%, 2/15/2014	23,427	0.82
60,000	Horace Mann Educators Corp., Sr. Note, 6.85%, 4/15/2016	50,920	1.78
25,000	HSBC Finance Corp., 5.0%, 6/30/2015	21,309	0.74
50,000	Hubbell, Inc., 5.95%, 6/1/2018	44,781	1.56
25,000	Husky Energy, Inc., 5.9%, 6/15/2014	22,820	0.80
25,000	J.P. Morgan Chase & Co., 5.75%, 1/2/2013	22,062	0.77
25,000	Kraft Foods, Inc., Sr. Unsecd. Note, 6.125%, 2/1/2018	23,322	0.81
25,000	MetLife, Inc., Sr. Unsecd. Note, Series A, 6.817%, 8/15/2018	23,117	0.81
25,000	Nabors Industries, Inc., Company Guarantee, 9.25%, 1/15/2019	25,060	0.87
25,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 10.375%, 11/1/2018	28,435	0.99
25,000	News America Holdings, Inc., Sr. Deb., 9.25%, 2/1/2013	24,118	0.84
25,000	Pacific Gas & Electric Co., 8.25%, 10/15/2018	26,260	0.92
25,000	PNC Funding Corp., Sr. Unsecd. Note, 5.4%, 6/10/2014	22,359	0.78
25,000	Prologis, Sr. Note, 7.625%, 8/15/2014	21,724	0.76

# Portfolio of Investments (unaudited)

## Federated U.S. Bond Fund

At June 30, 2010

Principal Amount or Shares		Fair Value Euro (€)	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>CORPORATE BONDS (Continued)</b>		
25,000	Prudential Financial, Inc., Sr. Unsecd. Note, 4.75%, 9/17/2015	21,209	0.74
25,000	RPM International, Inc., Sr. Unsecd. Note, 6.125%, 10/15/2019	21,796	0.76
25,000	TD Ameritrade Holding Corp., Company Guarantee, 4.15%, 12/1/2014	21,295	0.74
25,000	Time Warner Cable, Inc., Company Guarantee, 8.75%, 2/14/2019	25,798	0.90
25,000	US Bancorp, Sr. Note, Series MTN, 2.125%, 2/15/2013	20,752	0.72
25,000	Valero Energy Corp., 9.375%, 3/15/2019	24,831	0.87
25,000	Verizon Communications, Inc., Sr. Unsecd. Note, 6.35%, 4/1/2019	23,872	0.83
25,000	Wachovia Corp., Sr. Unsecd. Note, Series MTN, 5.5%, 5/1/2013	22,069	0.77
25,000	Waste Management, Inc., 7.375%, 3/11/2019	24,872	0.87
25,000	Westpac Banking Corp., Sr. Unsecd. Note, 4.875%, 11/19/2019	20,726	0.73
	<b>TOTAL CORPORATE BONDS</b>	<b>1,136,594</b>	<b>39.68</b>
	<b>GOVERNMENT AGENCIES</b>		
75,000	Federal Home Loan Mortgage Corp., Note, 4.5%, 1/15/2014	67,557	2.36
25,000	Federal National Mortgage Association, 5.0%, 2/13/2017	23,264	0.81
	<b>TOTAL GOVERNMENT AGENCIES</b>	<b>90,821</b>	<b>3.17</b>
	<b>MORTGAGE-BACKED SECURITIES</b>		
346,122	Federal Home Loan Mortgage Corp., Pool A83402, 5.0%, 12/1/2038	299,709	10.46
354,808	Federal Home Loan Mortgage Corp., Pool A85593, 4.5%, 4/1/2039	300,961	10.51
	<b>TOTAL MORTGAGE-BACKED SECURITIES</b>	<b>600,670</b>	<b>20.97</b>
	<b>U.S TREASURY</b>		
100,000	United States Treasury Bond, 4.625%, 2/15/2040	92,126	3.22
200,000	United States Treasury Note, 1.125%, 12/15/2012	164,932	5.76
25,000	United States Treasury Note, 1.75%, 1/31/2014	20,781	0.72

# Portfolio of Investments (unaudited)

## Federated U.S. Bond Fund

At June 30, 2010

Principal Amount or Shares		Fair Value Euro (€)	% of Total Net Assets				
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>						
	<b>U.S. TREASURY (Continued)</b>						
50,000	United States Treasury Note, 3.375%, 11/15/2019	42,386	1.48				
	<b>TOTAL U.S. TREASURY</b>	<u>320,225</u>	<u>11.18</u>				
	<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<u>2,594,126</u>	<u>90.56</u>				
	<b>TOTAL INVESTMENTS</b>	<u>2,831,276</u>	<u>98.84</u>				
 <b>FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS</b>							
<b>Settlement Date</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Currency Bought</b>	<b>Amount Bought</b>	<b>Counterparty</b>	<b>Unrealised Depreciation</b>	<b>% of Total Net Assets</b>
7/2/2010	USD	296,500	EUR	239,335	BNY Mellon	(3,131)	(0.11)
7/2/2010	USD	(2,855,500)	EUR	2,327,031	BNY Mellon	(8,082)	(0.28)
	<b>TOTAL UNREALISED DEPRECIATION ON FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS</b>					<u>(11,213)</u>	<u>(0.39)</u>
	<b>OTHER NET ASSETS</b>					<u>44,564</u>	<u>1.55</u>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDER OF REDEEMABLE PARTICIPATING SHARES</b>					<u>2,864,627</u>	<u>100.00</u>
 <b>ANALYSIS OF TOTAL ASSETS</b>							<b>% of Total Assets</b>
(a) Transferable securities admitted to official stock exchange listing							—
(b) Transferable securities dealt in another regulated market							97.40
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in on another regulated market							—
(d) Other assets							<u>2.60</u>
<b>TOTAL ASSETS</b>							<u>100.00</u>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (€2,864,627) at June 30, 2010.

The following acronyms are used throughout this portfolio:

LLC—Limited Liability Corporation

MTN—Medium Term Note

# Portfolio of Investments (unaudited)

## Federated Kaufmann Growth Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS:</b>		
	<b>REPURCHASE AGREEMENTS</b>		
500,000	Bank of America N.A., 0.04%, dated 6/30/2010, due 7/1/2010	500,000	24.33
82,000	Citigroup Global Markets, Inc., 0.08%, dated 6/30/2010, due 7/1/2010	82,000	4.00
500,000	Goldman Sachs & Co., 0.01%, dated 6/30/2010, due 7/1/2010	500,000	24.33
500,000	HSBC Securities (USA), Inc., 0.04%, dated 6/30/2010, due 7/1/2010	500,000	24.33
500,000	J.P. Morgan Securities, Inc., 0.03%, dated 6/30/2010, due 7/1/2010	500,000	24.33
	<b>TOTAL REPURCHASE AGREEMENTS</b>	<u>2,082,000</u>	<u>101.32</u>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<u>2,082,000</u>	<u>101.32</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>		
	<b>COMMON STOCKS &amp; WARRANTS</b>		
	<b>Biotechnology</b>		
831	Dynavax Technologies Corp., Warrants	<u>1,495</u>	<u>0.07</u>
	<b>Diversified Financial Services</b>		
8	CETIP SA	<u>63</u>	<u>—</u>
	<b>Independent Power Producers &amp; Energy Traders</b>		
50	BF Investment Ltd.	<u>161</u>	<u>0.01</u>
	<b>TOTAL COMMON STOCKS &amp; WARRANTS</b>	<u>1,719</u>	<u>0.08</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<u>1,719</u>	<u>0.08</u>
	<b>TOTAL INVESTMENTS</b>	<u>2,083,719</u>	<u>101.40</u>
	<b>OTHER NET LIABILITIES</b>	<u>(28,875)</u>	<u>(1.40)</u>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>	<u>2,054,844</u>	<u>100.00</u>

# Portfolio of Investments (unaudited)

## Federated Kaufmann Growth Fund

At June 30, 2010

	<b>% of Total Assets</b>
<b>ANALYSIS OF TOTAL ASSETS</b>	
(a) Transferable securities admitted to official stock exchange listing	0.08
(b) Transferable securities dealt in another regulated market	98.88
(c) Transferable securities other than those admitted to an official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	<u>1.04</u>
<b>TOTAL ASSETS</b>	<b><u><u>100.00</u></u></b>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$2,054,844) at June 30, 2010.

The following acronym is used throughout this portfolio:

SA—Société Anonyme (French: Corporation)

# Portfolio of Investments (unaudited)

## Federated Strategic Value Equity Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>BALANCE DUE FROM BROKERS: REPURCHASE AGREEMENT</b>		
	<b>Banking</b>		
3,000	Bank of America N.A., 0.04%, dated 6/30/2010, due 7/1/2010	3,000	0.87
	<b>TOTAL REPURCHASE AGREEMENT</b>	<u>3,000</u>	<u>0.87</u>
	<b>TOTAL BALANCE DUE FROM BROKERS</b>	<u>3,000</u>	<u>0.87</u>
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: COMMON STOCKS</b>		
	<b>Beverages</b>		
195	The Coca-Cola Co.	9,773	2.82
	<b>Commercial Services &amp; Supplies</b>		
60	Waste Management, Inc.	1,877	0.54
	<b>Diversified Telecommunication</b>		
540	AT&T, Inc.	13,063	3.77
520	BCE, Inc.	15,172	4.38
165	CenturyLink, Inc.	5,496	1.59
395	Telefonica SA	7,294	2.10
405	Verizon Communications, Inc.	11,347	3.27
570	Windstream Corp.	6,019	1.74
	<b>Total Diversified Telecommunication</b>	<u>58,391</u>	<u>16.85</u>
	<b>Electric Utilities</b>		
700	Duke Energy Corp.	11,200	3.23
200	Progress Energy, Inc.	7,844	2.26
400	Southern Co.	13,312	3.84
	<b>Total Electric Utilities</b>	<u>32,356</u>	<u>9.33</u>
	<b>Food Products</b>		
275	H.J. Heinz Co.	11,886	3.43
200	Unilever PLC	5,330	1.54
	<b>Total Food Products</b>	<u>17,216</u>	<u>4.97</u>
	<b>Hotels Restaurants &amp; Leisure</b>		
190	McDonald's Corp.	12,515	3.61
	<b>Household Products</b>		
100	Clorox Co.	6,216	1.79
190	Kimberly-Clark Corp.	11,520	3.32
65	Procter & Gamble Co.	3,899	1.13
	<b>Total Household Products</b>	<u>21,635</u>	<u>6.24</u>

# Portfolio of Investments (unaudited)

## Federated Strategic Value Equity Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued) COMMON STOCKS (Continued)</b>		
	<b>Insurance</b>		
200	Cincinnati Financial Corp.	5,174	1.49
100	Gallagher (Arthur J.) & Co.	2,438	0.70
100	Mercury General Corp.	4,144	1.20
	<b>Total Insurance</b>	<u>11,756</u>	<u>3.39</u>
	<b>Multi-Utilities</b>		
100	Consolidated Edison Co.	4,310	1.24
300	Dominion Resources, Inc.	11,622	3.35
100	NSTAR	3,500	1.01
210	SCANA Corp.	7,510	2.17
	<b>Total Multi-Utilities</b>	<u>26,942</u>	<u>7.77</u>
	<b>Oil Gas &amp; Consumable Fuels</b>		
180	Chevron Corp.	12,215	3.52
165	ConocoPhillips	8,100	2.34
545	Royal Dutch Shell PLC, Class B	13,195	3.81
215	Total S.A.	9,569	2.76
	<b>Total Oil Gas &amp; Consumable Fuels</b>	<u>43,079</u>	<u>12.43</u>
	<b>Pharmaceuticals</b>		
210	Abbott Laboratories	9,824	2.83
75	AstraZeneca PLC	3,524	1.02
570	Bristol-Myers Squibb Co.	14,216	4.10
215	Eli Lilly & Co.	7,203	2.08
807	GlaxoSmithKline PLC	13,676	3.95
185	Johnson & Johnson	10,926	3.15
	<b>Total Pharmaceuticals</b>	<u>59,369</u>	<u>17.13</u>
	<b>Real Estate Investment Trusts</b>		
110	HCP, Inc.	3,548	1.02
100	Health Care REIT, Inc.	4,212	1.22
200	National Retail Properties, Inc.	4,288	1.24
100	Nationwide Health Properties, Inc.	3,577	1.03
100	Realty Income Corp.	3,033	0.88
200	Senior Housing Properties Trust	4,022	1.16
	<b>Total Real Estate Investment Trusts</b>	<u>22,680</u>	<u>6.55</u>
	<b>Thriffs &amp; Mortgage Finance</b>		
400	New York Community Bancorp, Inc.	<u>6,108</u>	<u>1.76</u>

# Portfolio of Investments (unaudited)

## Federated Strategic Value Equity Fund

At June 30, 2010

Principal Amount or Shares		Fair Value US\$	% of Total Net Assets
	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (Continued)</b>		
	<b>COMMON STOCKS (Continued)</b>		
	<b>Tobacco</b>		
410	Altria Group, Inc.	8,216	2.37
100	Lorillard, Inc.	7,198	2.08
215	Philip Morris International, Inc.	9,856	2.84
195	Reynolds American, Inc.	10,163	2.93
	<b>Total Tobacco</b>	<b>35,433</b>	<b>10.22</b>
	<b>Wireless Telecommunication Services</b>		
5,249	Vodafone Group PLC	10,877	3.14
	<b>TOTAL COMMON STOCKS</b>	<b>370,007</b>	<b>106.75</b>
	<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>370,007</b>	<b>106.75</b>
	<b>TOTAL INVESTMENTS</b>	<b>373,007</b>	<b>107.62</b>

### FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

Settlement Date	Currency Sold	Amount Sold	Currency Bought	Amount Bought	Counterparty	Unrealised Depreciation/ Appreciation	% of Total Net Assets
8/19/2010	CAD	(4,900)	USD	4,726	BNY Mellon	124	0.04
8/19/2010	EUR	(4,300)	USD	5,285	BNY Mellon	26	0.01
8/19/2010	EUR	(8,400)	USD	10,321	BNY Mellon	46	0.01
	<b>TOTAL UNREALISED APPRECIATION ON FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS</b>					<b>196</b>	<b>0.06</b>
8/19/2010	GBP	(18,670)	USD	26,838	BNY Mellon	(1,056)	(0.30)
8/19/2010	CAD	(9,700)	USD	9,002	BNY Mellon	(107)	(0.03)
8/19/2010	GBP	(9,700)	USD	13,957	BNY Mellon	(536)	(0.15)
	<b>TOTAL UNREALISED DEPRECIATION ON FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS</b>					<b>(1,699)</b>	<b>(0.48)</b>
	<b>OTHER NET LIABILITIES</b>					<b>(24,957)</b>	<b>(7.20)</b>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>					<b>346,547</b>	<b>100.00</b>

## Portfolio of Investments (unaudited)

### Federated Strategic Value Equity Fund

At June 30, 2010

	<b>% of Total Assets</b>
<b>ANALYSIS OF TOTAL ASSETS</b>	
(a) Transferable securities admitted to official stock exchange listing	—
(b) Transferable securities dealt in another regulated market	94.95
(c) Transferable securities other than those admitted to an official stock exchange listing or dealt in on another regulated market	—
(d) Other assets	5.05
<b>TOTAL ASSETS</b>	<b><u>100.00</u></b>

Note: The categories of investments are shown as a percentage of net assets attributable to participating Shareholders (\$346,547) at June 30, 2010.

The following acronyms are used throughout this portfolio:

PLC—Public Limited Company

SA—Société Anonyme (French: Corporation)

# Statement of Significant Portfolio Changes (unaudited)

## Federated High Income Advantage Fund

### Purchases in 2010

Security Description	Nominal	Cost
CIT Group, Inc., Sr. Secd. Note, 7.0%, 5/1/2017	400,000	\$366,125
Ford Motor Credit Co., Sr. Note, 8.0%, 6/1/2014	275,000	281,875
International Lease Finance Corp., Sr. Note, Series 144A, 8.75%, 3/15/2017	200,000	194,387
HCA, Inc., Sr. Secd. 2nd Priority Note, 9.625%, 11/15/2016	150,000	160,125
Reddy Ice Corp., Sr. Secd. Note, Series 144A, 13.25%, 11/1/2015	150,000	149,250
Garda World Security Corp., Sr. Unsecd. Note, Series 144A, 9.75%, 3/15/2017	125,000	127,074
Bausch & Lomb, Inc., Sr. Unsecd. Note, 9.875%, 11/1/2015	125,000	125,938
QVC, Inc., Sr. Secd. Note, Series 144A, 7.5%, 10/1/2019	125,000	125,313
Charter Communications Holdings II, Company Guarantee, Series 144A, 7.875%, 4/30/2018	125,000	125,188
Central Garden & Pet Co., Sr. Sub., 8.25%, 3/1/2018	125,000	125,000
SITEL Corp., Sr. Unsecd. Note, Series 144A, 11.5%, 4/1/2018	125,000	121,818
Chesapeake Energy Corp., Sr. Note, 9.5%, 2/15/2015	100,000	108,250
Ally Financial, Inc., Company Guarantee, 8.3%, 2/12/2015	100,000	100,100
LBI Escrow – 8% senior secured note due 11-01-2017	100,000	100,000
Niska Gas Storage US, LLC, Sr. Unsecd. Note, Series 144A, 8.875%, 3/15/2018	100,000	100,000
Reynolds Group, Sr. Note, Series 144A, 8.5%, 5/15/2018	100,000	99,875
SSI Investments II Ltd., Sr. Note, Series 144A, 11.125%, 6/1/2018	100,000	99,347
Icahn Enterprises LP, Sr. Note, 8.00%, 1/15/2018	100,000	99,275
Crosstex Energy, Inc., Sr. Note, Series 144A, 8.875%, 2/15/2018	100,000	98,704
Cooper-Standard Automotive, Inc., Sr. Note, Series 144A, 8.5%, 5/1/2018	100,000	98,625

## Federated High Income Advantage Fund

### Sales in 2010

Security Description	Nominal	Proceeds
Ally Financial, Inc., Company Guarantee, 6.875%, 9/15/2011	366,000	\$368,723
L-3 Communications Corp., Sr. Sub. Note, 6.125%, 1/15/2014	300,000	305,178
Chesapeake Energy Corp., Sr. Note, 6.875%, 1/15/2016	275,000	281,388
Reddy Ice Group, Inc., Sr. Disc. Note, 10.50%, 11/1/2012	275,000	272,500
B&G Foods Holdings Corp., Sr. Note, 8.00%, 10/1/2011	225,000	230,344
KAR Holdings, Inc., Company Guarantee, 10.0%, 5/1/2015	170,000	183,600
Vanguard Health Holdings II, Sr. Sub. Note, 9.00%, 10/1/2014	175,000	183,313
Ford Motor Credit Co., Note, 7.25%, 10/25/2011	150,000	154,125
Seagate Technology HDD Holdings, Sr. Note, 6.80%, 10/1/2016	150,000	144,375
Ford Motor Credit Co., Floating Rate Note—Sr. Note, 3.04781%, 1/13/2012	150,000	142,875
AMR Holding Co./Emcare Holding Co., Sr. Sub. Note, 10.0%, 2/15/2015	125,000	131,688
HCA, Inc., Sr. Secd. 2nd Priority Note, 9.625%, 11/15/2016	125,000	131,563
Central Garden & Pet Co., Company Guarantee, 9.125%, 2/1/2013	125,000	126,901
CEVA Group PLC, Sr. Note, 10.00%, 9/1/2014	125,000	125,000
American Achievement Corp., Sr. Sub. Note, 8.25%, 4/1/2012	125,000	124,688
Videotron Ltee, Sr. Note, 6.375%, 12/15/2015	125,000	124,688
Central Garden & Pet Co., Sr. Sub., 8.25%, 3/1/2018	125,000	123,813
Penn National Gaming, Inc., Sr. Sub. Note, 6.75%, 3/1/2015	125,000	122,813
El Paso Corp., Sr. Note, 8.05%, 10/15/2030	125,000	121,875
Teck Resources Ltd., Sr. Secd. Note, 10.25%, 5/15/2016	100,000	119,500

# Statement of Significant Portfolio Changes (unaudited)

## Federated U.S. Bond Fund

### Purchases in 2010

Security Description	Nominal	Cost
United States Treasury Note, 1.125%, 12/15/2012	200,000	€155,882
United States Treasury Bond, 4.625%, 2/15/2040	100,000	73,372
Aflac, Inc., Sr. Unsecd. Note, 8.5%, 5/15/2019	25,000	22,034
CME Group, Inc., Sr. Unsecd. Note, 5.4%, 8/1/2013	25,000	20,312
Hess Corp., 7.0%, 2/15/2014	25,000	19,637
HSBC Finance Corp., 5.0%, 6/30/2015	25,000	19,378
J.P. Morgan Chase & Co., 5.75%, 1/2/2013	25,000	18,754
Berkshire Hathaway, Inc., Company Guarantee, 4.85%, 1/15/2015	25,000	18,630
Charles Schwab Corp., Sr. Unsecd. Note, 4.95%, 6/1/2014	25,000	18,366
United States Treasury Note, 3.375%, 11/15/2019	25,000	17,735
BlackRock, Inc., Sr. Unsecd. Note, Series 2, 5.0%, 12/10/2019	25,000	17,726
Credit Suisse Group AG, Sub., 5.4%, 1/14/2020	25,000	17,265

## Federated U.S. Bond Fund

### Sales in 2010

Security Description	Nominal	Proceeds
Federal Home Loan Mortgage Corp., Note, 4.5%, 1/15/2014	100,000	€80,549
United States Treasury Note, 2.375%, 9/30/2014	100,000	76,098
United States Treasury Note, 1.75%, 1/31/2014	75,000	51,549
Federal Home Loan Mortgage Corp., Pool A83402, 5.0%, 12/1/2038	56,043	41,843
United States Treasury Note, 3.375%, 11/15/2019	50,000	33,302
AT&T Wireless Services, Inc., 8.75%, 3/1/2031	25,000	26,764
Consolidated Edison Co., Sr. Unsecd. Note, 6.65%, 4/1/2019	25,000	24,095
XTO Energy, Inc., Sr. Unsecd. Note, 6.25%, 8/1/2017	25,000	23,502
Kroger Co., Bond, 6.9%, 4/15/2038	25,000	23,419
Wells Fargo Mortgage Backed Securities Trust 2007-11, Class A85, 6.0%, 8/25/2037	19,806	15,008
Federal Home Loan Mortgage Corp., Pool A85593, 4.5%, 4/1/2039	17,716	13,411
CS First Boston Mortgage Securities Corp. 2005-C6, Class A2FX, 5.207%, 12/15/2040	5,256	4,222

# Statement of Significant Portfolio Changes (unaudited)

## Federated Kaufmann Growth Fund

### Purchases in 2010

Security Description	Nominal	Cost
Amadeus IT Holding SA	1,632	\$25,295
Microchip Technology, Inc.	354	21,102
L'Occitane International SA	7,850	16,026
Apache Corp.	228	14,897
Humana, Inc.	351	14,068
Merck & Co., Inc.	633	10,713
Housing Development Finance Corp. Ltd.	160	9,905
Newmont Mining Corp.	335	9,165
State Street Corp.	429	9,048
Genzyme Corp.	210	8,357
Oracle Corp.	90	8,288
Amgen, Inc.	105	7,076
Edison International	27	6,710
Massachusetts IFA, (Series 1992B), .65% CP (New England Power Co.), Mandatory Tender 6/3/2010	475	6,686
UAL Corp.	260	6,163
Sands China Ltd.	4,168	5,887
Florida State Board of Education Administration, UT GO Capital Outlay Bonds, 9.125% (Florida State)/(Original Issue Yield: 9.173%), 6/1/2014	270	5,785
Sara Lee Corp.	67	5,774
Lorain County, OH, Health Care Facilities Revenue Refunding Bonds (Series 1998A), 5.25% (Kendal at Oberlin)/(Original Issue Yield: 5.53%), 2/1/2021	164	5,643
Rowan Cos., Inc.	168	5,634

## Federated Kaufmann Growth Fund

### Sales in 2010

Security Description	Nominal	Proceeds
CETIP SA	6,994	\$57,621
West View, PA Municipal Authority, Special Obligation Bonds, 9.50% (Escrowed In Treasuries COL), 11/15/2014	14,450	55,857
BNP Paribas Securities Corp., 0.21%, dated 5/28/2010, due 6/1/2010	2,115	53,788
Tidewater, Inc.	4,717	53,492
Hypermarcas SA	3,721	49,527
Alexander and Baldwin, Inc.	3,453	42,444
Tech Data Corp.	1,989	41,738
UnitedHealth Group, Inc.	977	38,425
Lee & Man Paper Manufacturing Ltd.	43,684	35,699
Edison International	158	35,311
Housing Development Finance Corp. Ltd.	547	35,024
Sara Lee Corp.	388	29,910
Pall Corp.	1,042	29,166
BNP Paribas Securities Corp., 0.21%, dated 5/28/2010, due 6/1/2010	1,462	28,551
Bed Bath & Beyond, Inc.	877	27,903
L-3 Communications Holdings, Inc.	908	27,784
Praxair, Inc.	1,727	27,252
Bemis Co., Inc.	526	26,845
Wabtec Corp.	985	25,632
Union Pacific Corp.	575	25,570

# Statement of Significant Portfolio Changes (unaudited)

## Federated Market Opportunity Value Fund

### Purchases in 2010

Security Description	Nominal	Cost
United States Treasury Bond, 4.625%, 2/15/2040	225,000	\$226,749
AstraZeneca PLC	320	15,482
Central Fund of Canada Ltd.	1,100	15,194
SK Telecom Co. Ltd.	95	15,148
ENI SpA	600	15,067
Exelon Corp.	300	13,695
Royal Dutch Shell PLC, Class B	450	13,137
RWE AG	130	12,603
Pfizer, Inc.	700	12,584
ENSCO PLC, ADR	300	12,540
Goldcorp, Inc., Class A	300	11,768
Astellas Pharma, Inc.	300	11,384
Vivendi SA	420	10,598
Mitsubishi UFJ Financial Group, Inc.	2,000	10,320
AT&T, Inc.	400	10,161
Verizon Communications	300	9,359
TELUS Corp.	300	9,344
Bemis Co., Inc.	300	8,825
Noble Corp.	300	8,600
Sanofi-Aventis	100	7,481

## Federated Market Opportunity Value Fund

### Sales in 2010

Security Description	Nominal	Proceeds
United States Treasury Bond, 4.625%, 2/15/2040	225,000	\$247,263
Central Fund of Canada Ltd.	3,100	44,809
NTT DoCoMo, Inc.	18	27,126
ENSCO PLC, ADR	600	23,112
Takeda Pharmaceutical Co. Ltd.	500	21,575
Goldcorp, Inc., Class A	500	20,168
Kinross Gold Corp.	1,100	19,957
Rowan Cos., Inc.	700	19,672
Agnico Eagle Mines Ltd.	300	17,179
Genzyme Corp.	300	16,906
Barrick Gold Corp.	400	15,914
Unit Corp.	300	14,658
Gilead Sciences, Inc.	400	13,966
AstraZeneca PLC	320	13,419
Royal Dutch Shell PLC, Class B	450	13,120
SK Telecom Co. Ltd.	95	12,792
Cephalon, Inc.	200	12,742
Pharmaceutical Product Development, Inc.	500	12,645
Seven & I Holdings Co. Ltd.	500	12,612
Biogen Idec, Inc.	200	11,725

# Statement of Significant Portfolio Changes (unaudited)

## Federated Strategic Value Equity Fund

### Purchases in 2010

Security Description	Nominal	Cost
Southern Co.	200	\$6,797
New York Community Bancorp, Inc.	400	6,406
Cincinnati Financial Corp.	200	5,915
GlaxoSmithKline PLC	300	5,458
Abbott Laboratories	100	4,757
Consolidated Edison Co.	100	4,467
National Retail Properties, Inc.	200	4,235
Senior Housing Properties Trust	200	4,021
Merck & Co., Inc.	100	3,823
CenturyLink, Inc.	100	3,589
Nationwide Health Properties, Inc.	100	3,427
Duke Energy Corp.	200	3,327
Vodafone Group PLC	1,600	3,176
Royal Dutch Shell PLC, Class B	100	2,647
BCE, Inc.	100	2,612
Gallagher (Arthur J.) & Co.	100	2,367
Windstream Corp.	200	2,062
Total S.A.	30	1,734
Telefonica SA	55	1,301

## Federated Strategic Value Equity Fund

### Sales in 2010

Security Description	Nominal	Proceeds
BP PLC, ADR	230	\$10,709
Diageo PLC	420	7,001
Merck & Co., Inc.	180	6,710
France Telecom SA	258	5,087
AGL Resources, Inc.	130	4,987
Deutsche Telekom AG, Class REG	396	4,388
Realty Income Corp.	100	3,166

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## 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.

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## INFORMATION FOR INVESTORS IN 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 Funds.

## Addresses

Registered Office		Guild House Guild Street International Financial Services Centre Dublin 1, Ireland
Manager	Federated International Management 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
Officers		John W. McGonigle, Chairman C. Todd Gibson, Company Secretary Bradwell Limited, Assistant Company Secretary

# Federated

WORLD-CLASS INVESTMENT MANAGER<sup>®</sup>

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

Federated International Management Limited, Manager

G02582-02 (08/10)

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