

# FEDERATED BOND FUND

# Federated

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

## PORTFOLIO AS OF DECEMBER 30, 2011 CURRENT NET ASSETS -- \$ 1,318,484,689

Principal Amount or Shares		Value
	<b>CORPORATE BONDS - 63.7%</b>	
	<b>Basic Industry - Chemicals - 1.6%</b>	
\$3,760,000	Albemarle Corp., Sr. Note, 5.10%, 2/1/2015	\$4,069,548
1,970,000	Dow Chemical Co., Note, 8.55%, 5/15/2019	2,569,571
1,275,000	Ecolab, Inc., Sr. Unsecd. Note, 4.35%, 12/8/2021	1,377,952
1,920,000	FMC Corp., Sr. Unsecd. Note, 3.95%, 2/1/2022	1,952,806
1,600,000	(1)(2)Incitec Pivot Finance LLC, Company Guarantee, Series 144A, 4.00%, 12/7/2015	1,646,724
2,220,000	(1)(2)Incitec Pivot Finance LLC, Company Guarantee, Series 144A, 6.00%, 12/10/2019	2,438,084
200,000	Nova Chemicals Corp., Sr. Unsecd. Note, 7.875%, 9/15/2025	200,000
2,365,000	RPM International, Inc., 6.50%, 2/15/2018	2,675,489
2,385,000	RPM International, Inc., Sr. Unsecd. Note, 6.125%, 10/15/2019	2,595,553
1,525,000	Rohm & Haas Co., 6.00%, 9/15/2017	1,739,376
	<b>TOTAL</b>	<b>21,265,103</b>
	<b>Basic Industry - Metals &amp; Mining - 2.8%</b>	
2,500,000	Alcoa, Inc., Note, 5.55%, 2/1/2017	2,669,445
70,000	Alcoa, Inc., Sr. Unsecd. Note, 5.40%, 4/15/2021	70,232
1,860,000	Allegheny Technologies, Inc., Sr. Note, 9.375%, 6/1/2019	2,378,036
800,000	(1)(2)Anglo American Capital PLC, Company Guarantee, Series 144A, 4.45%, 9/27/2020	806,598
850,000	Anglogold Ashanti Holdings PLC, Sr. Note, 6.50%, 4/15/2040	828,240
1,370,000	ArcelorMittal, 6.125%, 6/1/2018	1,354,374
4,000,000	ArcelorMittal, Sr. Unsecd. Note, 5.25%, 8/5/2020	3,637,124
750,000	ArcelorMittal, Sr. Unsecd. Note, 6.75%, 3/1/2041	675,385
2,960,000	Carpenter Technology Corp., Sr. Unsecd. Note, 5.20%, 7/15/2021	2,897,747
3,325,000	(1)(2)Codelco, Inc., Bond, Series 144A, 5.625%, 9/21/2035	3,844,735
500,000	Freeport-McMoran Copper & Gold, Inc., Sr. Unsecd. Note, 8.375%, 4/1/2017	529,375
3,100,000	(1)(2)Gerdau S.A., Company Guarantee, Series 144A, 5.75%, 1/30/2021	3,092,250
2,010,000	(1)(2)Gold Fields Orogen Holding BVI Ltd., Company Guarantee, Series 144A, 4.875%, 10/7/2020	1,777,158
2,400,000	(1)(2)Hyundai Steel Co., Sr. Unsecd. Note, Series 144A, 4.625%, 4/21/2016	2,395,008
1,350,000	Newmont Mining Corp., Company Guarantee, 5.875%, 4/1/2035	1,533,211
515,000	Rio Tinto Finance USA Ltd., Company Guarantee, 6.50%, 7/15/2018	621,314
1,080,000	Southern Copper Corp., Note, 6.75%, 4/16/2040	1,089,704
4,020,000	Worthington Industries, Inc., Sr. Unsecd. Note, 6.50%, 4/15/2020	4,619,255
2,500,000	Xstrata Canada Corp., 6.00%, 10/15/2015	2,739,028
	<b>TOTAL</b>	<b>37,558,219</b>
	<b>Basic Industry - Paper - 1.0%</b>	
1,700,000	International Paper Co., Bond, 7.30%, 11/15/2039	2,057,557
1,175,000	International Paper Co., Sr. Unsecd. Note, 7.50%, 8/15/2021	1,454,205
1,430,000	Plum Creek Timberlands LP, Sr. Unsecd. Note, 4.70%, 3/15/2021	1,442,919
2,850,000	(3)(4)Pope & Talbot, Inc., 8.375%, 6/1/2013	0
3,500,000	Westvaco Corp., 7.65%, 3/15/2027	3,913,750

Principal Amount or Shares		Value
3,750,000	Weyerhaeuser Co., Deb., 7.375%, 3/15/2032	3,941,160
	<b>TOTAL</b>	<b>12,809,591</b>
	<b>Capital Goods - Aerospace &amp; Defense - 0.4%</b>	
3,650,000	(1)(2)BAE Systems Holdings, Inc., Series 144A, 5.20%, 8/15/2015	3,940,352
1,000,000	Rockwell Collins, Inc., Sr. Unsecd. Note, 3.10%, 11/15/2021	1,018,195
	<b>TOTAL</b>	<b>4,958,547</b>
	<b>Capital Goods - Building Materials - 0.8%</b>	
5,500,000	Masco Corp., Note, 5.875%, 7/15/2012	5,582,588
4,460,000	Valmont Industries, Inc., Sr. Unsecd. Note, 6.625%, 4/20/2020	5,168,899
	<b>TOTAL</b>	<b>10,751,487</b>
	<b>Capital Goods - Construction Machinery - 0.2%</b>	
3,030,000	(1)(2)AGCO Corp., Sr. Unsecd. Note, Series 144A, 5.875%, 12/1/2021	3,068,405
	<b>Capital Goods - Diversified Manufacturing - 1.8%</b>	
1,000,000	Avery Dennison Corp., Sr. Unsecd. Note, 5.375%, 4/15/2020	1,029,715
2,020,000	Harsco Corp., 5.75%, 5/15/2018	2,334,003
2,600,000	Hubbell, Inc., 5.95%, 6/1/2018	3,093,230
768,000	(1)(2)Hutchison Whampoa International Ltd., Series 144A, 6.50%, 2/13/2013	803,885
1,000,000	(1)(2)Hutchison Whampoa International Ltd., Series 144A, 7.625%, 4/9/2019	1,221,900
1,810,000	Ingersoll-Rand Global Holding Co. Ltd., 6.875%, 8/15/2018	2,204,046
3,970,000	Pentair, Inc., Company Guarantee, 5.00%, 5/15/2021	4,196,897
1,210,000	Roper Industries, Inc., 6.625%, 8/15/2013	1,296,642
660,000	Roper Industries, Inc., Sr. Unsecd. Note, 6.25%, 9/1/2019	780,824
2,160,000	Textron Financial Corp., 5.40%, 4/28/2013	2,223,001
3,230,000	(1)(2)Textron Financial Corp., Jr. Sub. Note, Series 144A, 6.00%, 2/15/2067	2,374,050
2,290,000	Tyco Electronics Group SA, 5.95%, 1/15/2014	2,495,792
	<b>TOTAL</b>	<b>24,053,985</b>
	<b>Capital Goods - Environmental - 0.0%</b>	
500,000	Republic Services, Inc., Note, 6.086%, 3/15/2035	598,612
	<b>Capital Goods - Packaging - 0.1%</b>	
910,000	Sonoco Products Co., Sr. Unsecd. Note, 5.75%, 11/1/2040	975,496
	<b>Communications - Media &amp; Cable - 1.3%</b>	
900,000	Comcast Corp., 7.05%, 3/15/2033	1,140,574
1,480,000	Comcast Corp., Company Guarantee, 6.50%, 1/15/2017	1,745,010
300,000	Comcast Corp., Sr. Sub. Deb., 10.625%, 7/15/2012	313,821
5,010,000	Cox Communications, Inc., Unsecd. Note, 5.45%, 12/15/2014	5,575,457
3,080,000	DIRECTV Holdings LLC, Company Guarantee, 6.375%, 3/1/2041	3,556,708
1,810,000	Time Warner Cable, Inc., Company Guarantee, 5.50%, 9/1/2041	1,907,963
1,000,000	Time Warner Cable, Inc., Company Guarantee, 6.75%, 6/15/2039	1,191,561
1,090,000	Time Warner Cable, Inc., Company Guarantee, 8.75%, 2/14/2019	1,399,508
	<b>TOTAL</b>	<b>16,830,602</b>
	<b>Communications - Media Noncable - 1.4%</b>	
1,900,000	Discovery Communications LLC, Company Guarantee, 5.05%, 6/1/2020	2,107,371
6,880,000	Grupo Televisa S.A., 6.625%, 3/18/2025	8,018,271
1,000,000	Interpublic Group of Cos., Inc., Sr. Unsecd. Note, 10.00%, 7/15/2017	1,147,500
1,620,000	Moody's Corp., Sr. Unsecd. Note, 5.50%, 9/1/2020	1,701,236
2,000,000	News America Holdings, Inc., Sr. Deb., 6.75%, 1/9/2038	2,352,516
3,000,000	(1)(2)Pearson Funding Two PLC, Sr. Unsecd. Note, Series 144A, 4.00%, 5/17/2016	3,187,212
	<b>TOTAL</b>	<b>18,514,106</b>
	<b>Communications - Telecom Wireless - 1.5%</b>	
5,840,000	AT&T Wireless Services, Inc., 8.75%, 3/1/2031	8,609,852
1,025,000	America Movil S.A.B. de C.V., Note, 5.75%, 1/15/2015	1,136,930
950,000	American Tower Corp., Sr. Unsecd. Note, 4.50%, 1/15/2018	967,414
6,400,000	(1)(2)Crown Castle Towers LLC, Sr. Secd. Note, Series 144A, 5.495%, 1/15/2017	6,996,806
2,030,000	(1)(2)SBA Tower Trust, Series 144A, 5.101%, 4/15/2017	2,113,738
	<b>TOTAL</b>	<b>19,824,740</b>
	<b>Communications - Telecom Wirelines - 2.0%</b>	
1,870,000	AT&T, Inc., Sr. Unsecd. Note, 5.10%, 9/15/2014	2,064,749
3,810,000	BellSouth Corp., 5.20%, 9/15/2014	4,214,716
4,500,000	CenturyLink, Inc., Sr. Unsecd. Note, 6.45%, 6/15/2021	4,514,607
2,620,000	Citizens Communications Co., 9.00%, 8/15/2031	2,403,850
4,940,000	(1)(2)KT Corp., Note, Series 144A, 5.875%, 6/24/2014	5,326,051

Principal Amount or Shares		Value
2,140,000	Rogers Communications, Inc., 5.50%, 3/15/2014	2,308,525
2,700,000	Telefonica Emisiones Sau, Company Guarantee, 5.462%, 2/16/2021	2,585,783
3,030,000	Telefonica SA, Sr. Note, 5.855%, 2/4/2013	3,070,328
	<b>TOTAL</b>	<b>26,488,609</b>
	<b>Consumer Cyclical - Automotive - 1.1%</b>	
790,000	(1)(2)American Honda Finance Corp., Series MTN, 4.625%, 4/2/2013	820,898
2,000,000	(1)(2)Daimler Finance NA LLC, Sr. Unsecd. Note, Series 144A, 2.625%, 9/15/2016	2,000,933
2,100,000	(3)(4)General Motors Corp., Note, Series MTN, 9.45%, 11/1/2049	31,500
1,340,000	(1)(2)Harley-Davidson Financial Services, Inc., Company Guarantee, Series 144A, 3.875%, 3/15/2016	1,388,001
2,710,000	(1)(2)Hyundai Capital Services, Inc., Note, Series 144A, 6.00%, 5/5/2015	2,889,594
430,000	(1)(2)Hyundai Capital Services, Inc., Sr. Unsecd. Note, Series 144A, 4.375%, 7/27/2016	436,444
300,000	Johnson Controls, Inc., Sr. Unsecd. Note, 5.00%, 3/30/2020	336,799
5,200,000	(1)(2)Nissan Motor Acceptance Corp., Note, Series 144A, 4.50%, 1/30/2015	5,410,525
1,370,000	(1)(2)RCI Banque SA, Sr. Unsecd. Note, Series 144A, 4.60%, 4/12/2016	1,309,738
	<b>TOTAL</b>	<b>14,624,432</b>
	<b>Consumer Cyclical - Entertainment - 1.5%</b>	
2,800,000	(1)Football Trust V, Pass Thru Cert., Series 144A, 5.35%, 10/5/2020	3,128,180
1,230,000	NBC Universal, Inc., Sr. Unsecd. Note, 5.15%, 4/30/2020	1,378,425
1,250,000	NBC Universal, Inc., Sr. Unsecd. Note, 5.95%, 4/1/2041	1,493,278
1,250,000	NBC Universal, Inc., Sr. Unsecd. Note, 6.40%, 4/30/2040	1,547,471
1,700,000	Time Warner, Inc., Company Guarantee, 6.20%, 3/15/2040	2,037,161
4,280,000	Time Warner, Inc., Company Guarantee, 6.25%, 3/29/2041	5,175,679
200,000	Time Warner, Inc., Deb., 8.375%, 3/15/2023	261,041
1,420,000	Viacom, Inc., Sr. Unsecd. Note, 2.50%, 12/15/2016	1,428,794
675,000	Viacom, Inc., Sr. Unsecd. Note, 3.50%, 4/1/2017	702,239
1,900,000	Walt Disney Co., Sr. Unsecd. Note, Series MTN, 3.75%, 6/1/2021	2,083,730
	<b>TOTAL</b>	<b>19,235,998</b>
	<b>Consumer Cyclical - Lodging - 0.4%</b>	
2,900,000	Choice Hotels International, Inc., Company Guarantee, 5.70%, 8/28/2020	3,023,556
740,000	Wyndham Worldwide Corp., Sr. Unsecd. Note, 5.625%, 3/1/2021	765,189
1,530,000	Wyndham Worldwide Corp., Sr. Unsecd. Note, 6.00%, 12/1/2016	1,652,062
	<b>TOTAL</b>	<b>5,440,807</b>
	<b>Consumer Cyclical - Retailers - 1.1%</b>	
2,240,000	Best Buy Co., Inc., Sr. Unsecd. Note, 6.75%, 7/15/2013	2,376,212
1,590,166	(1)(2)CVS Caremark Corp., Pass Thru Cert., Series 144A, 5.298%, 1/11/2027	1,631,906
600,000	Foot Locker, Inc., Sr. Unsecd. Note, 8.50%, 1/15/2022	624,000
2,070,000	Home Depot, Inc., Sr. Unsecd. Note, 5.95%, 4/1/2041	2,697,834
900,000	JC Penney Corp., Inc., Sr. Unsecd. Note, 5.75%, 2/15/2018	909,000
1,120,000	JC Penney Corp., Inc., Sr. Unsecd. Note, 7.40%, 4/1/2037	1,047,200
1,150,000	O'Reilly Automotive, Inc., Company Guarantee, 4.875%, 1/14/2021	1,225,396
3,055,000	Wal-Mart Stores, Inc., Sr. Unsecd. Note, 5.625%, 4/15/2041	3,938,349
	<b>TOTAL</b>	<b>14,449,897</b>
	<b>Consumer Cyclical - Services - 1.0%</b>	
7,475,000	Boston University, Series MTNA, 7.625%, 7/15/2097	9,605,375
1,040,000	eBay, Inc., Sr. Unsecd. Note, 3.25%, 10/15/2020	1,044,959
1,090,000	Expedia, Inc., Company Guarantee, 5.95%, 8/15/2020	1,100,660
1,000,000	University of Southern California, Sr. Unsecd. Note, 5.25%, 10/1/2111	1,252,765
	<b>TOTAL</b>	<b>13,003,759</b>
	<b>Consumer Non-Cyclical - Food/Beverage - 0.6%</b>	
3,180,000	(1)(2)Bacardi Ltd., Sr. Note, Series 144A, 7.45%, 4/1/2014	3,583,693
500,000	Bunge Ltd., Sr. Note, 8.50%, 6/15/2019	609,316
1,130,000	Kraft Foods, Inc., Sr. Unsecd. Note, 6.50%, 2/9/2040	1,472,651
1,070,000	(1)(2)Pernod-Ricard SA, Sr. Unsecd. Note, Series 144A, 5.75%, 4/7/2021	1,208,937
1,120,000	Ralcorp Holdings, Inc., Sr. Secd. Note, 6.625%, 8/15/2039	1,155,018
	<b>TOTAL</b>	<b>8,029,615</b>
	<b>Consumer Non-Cyclical - Health Care - 0.6%</b>	
1,750,000	Boston Scientific Corp., 4.50%, 1/15/2015	1,838,035
1,550,000	Boston Scientific Corp., 6.00%, 1/15/2020	1,732,559
2,560,000	Life Technologies Corp., Sr. Note, 6.00%, 3/1/2020	2,866,798
500,000	Quest Diagnostics, Inc., Sr. Unsecd. Note, 4.75%, 1/30/2020	535,085

Principal Amount or Shares		Value
500,000	Quest Diagnostics, Inc., Sr. Unsecd. Note, 5.75%, 1/30/2040	542,548
540,000	Zimmer Holdings, Inc., Sr. Note, 5.75%, 11/30/2039	632,755
	<b>TOTAL</b>	<b>8,147,780</b>
	<b>Consumer Non-Cyclical - Pharmaceuticals - 0.5%</b>	
2,760,000	Bio-Rad Laboratories, Inc., Sr. Unsecd. Note, 4.875%, 12/15/2020	2,896,275
800,000	Dentsply International, Inc., Sr. Unsecd. Note, 2.75%, 8/15/2016	808,177
2,950,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 4.50%, 4/1/2021	3,118,672
	<b>TOTAL</b>	<b>6,823,124</b>
	<b>Consumer Non-Cyclical - Products - 0.6%</b>	
900,000	Clorox Co., Sr. Unsecd. Note, 3.55%, 11/1/2015	947,442
1,420,000	Hasbro, Inc., Sr. Unsecd. Note, 6.35%, 3/15/2040	1,550,653
1,960,000	Philips Electronics NV, 5.75%, 3/11/2018	2,248,723
2,950,000	Whirlpool Corp., Series MTN, 5.50%, 3/1/2013	3,066,932
	<b>TOTAL</b>	<b>7,813,750</b>
	<b>Consumer Non-Cyclical - Supermarkets - 0.1%</b>	
960,000	Kroger Co., Bond, 6.90%, 4/15/2038	1,225,885
300,000	Safeway Inc., Sr. Unsecd. Note, 7.45%, 9/15/2027	365,866
	<b>TOTAL</b>	<b>1,591,751</b>
	<b>Consumer Non-Cyclical - Tobacco - 0.2%</b>	
740,000	Altria Group, Inc., 9.25%, 8/6/2019	995,703
950,000	Lorillard Tobacco Co., Sr. Unsecd. Note, 7.00%, 8/4/2041	1,000,092
	<b>TOTAL</b>	<b>1,995,795</b>
	<b>Energy - Independent - 2.0%</b>	
460,000	Canadian Natural Resources Ltd., 4.90%, 12/1/2014	506,161
5,890,000	Canadian Natural Resources Ltd., 5.85%, 2/1/2035	7,030,766
495,000	Pemex Project Funding Master, 5.75%, 12/15/2015	548,955
1,000,000	(1)(2)Petroleos Mexicanos, Company Guarantee, Series 144A, 6.50%, 6/2/2041	1,135,465
6,000,000	Petroleos Mexicanos, Company Guarantee, Series WI, 4.875%, 3/15/2015	6,371,154
7,180,000	Petroleos Mexicanos, Company Guarantee, Series WI, 5.50%, 1/21/2021	7,798,245
600,000	Talisman Energy, Inc., Sr. Unsecd. Note, 3.75%, 2/1/2021	591,907
440,000	XTO Energy, Inc., 6.375%, 6/15/2038	659,846
775,000	XTO Energy, Inc., 6.75%, 8/1/2037	1,190,957
	<b>TOTAL</b>	<b>25,833,456</b>
	<b>Energy - Integrated - 1.6%</b>	
1,740,000	BP Capital Markets America, Inc., Company Guarantee, 4.20%, 6/15/2018	1,881,403
1,200,000	BP Capital Markets PLC, Company Guarantee, 3.125%, 10/1/2015	1,257,178
3,270,000	BP Capital Markets PLC, Company Guarantee, 4.742%, 3/11/2021	3,728,564
720,000	BP Capital Markets PLC, Company Guarantee, 5.25%, 11/7/2013	773,540
1,750,000	(1)(2)CNPC Hong Kong Overseas Capital Ltd., Company Guarantee, Series 144A, 5.95%, 4/28/2041	1,934,186
2,500,000	Hess Corp., Sr. Unsecd. Note, 5.60%, 2/15/2041	2,831,180
450,000	Husky Oil Ltd., Deb., 7.55%, 11/15/2016	547,870
4,650,000	Petro-Canada, Bond, 5.35%, 7/15/2033	4,902,732
220,000	Petro-Canada, Deb., 7.00%, 11/15/2028	271,560
2,300,000	Petrobras International Finance Co., Company Guarantee, 6.75%, 1/27/2041	2,632,687
	<b>TOTAL</b>	<b>20,760,900</b>
	<b>Energy - Oil Field Services - 0.9%</b>	
700,000	Nabors Industries, Inc., Company Guarantee, 5.00%, 9/15/2020	718,094
1,400,000	Nabors Industries, Inc., Company Guarantee, 9.25%, 1/15/2019	1,763,969
2,500,000	(1)(2)Nabors Industries, Inc., Company Guarantee, Series 144A, 4.625%, 9/15/2021	2,528,033
210,000	Noble Drilling Corp., Sr. Note, 7.50%, 3/15/2019	270,659
990,000	Noble Holding International Ltd., Company Guarantee, 4.90%, 8/1/2020	1,050,710
400,000	Overseas Shipholding Group, Inc., Sr. Unsecd. Note, 8.75%, 12/1/2013	382,000
1,000,000	(1)(2)Schlumberger Investment SA, Company Guarantee, Series 144A, 1.95%, 9/14/2016	1,010,988
100,000	Weatherford International Ltd., 6.00%, 3/15/2018	111,275
2,700,000	Weatherford International Ltd., 7.00%, 3/15/2038	3,105,296
468,528	(1)(2)Windsor Petroleum Transport Corp., Series 144A, 7.84%, 1/15/2021	380,518
	<b>TOTAL</b>	<b>11,321,542</b>
	<b>Energy - Refining - 0.6%</b>	
920,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 6.50%, 3/1/2041	1,039,396
1,665,000	Valero Energy Corp., 7.50%, 4/15/2032	1,947,854

Principal Amount or Shares		Value
3,870,000	Valero Energy Corp., 9.375%, 3/15/2019	4,965,209
	<b>TOTAL</b>	<b>7,952,459</b>
	<b>Financial Institution - Banking - 11.7%</b>	
3,660,000	Associated Banc-Corp., Sr. Unsecd. Note, 5.125%, 3/28/2016	3,765,661
4,000,000	Astoria Financial Corp., Note, 5.75%, 10/15/2012	4,079,348
2,000,000	Bank of America Corp., Note, 4.50%, 4/1/2015	1,935,249
1,580,000	Bank of America Corp., Sr. Note, 7.375%, 5/15/2014	1,643,760
2,500,000	Bank of America Corp., Sr. Unsecd. Note, 3.70%, 9/1/2015	2,335,667
1,260,000	Bank of America Corp., Sr. Unsecd. Note, 5.00%, 5/13/2021	1,156,901
1,260,000	Bank of America Corp., Sr. Unsecd. Note, 5.875%, 1/5/2021	1,196,243
930,000	Bank of America Corp., Sr. Unsecd. Note, 6.50%, 8/1/2016	941,273
5,000,000	(1)(2)Barclays Bank PLC, Series 144A, 5.926%, 9/29/2049	4,219,874
4,750,000	(5)Bear Stearns Cos., Inc., Sr. Unsecd. Note, 7.25%, 2/1/2018	5,568,994
4,180,000	Capital One Capital IV, 6.745%, 2/17/2037	4,148,650
1,450,000	Capital One Capital V, 10.25%, 8/15/2039	1,513,437
3,140,000	Capital One Capital VI, 8.875%, 5/15/2040	3,270,203
2,270,000	Capital One Financial Corp., Sr. Note, 7.375%, 5/23/2014	2,496,953
4,000,000	Citigroup, Inc., Sr. Note, 5.375%, 8/9/2020	4,122,264
2,500,000	Citigroup, Inc., Sr. Unsecd. Note, 4.587%, 12/15/2015	2,521,652
1,440,000	Citigroup, Inc., Sr. Unsecd. Note, 6.00%, 12/13/2013	1,492,623
6,460,000	Citigroup, Inc., Sr. Unsecd. Note, 6.875%, 3/5/2038	7,255,511
1,450,000	City National Corp., Note, 5.25%, 9/15/2020	1,443,648
2,750,000	Deutsche Bank AG London, Sr. Unsecd. Note, Series 1, 3.25%, 1/11/2016	2,785,489
1,910,000	Fifth Third Bancorp, Sr. Unsecd. Note, 3.625%, 1/25/2016	1,956,866
2,900,000	Goldman Sachs Group, Inc., 6.125%, 2/15/2033	2,864,145
3,150,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.625%, 2/7/2016	3,045,173
1,000,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 5.125%, 1/15/2015	1,022,209
4,200,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 6.25%, 2/1/2041	4,134,993
2,100,000	Goldman Sachs Group, Inc., Sub. Note, 6.345%, 2/15/2034	1,779,786
1,000,000	HSBC Bank USA, Sr. Sub. Note, 4.625%, 4/1/2014	1,026,165
600,000	HSBC Holdings PLC, Sr. Unsecd. Note, 5.10%, 4/5/2021	639,565
3,500,000	Hudson United Bancorp, Series BKNT, 7.00%, 5/15/2012	3,568,694
780,000	Huntington Bancshares, Inc., Sub. Note, 7.00%, 12/15/2020	885,198
870,000	JPMorgan Chase & Co., Sub. Deb., 8.00%, 4/29/2027	1,057,420
10,900,000	JPMorgan Chase & Co., Sub. Note, 5.125%, 9/15/2014	11,506,472
3,975,000	Manufacturers & Traders Trust Co., Sub. Note, Series BKNT, 5.629%, 12/1/2021	3,739,917
3,170,000	Merrill Lynch & Co., Inc., Sr. Unsecd. Note, Series MTN, 6.05%, 8/15/2012	3,217,717
1,450,000	Morgan Stanley, Sr. Unsecd. Note, 3.45%, 11/2/2015	1,334,044
6,550,000	Morgan Stanley, Sr. Unsecd. Note, 3.80%, 4/29/2016	6,049,844
1,000,000	Morgan Stanley, Sr. Unsecd. Note, 4.20%, 11/20/2014	965,836
900,000	Morgan Stanley, Sr. Unsecd. Note, 5.50%, 7/24/2020	823,042
2,840,000	Morgan Stanley, Sr. Unsecd. Note, 5.75%, 1/25/2021	2,644,457
3,300,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 5.625%, 9/23/2019	3,048,608
1,500,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 5.95%, 12/28/2017	1,436,971
2,450,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 6.00%, 4/28/2015	2,459,490
7,350,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 6.625%, 4/1/2018	7,268,370
1,000,000	PNC Funding Corp., Sr. Unsecd. Note, 4.25%, 9/21/2015	1,070,211
1,430,000	PNC Funding Corp., Sr. Unsecd. Note, 5.125%, 2/8/2020	1,619,740
1,170,000	PNC Funding Corp., Sub. Note, 5.625%, 2/1/2017	1,264,414
500,000	(1)(2)PNC Preferred Funding LLC, Jr. Sub. Note, Series 144A, 6.517%, 3/29/2049	361,250
7,406,478	(1)(2)Regional Diversified Funding, Series 144A, 9.25%, 3/15/2030	5,195,496
4,100,000	(1)(2)Santander US Debt SA Unipersonal, Bank Guarantee, Series 144A, 3.781%, 10/7/2015	3,752,997
1,810,000	SunTrust Banks, Inc., Sr. Unsecd. Note, 3.60%, 4/15/2016	1,845,371
1,915,000	Suntrust Capital VIII, Jr. Sub. Note, 6.10%, 12/15/2036	1,897,056
4,500,000	Wachovia Bank N.A., Series BKNT, 4.80%, 11/1/2014	4,734,709
3,440,000	Wachovia Bank N.A., Sub. Note, Series BKNT, 4.875%, 2/1/2015	3,612,751
3,550,000	Wilmington Trust Corp., Sub. Note, 8.50%, 4/2/2018	4,235,774
677,589	(1)(2)World Financial, Pass Thru Cert., Series 144A, 6.91%, 9/1/2013	705,563
	<b>TOTAL</b>	<b>154,663,714</b>
	<b>Financial Institution - Brokerage - 2.5%</b>	
5,970,000	BlackRock, Inc., 6.25%, 9/15/2017	6,965,266

Principal  
Amount  
or Shares

## Value

2,500,000	(1)(2)Cantor Fitzgerald LP, Bond, Series 144A, 7.875%, 10/15/2019	2,508,231
1,500,000	Eaton Vance Corp., 6.50%, 10/2/2017	1,640,585
4,255,000	(1)(2)FMR LLC, Bond, Series 144A, 7.57%, 6/15/2029	5,057,196
700,000	Franklin Resources, Inc., Sr. Unsecd. Note, 4.625%, 5/20/2020	760,068
1,375,000	Janus Capital Group, Inc., Sr. Note, 6.70%, 6/15/2017	1,461,129
1,000,000	Jefferies Group, Inc., Sr. Unsecd. Note, 6.875%, 4/15/2021	907,500
4,390,000	Jefferies Group, Inc., Sr. Unsecd. Note, 8.50%, 7/15/2019	4,444,875
1,020,000	Nuveen Investments, 5.50%, 9/15/2015	861,900
2,990,000	Raymond James Financial, Inc., 8.60%, 8/15/2019	3,441,428
1,370,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.25%, 4/15/2016	1,403,881
3,355,000	TD Ameritrade Holding Corp., Company Guarantee, 4.15%, 12/1/2014	3,540,687
	<b>TOTAL</b>	<b>32,992,746</b>
	<b>Financial Institution - Finance Noncaptive - 3.6%</b>	
1,000,000	American Express Co., Note, Series MTN, 2.75%, 9/15/2015	1,005,271
5,030,000	American Express Credit Corp., Sr. Unsecd. Note, Series MTN, 2.80%, 9/19/2016	5,096,631
3,430,000	American Express Credit Corp., Series MTN, 5.875%, 5/2/2013	3,607,685
3,300,000	Discover Bank, Sub., Series BKNT, 8.70%, 11/18/2019	3,766,993
1,910,000	General Electric Capital Corp., Sr. Unsecd. Note, 2.95%, 5/9/2016	1,966,866
2,000,000	General Electric Capital Corp., Sr. Unsecd. Note, 4.625%, 1/7/2021	2,096,952
2,850,000	General Electric Capital Corp., Sr. Unsecd. Note, 4.65%, 10/17/2021	2,979,291
6,500,000	General Electric Capital Corp., Sr. Unsecd. Note, Series GMTN, 6.875%, 1/10/2039	7,778,225
6,000,000	HSBC Finance Capital Trust IX, Note, 5.911%, 11/30/2035	4,965,000
3,072,000	HSBC Finance Corp., Sr. Sub. Note, 6.676%, 1/15/2021	3,177,406
1,500,000	(1)(2)ILFC E-Capital Trust I, Floating Rate Note - Sr. Sub Note, Series 144A, 4.60%, 12/21/2065	892,470
1,220,000	International Lease Finance Corp., Sr. Unsecd. Note, 5.75%, 5/15/2016	1,132,876
1,500,000	(1)(2)Lukoil International Finance BV, Series 144A, 6.356%, 6/7/2017	1,530,000
4,000,000	(1)(2)Macquarie Group Ltd., Sr. Unsecd. Note, Series 144A, 6.00%, 1/14/2020	3,775,108
3,250,000	Susa Partnership LP, 8.20%, 6/1/2017	3,938,755
	<b>TOTAL</b>	<b>47,709,529</b>
	<b>Financial Institution - Insurance - Health - 0.1%</b>	
740,000	Wellpoint, Inc., 5.85%, 1/15/2036	868,545
	<b>Financial Institution - Insurance - Life - 3.6%</b>	
2,750,000	AXA-UAP, Sub. Note, 8.60%, 12/15/2030	2,719,731
2,715,000	Aflac, Inc., Sr. Unsecd. Note, 8.50%, 5/15/2019	3,342,485
6,220,000	American International Group, Inc., Sr. Unsecd. Note, 4.25%, 9/15/2014	6,050,554
2,500,000	American International Group, Inc., Sr. Unsecd. Note, 6.40%, 12/15/2020	2,526,638
1,000,000	Lincoln National Corp., Sr. Note, 7.00%, 6/15/2040	1,129,634
3,860,000	(1)(2)Massachusetts Mutual Life Insurance Co., Sub. Note, Series 144A, 8.875%, 6/1/2039	5,658,357
3,570,000	MetLife, Inc., 6.75%, 6/1/2016	4,126,540
1,000,000	MetLife, Inc., Jr. Sub. Note, 10.75%, 8/1/2039	1,315,000
600,000	MetLife, Inc., Sr. Unsecd. Note, 2.375%, 2/6/2014	609,042
700,000	(1)(2)New York Life Insurance Co., Sub. Note, Series 144A, 6.75%, 11/15/2039	896,110
2,950,000	(1)(2)Pacific Life Global Funding, Sr. Secd. Note, Series 144A, 5.15%, 4/15/2013	3,078,285
4,000,000	(1)(2)Pacific Life Corp., Bond, Series 144A, 6.60%, 9/15/2033	4,321,899
1,000,000	(1)(2)Penn Mutual Life Insurance Co., Sr. Note, Series 144A, 7.625%, 6/15/2040	1,205,938
1,530,000	Prudential Financial, Inc., Series MTN, 6.625%, 12/1/2037	1,668,018
2,500,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 4.75%, 9/17/2015	2,647,549
1,000,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 6.20%, 11/15/2040	1,049,997
3,950,000	(1)Union Central Life Insurance Co., Note, Series 144A, 8.20%, 11/1/2026	4,571,660
	<b>TOTAL</b>	<b>46,917,437</b>
	<b>Financial Institution - Insurance - P&amp;C - 1.5%</b>	
2,940,000	ACE INA Holdings, Inc., 5.60%, 5/15/2015	3,287,578
540,000	CNA Financial Corp., 6.50%, 8/15/2016	584,794
1,000,000	CNA Financial Corp., Sr. Unsecd. Note, 5.75%, 8/15/2021	1,021,926
920,000	CNA Financial Corp., Sr. Unsecd. Note, 5.875%, 8/15/2020	946,342
700,000	CNA Financial Corp., Sr. Unsecd. Note, 7.35%, 11/15/2019	781,095
1,710,000	Horace Mann Educators Corp., Sr. Note, 6.85%, 4/15/2016	1,847,731
850,000	(1)(2)Liberty Mutual Group, Inc., Company Guarantee, Series 144A, 5.00%, 6/1/2021	834,154
4,000,000	(1)(2)Liberty Mutual Group, Inc., Unsecd. Note, Series 144A, 5.75%, 3/15/2014	4,174,024
3,400,000	(1)(2)Nationwide Mutual Insurance Co., Sub. Note, Series 144A, 9.375%, 8/15/2039	4,098,507

Principal Amount or Shares		Value
350,000	PXRE Capital Trust I, 8.85%, 2/1/2027	323,750
265,000	The Travelers Cos., Inc., Sr. Unsecd. Note, 5.50%, 12/1/2015	297,932
1,000,000	(1)(2)USF&G Corp., Series 144A, 8.312%, 7/1/2046	1,230,421
	<b>TOTAL</b>	<b>19,428,254</b>
	<b>Financial Institution - REITs - 1.7%</b>	
1,750,000	AMB Property LP, Company Guarantee, 6.125%, 12/1/2016	1,913,515
3,500,000	Boston Properties LP, Sr. Unsecd. Note, 5.875%, 10/15/2019	3,953,939
1,500,000	Equity One, Inc., Bond, 6.00%, 9/15/2017	1,565,286
1,500,000	Equity One, Inc., Sr. Unsecd. Note, 6.25%, 12/15/2014	1,578,758
300,000	First Industrial LP, Sr. Unsecd. Note, 7.60%, 7/15/2028	279,999
425,000	HRPT Properties Trust, Sr. Unsecd. Note, 6.25%, 8/15/2016	452,857
2,000,000	Health Care REIT, Inc., Sr. Unsecd. Note, 6.125%, 4/15/2020	2,074,914
225,000	Hospitality Properties Trust, Sr. Unsecd. Note, 6.75%, 2/15/2013	228,678
421,000	iStar Financial, Inc., Sr. Unsecd. Note, Series B, 5.70%, 3/1/2014	354,693
1,535,000	Liberty Property LP, 6.625%, 10/1/2017	1,749,475
740,000	ProLogis Inc., Sr. Unsecd. Note, 6.875%, 3/15/2020	822,684
720,000	Prologis, Conv. Bond, 2.25%, 4/1/2037	719,331
500,000	Realty Income Corp., Sr. Unsecd. Note, 6.75%, 8/15/2019	570,353
1,450,000	Regency Centers LP, Company Guarantee, 4.80%, 4/15/2021	1,473,987
1,430,000	Simon Property Group LP, 6.125%, 5/30/2018	1,651,335
830,000	Simon Property Group LP, 6.75%, 5/15/2014	917,301
2,000,000	Tanger Properties LP, Sr. Unsecd. Note, 6.125%, 6/1/2020	2,227,397
	<b>TOTAL</b>	<b>22,534,502</b>
	<b>Municipal Services - 0.4%</b>	
1,825,000	(1)(2)Army Hawaii Family Housing, Series 144A, 5.524%, 6/15/2050	1,786,109
2,980,000	(1)(2)Camp Pendleton & Quantico Housing LLC, Series 144A, 5.572%, 10/1/2050	2,972,640
	<b>TOTAL</b>	<b>4,758,749</b>
	<b>Sovereign - 0.3%</b>	
2,340,000	Corp Andina De Fomento, Sr. Unsecd. Note, 3.75%, 1/15/2016	2,368,931
1,550,000	Inter-American Development Bank, Series MTN, 6.75%, 7/15/2027	2,232,180
	<b>TOTAL</b>	<b>4,601,111</b>
	<b>Technology - 2.4%</b>	
1,580,000	Adobe Systems, Inc., Sr. Unsecd. Note, 3.25%, 2/1/2015	1,660,859
1,400,000	BMC Software, Inc., 7.25%, 6/1/2018	1,621,248
2,070,000	Cisco Systems, Inc., Sr. Unsecd. Note, 3.15%, 3/14/2017	2,250,674
3,630,000	Fiserv, Inc., Sr. Note, 6.80%, 11/20/2017	4,228,123
6,175,000	Harris Corp., 5.95%, 12/1/2017	7,224,973
1,600,000	Hewlett-Packard Co., Sr. Unsecd. Note, 3.30%, 12/9/2016	1,636,849
3,020,000	Hewlett-Packard Co., Sr. Unsecd. Note, 4.75%, 6/2/2014	3,202,908
965,000	IBM Corp., Deb., 8.375%, 11/1/2019	1,361,357
560,000	Juniper Networks, Inc., Sr. Unsecd. Note, 5.95%, 3/15/2041	612,649
2,330,000	KLA-Tencor Corp., 6.90%, 5/1/2018	2,696,720
1,475,000	Maxim Integrated Products, Inc., Note, 3.45%, 6/14/2013	1,516,065
975,000	SAIC, Inc., Company Guarantee, 5.95%, 12/1/2040	1,061,784
2,030,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.875%, 1/15/2019	2,050,487
1,055,000	Xerox Corp., Sr. Unsecd. Note, 4.50%, 5/15/2021	1,070,830
	<b>TOTAL</b>	<b>32,195,526</b>
	<b>Transportation - Airlines - 0.3%</b>	
141,512	Continental Airlines, Inc., Pass Thru Cert., Series 971A, 7.461%, 4/1/2015	141,159
1,995,000	Southwest Airlines Co., Deb., 7.375%, 3/1/2027	2,297,394
1,250,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.125%, 3/1/2017	1,319,186
	<b>TOTAL</b>	<b>3,757,739</b>
	<b>Transportation - Railroads - 0.9%</b>	
3,095,000	Burlington Northern Santa Fe Corp., Deb., 5.75%, 5/1/2040	3,712,846
1,832,036	Burlington Northern Santa Fe Corp., Pass Thru Cert., Series 99-2, 7.57%, 1/2/2021	2,214,537
3,150,000	Canadian Pacific RR, 7.125%, 10/15/2031	3,739,992
1,000,000	Norfolk Southern Corp., Sr. Unsecd. Note, 5.75%, 4/1/2018	1,176,316
1,410,000	Union Pacific Corp., 4.875%, 1/15/2015	1,549,964
	<b>TOTAL</b>	<b>12,393,655</b>
	<b>Transportation - Services - 0.4%</b>	
3,080,000	(1)(2)Enterprise Rent-A-Car USA Finance Co., Series 144A, 6.375%, 10/15/2017	3,546,619

Principal Amount or Shares		Value
1,175,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.15%, 3/2/2015	1,207,478
765,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.50%, 6/1/2017	785,890
	<b>TOTAL</b>	<b>5,539,987</b>
	<b>Utility - Electric - 3.9%</b>	
650,000	Appalachian Power Co., Sr. Unsecd. Note, 7.95%, 1/15/2020	853,046
300,000	Avista Corp., 1st Mtg. Bond, 5.95%, 6/1/2018	361,797
484,850	Bruce Mansfield Unit 1 2, Pass Thru Cert., 6.85%, 6/1/2034	526,062
1,530,000	Cleveland Electric Illuminating Co., Sr. Unsecd. Note, 5.95%, 12/15/2036	1,633,173
1,180,000	Commonwealth Edison Co., 1st Mtg. Bond, 6.15%, 9/15/2017	1,394,567
2,000,000	Dominion Resources, Inc., Unsecd. Note, Series B, 5.95%, 6/15/2035	2,387,137
100,000	Duke Energy Indiana, Inc., 1st Mtg. Bond, 6.35%, 8/15/2038	132,343
5,150,000	Enerjis S.A., Note, 7.40%, 12/1/2016	6,104,681
300,000	Entergy Gulf States, Inc., 1st Mtg. Bond, 6.18%, 3/1/2035	300,570
900,000	Exelon Generation Co. LLC, Sr. Unsecd. Note, 5.75%, 10/1/2041	1,035,353
300,000	FPL Group Capital, Inc., 7.875%, 12/15/2015	356,844
3,400,000	FirstEnergy Solutions Corp., Company Guarantee, 4.80%, 2/15/2015	3,631,941
2,680,000	FirstEnergy Solutions Corp., Company Guarantee, 6.05%, 8/15/2021	2,978,381
1,055,000	Great Plains Energy, Inc., Note, 4.85%, 6/1/2021	1,107,554
2,415,318	(1)(2)Great River Energy, 1st Mtg. Note, Series 144A, 5.829%, 7/1/2017	2,657,111
1,100,000	KCP&L Greater Missouri Operations Co., Sr. Unsecd. Note, 11.875%, 7/1/2012	1,154,700
1,330,000	(1)(2)Korea Hydro & Nuclear Power Co. Ltd., Sr. Unsecd. Note, Series 144A, 6.25%, 6/17/2014	1,438,354
6,060,000	MidAmerican Energy Holdings Co., Sr. Unsecd. Note, 5.95%, 5/15/2037	7,292,976
800,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 10.375%, 11/1/2018	1,146,248
1,835,000	PPL Energy Supply LLC, Sr. Unsecd. Note, 6.00%, 12/15/2036	1,948,803
1,200,000	(1)(2)PPL WEM Holdings PLC, Sr. Unsecd. Note, Series 144A, 5.375%, 5/1/2021	1,260,228
1,350,000	PSEG Power LLC, Sr. Unsecd. Note, 4.15%, 9/15/2021	1,407,699
200,000	South Carolina Electric and Gas, 1st Mtg. Bond, 6.50%, 11/1/2018	248,366
2,460,000	UIL Holdings Corp., Sr. Unsecd. Note, 4.625%, 10/1/2020	2,553,389
2,940,000	Union Electric Co., 6.00%, 4/1/2018	3,492,886
1,000,000	Virginia Electric & Power Co., Sr. Unsecd. Note, 5.00%, 6/30/2019	1,155,404
142,334	Waterford 3 Funding Corp., 8.09%, 1/2/2017	142,425
2,020,000	Westar Energy, Inc., 5.875%, 7/15/2036	2,323,414
	<b>TOTAL</b>	<b>51,025,452</b>
	<b>Utility - Natural Gas Distributor - 0.7%</b>	
195,000	Atmos Energy Corp., 8.50%, 3/15/2019	258,354
830,000	(1)(2)Florida Gas Transmission Co. LLC, Sr. Unsecd. Note, Series 144A, 5.45%, 7/15/2020	914,546
2,425,000	National Fuel Gas Co., Sr. Unsecd. Note, 4.90%, 12/1/2021	2,485,942
400,000	Sabine Pass LNG LP, Sr. Secd. Note, 7.50%, 11/30/2016	404,000
1,300,000	Sempra Energy, Sr. Unsecd. Note, 6.00%, 10/15/2039	1,620,121
2,540,000	Sempra Energy, Sr. Unsecd. Note, 6.50%, 6/1/2016	2,972,200
	<b>TOTAL</b>	<b>8,655,163</b>
	<b>Utility - Natural Gas Pipelines - 2.0%</b>	
2,390,000	Consolidated Natural Gas Co., Series A, 5.00%, 12/1/2014	2,607,972
2,765,000	Duke Capital Corp., Sr. Note, 6.25%, 2/15/2013	2,898,796
335,000	Enbridge Energy Partners LP, Sr. Unsecd. Note, 5.50%, 9/15/2040	374,447
3,080,000	Enbridge, Inc., Sr. Note, 5.60%, 4/1/2017	3,486,056
3,850,000	Enterprise Products Operating LLC, Company Guarantee, Series O, 9.75%, 1/31/2014	4,449,865
2,500,000	Kinder Morgan Energy Partners LP, Note, 6.55%, 9/15/2040	2,820,768
1,000,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 5.00%, 12/15/2013	1,061,816
3,300,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 5.80%, 3/15/2035	3,369,526
1,190,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.375%, 3/1/2041	1,332,454
830,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.85%, 2/15/2020	986,939
3,100,000	Williams Partners LP, 5.25%, 3/15/2020	3,436,220
	<b>TOTAL</b>	<b>26,824,859</b>
	<b>TOTAL CORPORATE BONDS</b>	<b>839,589,535</b>
	<b>MORTGAGE-BACKED SECURITIES - 0.0%</b>	
5,234	Federal Home Loan Mortgage Corp., Pool C00702, 6.00%, 1/1/2029	5,821
5,904	Federal Home Loan Mortgage Corp., Pool C00748, 6.00%, 4/1/2029	6,571
701	Federal Home Loan Mortgage Corp., Pool C20263, 6.00%, 1/1/2029	778

Principal Amount or Shares		Value
3,765	Federal Home Loan Mortgage Corp., Pool C25621, 6.50%, 5/1/2029	4,223
5,192	Federal National Mortgage Association, Pool 313324, 9.00%, 6/1/2017	5,804
6,868	Federal National Mortgage Association, Pool 323159, 7.50%, 4/1/2028	8,034
3,422	Federal National Mortgage Association, Pool 421223, 7.00%, 5/1/2028	3,900
1,592	Federal National Mortgage Association, Pool 429707, 6.50%, 5/1/2013	1,639
3,417	Federal National Mortgage Association, Pool 430232, 7.00%, 8/1/2028	3,920
29,016	Federal National Mortgage Association, Pool 439947, 6.50%, 11/1/2028	32,521
23,563	Federal National Mortgage Association, Pool 489867, 6.50%, 3/1/2029	26,478
5,145	Government National Mortgage Association, Pool 449491, 7.50%, 12/15/2027	5,986
2,089	Government National Mortgage Association, Pool 486467, 7.00%, 8/15/2028	2,394
9,854	Government National Mortgage Association, Pool 780339, 8.00%, 12/15/2023	11,368
5,413	Government National Mortgage Association, Pool 780340, 9.00%, 11/15/2017	6,000
5,875	Government National Mortgage Association, Pool 780373, 7.00%, 12/15/2023	6,652
	<b>TOTAL MORTGAGE-BACKED SECURITIES</b>	<b>132,089</b>
	<b>MUNICIPAL BOND - 0.2%</b>	
	<b>Municipal Services - 0.2%</b>	
2,080,000	Tampa, FL Sports Authority, 8.02% Bonds (GTD by National Public Finance Guarantee Corporation), 10/1/2026	2,563,933
	<b>GOVERNMENTS/AGENCIES - 0.6%</b>	
	<b>Sovereign - 0.6%</b>	
975,000	Colombia, Government of, Sr. Unsec'd. Note, 4.375%, 7/12/2021	1,048,125
2,475,000	(1)(2)State of Qatar, Series 144A, 5.25%, 1/20/2020	2,716,312
3,500,000	Sweden, Government of, 10.25%, 11/1/2015	3,518,116
	<b>TOTAL GOVERNMENTS/AGENCIES</b>	<b>7,282,553</b>
	<b>COMMON STOCKS - 0.0%</b>	
	<b>Automotive - 0.0%</b>	
8,473	(3)General Motors Co.	171,748
	<b>Utility - Electric - 0.0%</b>	
113	(3)NRG Energy, Inc.	2,047
	<b>TOTAL COMMON STOCKS</b>	<b>173,795</b>
	<b>WARRANTS - 0.0%</b>	
	<b>Automotive - 0.0%</b>	
7,703	(3)General Motors Co., Warrants, Expiration Date 7/10/2016	90,356
7,703	(3)General Motors Co., Warrants, Expiration Date 7/10/2019	60,238
	<b>TOTAL WARRANTS</b>	<b>150,594</b>
	<b>PREFERRED STOCKS - 0.3%</b>	
	<b>Financial Institution - Brokerage - 0.0%</b>	
130,000	(3)(4)Lehman Brothers Holdings, Inc., Pfd., Series D	2,600
	<b>Financial Institution - REITs - 0.3%</b>	
80,000	ProLogis Inc., Cumulative REIT Perpetual Pfd. Stock, Series Q, \$4.27, Annual Dividend	4,472,800
	<b>TOTAL PREFERRED STOCKS</b>	<b>4,475,400</b>
	<b>ASSET-BACKED SECURITY - 0.0%</b>	
	<b>Home Equity Loan - 0.0%</b>	
40,698	(1)(2)125 Home Loan Owner Trust 1998-1A, Class B1, 9.76%, 2/15/2029	33,677
	<b>COLLATERALIZED MORTGAGE OBLIGATIONS - 0.0%</b>	
	<b>Federal Home Loan Mortgage Corporation - 0.0%</b>	
300,000	Federal Home Loan Mortgage Corp. REMIC 3051F MY, 5.50%, 10/15/2025	340,002
	<b>Non-Agency Mortgage - 0.0%</b>	
34,194	(1)SMFC Trust Asset-Backed Certificates, 1997-A, Class 4, 2.873%, 1/28/2027	27,040
	<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>	<b>367,042</b>
	<b>MUTUAL FUNDS - 33.7%</b>	
	<a href="#">Affiliated Federated Fund (High Yield)</a>	
58,434,076	(6)Federated Prime Value Obligations Fund, Institutional Shares, 0.21%	371,056,380
73,467,364		73,467,364
	<b>TOTAL MUTUAL FUNDS</b>	<b>444,523,744</b>
	<b>TOTAL INVESTMENTS</b>	<b>\$1,299,292,362</b>

At December 30, 2011, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Unrealized (Depreciation)
<sup>3</sup> United States Treasury Bond Ultra Long Short Futures	105	\$16,819,687	March 2012	\$(382,559)

- (1) Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At December 30, 2011, these restricted securities amounted to \$151,251,171, which represented 11.5% of total net assets.
- (2) Denotes a restricted security that may be resold without restriction to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 and that the Fund has determined to be liquid under criteria established by the Fund's Board of Directors. At December 30, 2011, these liquid restricted securities amounted to \$143,524,291, which represented 10.9% of total net assets.
- (3) Non-income producing security.
- (4) Issuer in default.
- (5) JPMorgan Chase & Co. has fully and unconditionally guaranteed Bear Stearns' outstanding registered debt securities.
- (6) 7-Day net yield.

Note: The categories of investments are shown as a percentage of net assets (\$1,318,484,689) at the close of business December 30, 2011, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

The following acronyms are used throughout this portfolio:

GTD	--Guaranteed
LLC	--Limited Liability Corporation
LP	--Limited Partnership
MTN	--Medium Term Note
REIT	--Real Estate Investment Trust
REMIC	--Real Estate Mortgage Investment Conduit

Portfolio holdings are shown as of the date indicated and are unaudited. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

*For more complete information on the fund, visit [www.FederatedInvestors.com](http://www.FederatedInvestors.com) for a prospectus. You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.*

**NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE**

Federated Securities Corp., Distributor  
(32162) 12/30/2011