

Federated Kaufmann Fund vs. Russell Mid Cap Growth Index (Benchmark)
9/30/2011 - 12/30/2011
Sector Summary

Sector	FKAUF			RUSSMGRO Index			Average Weight Diff	Net Contrib	Variance		
	Average Weight	Base Rtn (%)	Contrib.	Average Weight	Base Rtn (%)	Contrib.			Stock Select	Group Weight	Total
Consumer Discretionary	12.83	3.04	0.38	20.40	10.19	2.08	-7.57	-1.70	-0.96	0.07	-0.89
Consumer Staples	1.21	7.46	0.09	6.08	-0.23	-0.02	-4.88	0.10	0.09	0.62	0.71
Energy	1.68	9.64	0.37	9.88	22.84	2.04	-8.20	-1.68	-0.18	-0.78	-0.96
Financials	14.90	9.85	1.47	6.67	12.88	0.87	8.23	0.60	-0.51	0.15	-0.36
Health Care	19.58	11.24	2.21	13.27	6.25	0.89	6.31	1.32	1.00	-0.26	0.74
Industrials	19.17	13.92	2.57	14.67	17.13	2.43	4.50	0.14	-0.61	0.27	-0.34
Information Technology	22.23	5.71	0.97	18.64	8.51	1.59	3.59	-0.62	-0.60	-0.16	-0.76
Materials	5.80	2.59	0.17	8.53	15.34	1.26	-2.73	-1.10	-0.78	-0.10	-0.88
Telecomm Services	0.88	17.31	0.15	1.57	5.67	0.10	-0.70	0.05	0.09	0.05	0.15
Utilities	0.78	-1.53	-0.01	0.29	3.85	0.01	0.49	-0.03	-0.04	-0.04	-0.09
Other Assets	0.96	0.07	0.00	0.00	0.00	0.00	0.96	0.00	0.00	-0.22	-0.22
Total	100.00	8.34	8.34	100.00	11.25	11.25	0.00	-2.90	-2.49	-0.41	-2.90
Contribution Summary											
Equity Contribution			8.35			11.25					
Other Derivative Effects			0.02			0.00					
Portfolio Return			8.37			11.25		-2.88			

Source: Federated Investors, GICS Sector

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. For current to the most recent month-end performance, visit the product section of the web site.

[Click here for recent standard fund performance.](#)

Please see next page for more complete information on attribution data.

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9/30/2011 - 12/30/2011

Country Summary

Base Currency: Dollar

Country	FKAUF			RUSSMGRO Index			Average		Variance		
	Average Weight	Base Return (%)	Contrib	Average Weight	Base Return (%)	Contrib	Weight Diff	Net Contrib	Stock Selection	Group Weight	Total
United States	71.67	10.33	7.22	99.91	11.26	11.25	-28.24	-4.03	-0.64	0.00	-0.64
China	2.49	-5.92	-0.06	0.00	8.18	0.00	2.49	-0.06	-0.45	0.02	-0.43
India	2.65	-12.97	-0.39	0.00	-14.25	0.00	2.65	-0.39	0.01	-0.75	-0.74
Indonesia	0.37	1.26	0.01	0.00	5.81	0.00	0.37	0.01	-0.02	-0.02	-0.04
Belgium	0.01	32.11	0.03	0.00	3.37	0.00	0.01	0.03	0.03	0.00	0.02
Germany	0.89	13.14	0.11	0.00	3.94	0.00	0.89	0.11	0.08	-0.07	0.02
Israel	0.91	10.19	0.09	0.00	4.85	0.00	0.91	0.09	0.03	-0.04	-0.01
Italy	2.34	2.31	0.04	0.00	0.93	0.00	2.34	0.04	0.00	-0.22	-0.22
Luxembourg	1.61	10.99	0.20	0.00	0.00	0.00	1.61	0.20	0.17	-0.16	0.01
Spain	2.04	0.61	-0.05	0.00	-1.92	0.00	2.04	-0.05	0.05	-0.29	-0.24
Switzerland	0.21	6.78	0.01	0.00	4.21	0.00	0.21	0.01	0.01	-0.03	-0.02
United Kingdom	0.35	9.68	0.00	0.00	9.20	0.00	0.35	0.00	-0.04	-0.01	-0.04
Brazil	9.16	11.42	1.04	0.00	8.97	0.00	9.16	1.04	0.27	-0.20	0.07
Cayman Islands	0.71	-15.10	-0.13	0.00	0.00	0.00	0.71	-0.13	-0.15	-0.07	-0.22
Chile	1.29	12.87	0.15	0.00	8.15	0.00	1.29	0.15	0.05	-0.03	0.02
Colombia	0.60	10.69	0.06	0.00	2.26	0.00	0.60	0.06	0.05	-0.05	0.00
Mexico	0.24	4.17	0.01	0.00	9.44	0.00	0.24	0.01	-0.01	-0.01	-0.02
Panama	0.00	0.00	0.00	0.09	-4.24	0.00	-0.09	0.00	0.00	0.01	0.01
Canada	0.30	-5.42	0.07	0.00	5.12	0.00	0.30	0.07	0.03	-0.03	-0.01
Hong Kong	0.47	-0.16	-0.01	0.00	6.36	0.00	0.47	-0.01	-0.04	-0.02	-0.06
Singapore	0.45	-1.46	0.00	0.00	-1.02	0.00	0.45	0.00	0.00	-0.06	-0.06
Russia	0.30	-8.61	-0.05	0.00	6.32	0.00	0.30	-0.05	-0.06	-0.02	-0.08
Other Assets	0.96	0.07	0.00	0.00	0.00	0.00	0.96	0.00	0.00	-0.22	-0.22
Total	100.00	8.34	8.34	100.00	11.25	11.25	0.00	-2.90	-0.62	-2.28	-2.90
Contribution Summary											
			8.35			11.25					
			0.02			0.00					
			8.37			11.25					

Source: Federated Investors, GICS Sector

Federated Kaufmann Fund vs. Russell Mid Cap Growth Index (Benchmark)
9/30/2011 - 12/30/2011
Top & Bottom 15

Company	Ticker	FKAUF				Average Weight	Base Return (%)	Contrib	Stock Select
		Shares	Price	Market Val(000)					
Top 15									
Cetip Sa-Balcao Organiz	CTIP3	21,558,424	12.66	272,928.219	5.59	14.65	0.82	0.09	
Google Inc	GOOG	198,500	514.38	102,104.430	2.78	25.57	0.59	0.46	
Express Scripts Inc	ESRX	2,800,000	37.07	103,796.000	2.25	20.56	0.41	0.28	
Owens Corning New	OC	2,775,000	21.68	60,162.000	1.37	32.47	0.39	0.18	
Cubist Pharmaceutica	CBST	4,250,000	35.32	150,110.000	2.96	12.17	0.36	0.18	
Salix Pharmaceutical	SLXP	98,002	29.60	2,900.859	0.67	61.66	0.35	0.31	
Fedex Corp	FDX	1,100,000	67.68	74,448.000	1.62	23.58	0.35	0.09	
Progenics Pharmaceut	PGNX	5,246,193	5.74	30,113.146	0.65	48.78	0.30	0.25	
Kansas City Southn	KSU	780,000	49.96	38,968.801	1.13	36.13	0.28	0.09	
Vical Inc	VICL	7,048,500	2.48	17,480.279	0.44	77.82	0.27	0.25	
Alkermes Plc	ALKS	5,818,897	15.26	88,796.367	1.72	13.76	0.25	0.14	
Restoque Com E Conf De	LLIS3	3,698,035	11.23	41,537.527	0.97	30.30	0.25	0.18	
Insulet Corp	PODD	3,391,147	15.26	51,748.895	0.97	23.39	0.22	0.14	
Clarcor Inc	CLC	1,250,000	41.38	51,725.000	1.09	21.14	0.22	0.04	
Blackrock Inc	BLK	405,829	148.01	60,066.750	0.99	21.41	0.21	0.08	
Bottom 15									
Rpx Corp	RPXC	485,000	20.71	10,044.350	0.15	-38.92	-0.08	-0.11	
Biocon	532523	2,516,000	6.89	17,341.006	0.27	-25.18	-0.09	-0.10	
Yoox Spa		1,860,897	13.02	24,231.113	0.47	-16.85	-0.09	-0.14	
Max India	500271	4,704,116	3.86	18,144.104	0.29	-28.65	-0.10	-0.16	
Watson Pharmaceutica	WPI	712,300	68.25	48,614.477	0.86	-11.59	-0.11	-0.09	
Avago Technologies Ltd	AVGO	1,575,000	32.77	51,612.750	0.93	-11.56	-0.12	-0.13	
Lps Brasil-Consult	LPSB3	2,306,422	16.24	37,461.883	0.72	-14.18	-0.12	-0.22	
Housing Development Fin	500010	6,000,000	13.09	78,517.609	1.54	-6.17	-0.13	-0.33	
Mongolian Mining Corp	975	46,781,388	0.89	41,704.980	0.71	-15.65	-0.13	-0.25	
Seattle Genetics Inc	SGEN	3,075,000	19.06	58,609.500	1.04	-12.30	-0.14	-0.20	
First Solar Inc	FSLR		63.21		0.28	-26.78	-0.15	0.01	
Dexcom Inc	DXCM	3,843,689	12.00	46,124.270	0.64	-22.42	-0.20	-0.25	
Huabao International Ho	336	34,631,056	0.82	28,515.375	0.33	-37.92	-0.22	-0.29	
Abercrombie & Fitch	ANF	420,000	61.56	25,855.201	0.84	-20.35	-0.26	-0.22	
Shutterfly Inc	SFLY	565,288	41.18	23,278.561	0.50	-44.73	-0.34	-0.38	
Federated Kaufmann Fund - Grand Total :				5,116,273.000	100.00	8.49	8.49		
Russell Mid Cap Growth Index - Grand Total :					100.00	11.25	11.25		
Equity Contribution							8.49		
Other Derivative Effects							0.00		
Portfolio Return							8.49		
Top 15 Securities by Contribution are shown.Bottom 15 Securities by Contribution are shown.									

Source: Federated Investors, GICS Sector

Federated Kaufmann Fund vs. Russell Mid Cap Growth Index (Benchmark)
Contributors & Top 5 Relative Exposures
9/30/2011 - 12/30/2011

Sector									
	<u>Portfolio</u>		<u>Benchmark</u>		<u>Avg. Wgt. Difference</u>	<u>Contribution</u>			<u>Variance</u>
	<u>Avg. Wgt.</u>	<u>Base Rtn(%)</u>	<u>Avg. Wgt.</u>	<u>Base Rtn(%)</u>		<u>Stock Sel.</u>	<u>Sector Wgt.</u>		
Top 5 Contributors									
1 Health Care	19.58	11.24	13.27	6.25	6.31	1.00	-0.26		0.74
2 Consumer Staples	1.21	7.46	6.08	-0.23	-4.88	0.09	0.62		0.71
3 Telecom Services	0.88	17.31	1.57	5.67	-0.70	0.09	0.05		0.15
4 Utilities	0.78	-1.53	0.29	3.85	0.49	-0.04	-0.04		-0.09
5 Cash	0.96	0.07	0.00	0.00	0.96	0.00	-0.22		-0.22
Bottom 5 Contributors									
1 Energy	1.68	9.64	9.88	22.84	-8.20	-0.18	-0.78		-0.96
2 Consumer Discretionary	12.83	3.04	20.40	10.19	-7.57	-0.96	0.07		-0.89
3 Materials	5.80	2.59	8.53	15.34	-2.73	-0.78	-0.10		-0.88
4 Information Technology	22.23	5.71	18.64	8.51	3.59	-0.60	-0.16		-0.76
5 Financials	14.90	9.85	6.67	12.88	8.23	-0.51	0.15		-0.36
Top 5 Relative Exposures									
	<u>Portfolio End. Wgt.</u>	<u>Benchmark End. Wgt.</u>	<u>End. Wgt. Difference</u>						
1 Financials	15.87	6.89	8.98						
2 Energy	1.21	9.78	-8.57						
3 Consumer Discretionary	12.09	20.24	-8.15						
4 Health Care	20.84	13.41	7.42						
5 Information Technology	22.89	18.10	4.78						

Industry Group									
	<u>Portfolio</u>		<u>Benchmark</u>		<u>Avg. Wgt. Difference</u>	<u>Contribution</u>			<u>Variance</u>
	<u>Avg. Wgt.</u>	<u>Base Rtn(%)</u>	<u>Avg. Wgt.</u>	<u>Base Rtn(%)</u>		<u>Stock Sel.</u>	<u>Industry Wgt.</u>		
Top 5 Contributors									
1 Pharmaceuticals & Biotech	13.53	12.76	6.20	3.62	7.34	1.24	-0.51		0.73
2 Food Beverage & Tobacco	0.61	3.82	4.50	-0.05	-3.89	0.03	0.48		0.51
3 Diversified Financials	8.29	15.75	3.22	11.39	5.07	0.27	0.04		0.31
4 Transportation	5.62	15.39	2.75	8.77	2.88	0.36	-0.07		0.29
5 Consumer Durables & Appl	5.98	11.93	2.74	3.66	3.24	0.55	-0.31		0.24
Bottom 5 Contributors									
1 Energy	1.68	9.64	9.88	22.84	-8.20	-0.18	-0.78		-0.96
2 Materials	5.80	2.59	8.53	15.34	-2.73	-0.78	-0.10		-0.88
3 Capital Goods	10.73	12.75	9.96	21.29	0.77	-0.86	0.10		-0.77
4 Retailing	3.26	-14.17	8.12	8.61	-4.86	-0.88	0.14		-0.75
5 Real Estate	2.28	-2.81	3.26	14.33	-0.99	-0.37	-0.05		-0.42
Top 5 Relative Exposures									
	<u>Portfolio End. Wgt.</u>	<u>Benchmark End. Wgt.</u>	<u>End. Wgt. Difference</u>						
1 Energy	1.21	9.78	-8.57						
2 Pharmaceuticals & Biotech	14.30	6.21	8.09						
3 Diversified Financials	8.80	3.27	5.53						
4 Retailing	2.72	8.09	-5.37						
5 Tech Hardware & Equipment	7.53	2.83	4.70						

Security								
	<u>Sector</u>	<u>Portfolio</u>		<u>Benchmark</u>		<u>Avg. Wgt. Difference</u>	<u>Rel. Ind. Stock Sel.</u>	<u>Net Contrib.</u>
		<u>Avg. Wgt.</u>	<u>Base Rtn(%)</u>	<u>Avg. Wgt.</u>	<u>Base Rtn(%)</u>			
Top 5 Contributors								
1 Cetip Sa-Balcao Organiz	FINA	5.53	14.65			5.53	0.18	0.81
2 Google Inc	INFT	2.75	25.57			2.75	0.47	0.58
3 Express Scripts Inc	HLTH	2.23	20.56			2.23	0.23	0.41
4 Owens Corning New	INDU	1.35	32.47			1.35	0.13	0.38
5 Cubist Pharmaceutica	HLTH	2.92	12.17			2.92	0.25	0.35
Bottom 5 Contributors								
1 El Paso Corp	ENER			0.94	52.06	-0.94	-0.21	-0.39
2 Shutterfly Inc	DSCR	0.50	-44.73			0.50	-0.37	-0.33
3 Intuitive Surgical I	HLTH			0.90	27.10	-0.90	-0.15	-0.23
4 Huabao International Ho	MATS	0.33	-37.92			0.33	-0.29	-0.22
5 Fmc Technologies Inc	ENER			0.61	38.91	-0.61	-0.09	-0.21
Top 5 Relative Exposures								
	<u>Sector</u>	<u>Portfolio End. Wgt.</u>	<u>Benchmark End. Wgt.</u>	<u>End. Wgt. Difference</u>				
1 Cetip Sa-Balcao Organiz	FINA	6.13		6.13				
2 Google Inc	INFT	3.15		3.15				
3 Cubist Pharmaceutica	HLTH	3.13		3.13				
4 Apple Inc	INFT	2.88		2.88				
5 Express Scripts Inc	HLTH	2.33		2.33				

Source: Federated Investors, GICS Sector

Attribution Disclosure:

Performance attribution is an analytical process used to understand the factors contributing to a portfolio's relative performance. For equity portfolios, it dissects a portfolio's relative performance into sector weighting and security decisions. For fixed income portfolios, performance attribution provides insight into how much of the relative over- and under-performance is due to Federated's decisions tools: duration management, yield curve analysis, sector allocation, and security selection decisions. For global portfolios, country and currency dimensions are added.

Adjustment: unexplainable accounting differences.

Average Weight Difference: the difference between the average weight of the fund and benchmark.

Average Weight: the average weight of each group in the portfolio.

Base Return: the weighted average holding period return for the securities (or benchmark) in each group. This weighted average is calculated for each link period using beginning weights and then the resulting values are linked together to calculate the displayed value.

Benchmark Impact: the difference between the official benchmark and daily rebalanced benchmark.

Contribution: contribution to total return.

Futures: futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a Reference Instrument at a specified price, date and time.

Group Weighting Variance: indicates the result of weighting decisions in each group vs. the benchmark.

Management Summary: decisions are based on the close management of following decision tools:

Duration Management: the measure of a security's particular sensitivity to interest rate changes.

Sector Allocation: based on an evaluation of security categories the team believes can deliver the most reward for the amount of risk taken.

Yield Curve Analysis: a key determinant in how the fixed income team structures its portfolios is based on how they believe the interest rate yield curve may reshape.

Currency Management: the team seeks to exploit inefficiencies in currency values, interest rates and market trends to maximize performance in our bond portfolios.

Security Selection: decisions are made only after an intensive, fundamentally focused review of every potential holding.

Interest Rate Effect: analysis of various key rate duration marks ranging from 6 months to 30 years.

Industry: based on an evaluation of security categories the team believes can deliver the most reward for the amount of risk taken.

Credit Quality: based on an evaluation of a security's credit quality rating relative to an index.

Other Variance: can include measuring a security's term spread, pre-payment, volatility, mortgage type and convexity.

System Variance & Trading Costs: allows for differences in return provided from Wilshire system and our firm's official return. The Wilshire system alone is unable to capture intra-day trading. Comparing Wilshire data and our internal data provides takes into system variances in return and daily trading costs into consideration relative to an index.

Yield: based on accrual of a security's coupon relative to that of an index.

Management Effect: the amount (in basis points) of over- or under-performance relative to the index.

Net Contribution: the difference between the contribution of the fund and benchmark.

Options: also called option contracts, are rights to buy or sell a reference instrument for a specified price (the exercise price) during, or at the end of, a specified period. The seller (or writer) of the option receives a payment, or premium, from the buyer, which the writer keeps regardless of whether the buyer uses (or exercises) the option.

Rel. Ind. Stock Sel.: is the stock selection relative to the industry group. (Weight of Security in Fund - Weight of Security in Benchmark) (Return of Security in Fund - Return of Industry Group in Benchmark)

Stock Selection Variance: result of each selection decision by comparing the return for the security with the group to which the security belongs.

Total Reported Management Return: total amount (in basis points) of over- or under-performance relative to the index based on the selected calls for each decision tool.

Total Variance: is the sum of group weighting and stock selection variance. This represents the amount of total variance that is explained by the selection and allocation decisions for each group. The sum of total variance is the difference between the portfolio return and the benchmark return.

General Disclosure:

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus or summary prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the prospectus or summary prospectus before investing.

Past performance is no guarantee of future results.

The holdings percentages are based on net assets at the close of business on the date shown above and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Risk Disclosure:

Mutual funds are subject to risks and fluctuate in value.

Diversification does not assure a profit nor protect against loss.

Federated Market Opportunity Fund may make short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested.

Federated Prudent Bear Fund regularly makes short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested. The fund may also use options and future contracts, which have risks associated with unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. However, a mutual fund investor's risk is limited to one's amount of investment in a mutual fund. The fund may also hold restricted securities purchased through private placements. Such securities may be difficult to sell without experiencing delays or additional costs. Please see the prospectus for further details. Considering the increased risks, the fund may not be suitable for all investors.

Federated Prudent DollarBear Fund is a non-diversified investment company. As such it will likely invest in fewer securities or securities issued by fewer foreign governments than diversified investment companies and its performance may be more volatile. If the securities in which the Federated Prudent DollarBear Fund invests perform poorly, the Federated Prudent DollarBear Fund could incur greater losses than it would have had it invested in a greater number of securities.

Funds that have the ability to make short sales of securities involve unlimited risk including the possibility that losses may exceed the original amount invested.

Funds whose investments are concentrated in a specific industry, sector or geographic area may be subject to a higher degree of market risk than funds whose investments are diversified.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

High yield, lower-rated securities generally entail greater market, credit, and liquidity risks than investment grade securities.

International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards. Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

Investment in gold and precious metals, put options and commodities are subject to additional risks.

Investments in real estate investment trusts ("REITs") involve special risks associated with an investment in real estate, such as limited liquidity and interest rate risks.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend paying stocks.

Mid-capitalization companies often have narrower markets and limited managerial and financial resources compared to larger, more established companies.

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks.

Ultrashort products are not "money market" funds. A money market mutual fund attempts to maintain a stable net asset value through compliance with relevant SEC rules. The fund is not governed by those rules, and its shares will fluctuate in value.

Use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance, particularly in late stages of a market advance.

Index Definitions:

[Click here to view index definitions.](#)

Not FDIC Insured

May Lose Value

No Bank Guarantee

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