

Federated Muni and Stock Advantage Fund

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

PORTFOLIO AS OF DECEMBER 30, 2011
CURRENT NET ASSETS — \$430,469,311

Principal Amount or Shares		Value
	COMMON STOCKS — 44.0%(1)	
	Consumer Discretionary — 0.9%	
51,100	Cinemark Holdings, Inc.	\$ 944,839
202,920	Regal Entertainment Group	2,422,865
9,120	Target Corp.	467,126
	TOTAL	3,834,830
	Consumer Staples — 8.2%	
225,805	Altria Group, Inc.	6,695,118
80,665	Heinz (H.J.) Co.	4,359,137
59,980	Kimberly-Clark Corp.	4,412,129
20,850	Lorillard, Inc.	2,376,900
107,320	Philip Morris International Inc.	8,422,474
214,600	Reynolds American, Inc.	8,888,731
	TOTAL	35,154,489
	Energy — 6.4%	
98,295	ARC Resources Ltd.	2,421,796
48,405	Baytex Energy Corp.	2,706,879
89,230	Bonavista Energy Corp.	2,283,412
86,880	ConocoPhillips	6,330,945
56,685	Crescent Point Energy Corp.	2,498,313
64,795	Royal Dutch Shell PLC	4,735,867
71,835	Seadrill Ltd.	2,383,485
31,635	Total SA, ADR	1,616,865
53,480	Vermilion Energy Inc.	2,381,730
	TOTAL	27,359,292
	Financials — 2.3%	
137,785	Cincinnati Financial Corp.	4,196,931
89,460	Mercury General Corp.	4,081,165
198,600	Old Republic International Corp.	1,841,022
	TOTAL	10,119,118
	Health Care — 7.4%	
8,875	Abbott Laboratories	499,041
229,515	Bristol-Myers Squibb Co.	8,088,109
163,250	GlaxoSmithKline PLC, ADR	7,449,098
148,415	Lilly (Eli) & Co.	6,168,127
115,410	Merck & Co., Inc.	4,350,957
254,160	Pfizer, Inc.	5,500,022
	TOTAL	32,055,354
	Industrials — 3.1%	
85,940	Deluxe Corp.	1,955,994

156,765	Donnelley (R.R.) & Sons Co.	\$	2,262,119
403,800	General Electric Co.		7,232,058
104,290	Pitney Bowes, Inc.		1,933,537
	TOTAL		13,383,708
Information Technology — 1.1%			
79,205	Intel Corp.		1,920,721
40,700	Maxim Integrated Products, Inc.		1,059,828
27,995	Microchip Technology, Inc.		1,025,457
42,855	Seagate Technology		702,822
	TOTAL		4,708,828
Materials — 0.9%			
61,965	Dow Chemical Co.		1,782,113
65,525	International Paper Co.		1,939,541
7,020	Newmont Mining Corp.		421,270
	TOTAL		4,142,924
Telecommunication Services — 7.7%			
264,380	AT&T, Inc.		7,994,851
191,165	BCE, Inc.		7,965,846
177,265	CenturyLink, Inc.		6,594,258
201,405	Verizon Communications		8,080,368
88,050	Vodafone Group PLC, ADR		2,468,042
	TOTAL		33,103,365
Utilities — 6.0%			
87,110	Ameren Corp.		2,885,954
26,405	American Electric Power Co., Inc.		1,090,791
52,000	CenterPoint Energy, Inc.		1,044,680
42,775	DTE Energy Co.		2,329,099
31,100	Integrus Energy Group, Inc.		1,684,998
107,530	National Grid PLC, ADR		5,213,054
187,500	NiSource, Inc.		4,464,375
101,300	Peppo Holdings, Inc.		2,056,390
67,085	PPL Corp.		1,973,641
23,785	SCANA Corp.		1,071,752
42,130	Scottish & Southern Energy PLC, ADR		846,392
23,145	Southern Co.		1,071,382
	TOTAL		25,732,508
TOTAL COMMON STOCKS			189,594,416
MUNICIPAL BONDS — 52.2%			
Alabama — 1.0%			
\$ 2,000,000	Alabama State Port Authority, Docks Facilities Revenue Bonds (Series 2010), 5.750%, 10/01/2030		2,161,040
700,000	Alabama State Port Authority, Docks Facilities Revenue Bonds (Series 2010), 6.00%, 10/1/2040		754,215
1,370,000	Montgomery, AL BMC Special Care Facilities Finance Authority, (Health Care Authority for Baptist Health, AL), Revenue Refunding Bonds (Series 2004-C), 5.125%, 11/15/2024		1,392,632
	TOTAL		4,307,887
California — 3.9%			
570,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds (Series 2004I), 4.95% TOBs (Catholic Healthcare West), Mandatory Tender 7/1/2014		616,957
2,000,000	California State Department of Water Resources Power Supply Program, Revenue Bonds (Series 2010M), 5.000%, 05/01/2016		2,340,480
3,000,000	California State, UT GO Bonds, 5.000%, 11/01/2022		3,414,960

\$ 2,000,000	California Statewide CDA, (Sutter Health), Refunding Revenue Bonds (Series 2011D), 5.250%, 08/15/2031	\$ 2,133,740
3,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 6.000%, 05/01/2039	3,380,070
2,000,000	San Jose, CA Airport, Airport Revenue Bonds (Series 2011A-2), 5.000%, 03/01/2031	2,042,660
1,000,000	Trustees of the California State University, Revenue Bonds (Series A), 5.125%, (United States Treasury PRF 11/1/2012@100) (AMBAC INS), 11/01/2026	1,040,710
1,545,000	Yucaipa Valley Water District, CA, Water System Revenue COP (Series 2004A), 5.250%, (National Public Finance Guarantee Corporation INS), 09/01/2023	1,603,540
	TOTAL	16,573,117
Colorado — 1.2%		
600,000	Colorado Health Facilities Authority, (Total Long Term Care National Obligated Group), Revenue Bonds (Series 2010A), 6.000%, 11/15/2030	628,956
430,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COP (Series 2008), 5.500%, (United States Treasury and Agency PRF 11/1/2018@100), 11/01/2027	543,198
1,160,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COP (Series 2008), 5.500%, 11/01/2027	1,269,643
1,242,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.750%, (United States Treasury PRF 12/1/2013@102), 12/01/2034	1,402,901
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.250%, (United States Treasury PRF 12/1/2014@100), 12/01/2033	1,164,530
	TOTAL	5,009,228
District of Columbia — 2.1%		
2,000,000	District of Columbia Income Tax Revenue, Income Tax Secured Revenue Refunding Bonds (Series 2010A), 5.000%, 12/01/2019	2,493,100
5,000,000	District of Columbia, UT GO Bonds (Series 2004A), 5.000%, (Assured Guaranty Municipal Corp. INS), 06/01/2025	5,505,350
1,000,000	Washington Metropolitan Area Transit Authority, Gross Revenue Transit Bonds (Series 2009A), 5.125%, 07/01/2032	1,088,520
	TOTAL	9,086,970
Florida — 2.5%		
630,000	East Homestead, FL Community Development District, Special Assessment Revenue Bonds (Series 2005), 5.450%, 05/01/2036	558,023
1,975,000	Florida State Board of Education, (Florida State), UT GO Capital Outlay Bonds (Series 2008F), 5.000%, 06/01/2023	2,395,004
3,000,000	Florida State Education System, Facilities Revenue Bonds (Series 2005A), 5.000%, (National Public Finance Guarantee Corporation INS), 05/01/2027	3,187,619
1,100,000	Miami-Dade County, FL Aviation, Revenue Bonds (Series 2008B), 5.000%, (Assured Guaranty Corp. INS), 10/01/2023	1,220,186
330,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.000%, 05/01/2020	313,173
1,630,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2006), 5.400%, 05/01/2037	1,303,935
1,500,000	Volusia County, FL Education Facility Authority, (Embry-Riddle Aeronautical University, Inc.), Educational Facilities Refunding Revenue Bonds (Series 2005), 5.000%, (Radian Asset Assurance, Inc. INS), 10/15/2025	1,503,480

\$ 470,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.650%, 05/01/2037	\$ 457,014
	TOTAL	10,938,434
	Georgia — 2.7%	
5,000,000	Athens-Clarke County, GA Water & Sewerage, Revenue Bonds (Series 2008), 5.625%, 01/01/2028	5,728,300
3,000,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.250%, 11/01/2034	3,379,110
615,000	Atlanta, GA, (Eastside Tax Allocation District), Tax Allocation Bonds (Series 2005B), 5.600%, 01/01/2030	619,268
1,500,000	DeKalb Private Hospital Authority, GA, (Children's Healthcare of Atlanta, Inc.), Revenue Anticipation Certificates (Series 2009), 5.000%, 11/15/2024	1,664,535
	TOTAL	11,391,213
	Guam — 0.1%	
565,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625%, 12/01/2029	587,459
	Hawaii — 0.3%	
1,250,000	Hawaii State Department of Budget & Finance, (Hawaiian Electric Co., Inc.), Special Purpose Revenue Bonds (Series 2009), 6.500%, 07/01/2039	1,358,375
	Illinois — 4.2%	
2,615,000	Chicago, IL Housing Authority Capital Program, Refunding Revenue Bonds, 5.000%, (Assured Guaranty Municipal Corp. INS), 07/01/2017	2,940,385
1,180,000	Chicago, IL O'Hare International Airport, General Airport Third Lien Revenue Bonds (Series 2005A), 5.250%, (National Public Finance Guarantee Corporation INS), 01/01/2026	1,254,694
1,000,000	Chicago, IL O'Hare International Airport, General Airport Third Lien Revenue Bonds (Series 2011A), 5.750%, 01/01/2039	1,103,370
1,390,000	Chicago, IL, UT GO Bonds (Project Series 2011A), 5.25%, 1/1/2035	1,455,983
415,000	DuPage County, IL, (Naperville Campus LLC), Special Tax Bonds (Series 2006), 5.625%, 03/01/2036	338,167
1,000,000	Illinois Finance Authority, (Friendship Village of Schaumburg), Revenue Bonds (Series 2005A), 5.625%, 02/15/2037	809,790
875,000	Illinois Finance Authority, (Landing at Plymouth Place), Revenue Bonds (Series 2005A), 6.000%, 05/15/2025	788,480
625,000	Illinois Finance Authority, (Landing at Plymouth Place), Revenue Bonds (Series 2005A), 6.000%, 05/15/2037	514,981
2,500,000	Illinois State, UT GO Bonds (Series 2008), 5.000%, 04/01/2028	2,586,100
1,500,000	Metropolitan Pier & Exposition Authority, IL, McCormick Place Expansion Project Bonds (Series 2010A), 5.500%, 06/15/2050	1,572,255
2,200,000	Railsplitter Tobacco Settlement Authority, IL, Tobacco Settlement Revenue Bonds (Series 2010), 6.000%, 06/01/2028	2,370,412
2,000,000	University of Illinois, Auxiliary Facilities System Revenue Bonds (Series 2011A), 5.500%, 04/01/2031	2,197,500
	TOTAL	17,932,117
	Indiana — 1.9%	
2,500,000	Indiana Health & Educational Facility Financing Authority, (Baptist Homes of Indiana), Revenue Bonds (Series 2005), 5.250%, 11/15/2035	2,404,475
2,000,000	Indiana State Finance Authority, (CWA Authority), First Lien Wastewater Utility Revenue Bonds (Series 2011A), 5.250%, 10/01/2031	2,213,760
2,302,213	St. Joseph County, IN Hospital Authority, (Madison Center Obligated Group), Health Facilities Revenue (2)(3) Bonds (Series 2005), 5.375%, 02/15/2034	394,369
2,500,000	Whiting, IN Environmental Facilities, (BP PLC), Revenue Bonds (Series 2009), 5.250%, 01/01/2021	2,943,075

	TOTAL	\$ 7,955,679
	Iowa — 0.2%	
\$ 1,035,000	Iowa Finance Authority, (Deerfield Retirement Community, Inc.), Senior Living Facility Revenue Refunding Bonds (Series 2007A), 5.500%, 11/15/2037	707,195
	Kansas — 0.6%	
2,605,000	Kansas State Development Finance Authority, (Adventist Health System/Sunbelt Obligated Group), Hospital Revenue Bonds (Series 2009D), 5.000%, 11/15/2029	2,754,058
	Kentucky — 0.4%	
1,500,000	Kentucky Turnpike Authority, Economic Development Road Revenue & Revenue Refunding Bonds (Series 2011A), 5.000%, 07/01/2019	1,845,630
	Louisiana — 0.2%	
1,000,000	St. John the Baptist Parish, LA, (Marathon Oil Corp.), Environmental Improvement Refunding Revenue Bonds (Series 1998), 5.350%, 12/01/2013	1,001,580
	Maine — 0.2%	
900,000	Maine Health & Higher Educational Facilities Authority, (Maine General Medical Center), Revenue Bonds (Series 2011), 6.750%, 07/01/2041	939,744
	Maryland — 0.5%	
530,000	Maryland State EDC, (CONSOL Energy, Inc.), Port Facilities Refunding Revenue Bonds (Series 2010), 5.750%, 09/01/2025	544,951
925,000	Maryland State EDC., (Ports America Chesapeake, Inc.), Revenue Bonds (Series B), 5.750%, 06/01/2035	935,027
500,000	Maryland State IDFA, (Our Lady of Good Counsel High School), EDRBs (Series 2005A), 6.000%, 05/01/2035	504,605
	TOTAL	1,984,583
	Massachusetts — 1.4%	
3,195,000	Massachusetts HEFA, (Northeastern University), Revenue Bonds (Series 2010A), 5.000%, 10/01/2025	3,553,479
2,000,000	Massachusetts School Building Authority, Senior Dedicated Sales Tax Bonds (Series 2011B), 5.000%, 10/15/2022	2,489,420
	TOTAL	6,042,899
	Michigan — 1.4%	
2,500,000	Michigan State Hospital Finance Authority, (Henry Ford Health System, MI), Refunding Revenue Bonds (Series 2006A), 5.250%, 11/15/2032	2,550,425
1,000,000	Michigan State Hospital Finance Authority, (Oakwood Obligated Group), Revenue Bonds, 5.500%, 11/01/2013	1,073,530
1,000,000	Michigan Strategic Fund, (Michigan State), LT Obligation Revenue Bonds (Series 2011), 5.250%, 10/15/2026	1,095,300
1,500,000	Saginaw, MI Hospital Finance Authority, (Covenant Medical Center, Inc.), Hospital Revenue Refunding Bonds (Series 2010H), 5.000%, 07/01/2030	1,476,870
	TOTAL	6,196,125
	Minnesota — 0.5%	
665,000	Tobacco Securitization Authority, MN, Minnesota Tobacco Settlement Revenue Bonds (Series 2011B), 5.25%, 3/1/2031	683,959
1,275,000	University of Minnesota, GO Bonds (Series 2011A), 5.000%, 12/01/2021	1,591,812
	TOTAL	2,275,771

Missouri — 0.9%		
\$ 1,500,000	Missouri Development Finance Board, (Branson, MO), Infrastructure Facilities Revenue Bonds (Series 2004A), 5.250%, 12/01/2019	\$ 1,579,665
2,000,000	Missouri State HEFA, (BJC Health System, MO), Health Facilities Revenue Bonds, 5.250%, 05/15/2018	2,094,700
	TOTAL	3,674,365
Nebraska — 0.2%		
625,000	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds (Series 2010A), 5.700%, 09/01/2031	682,525
Nevada — 0.7%		
495,000	Clark County, NV, (Summerlin-Mesa SID No. 151), Special Assessment Revenue Bonds (Series 2005), 5.000%, 08/01/2025	364,325
2,000,000	Clark County, NV, IDRB (Series 2003C), 5.45% TOBs (Southwest Gas Corp.), Mandatory Tender 3/1/2013	2,089,940
245,000	Henderson, NV, (Falls at Lake Las Vegas LID No. T-16), LID No. T-16 LT Obligation Improvement Bonds , 5.100%, 03/01/2022	128,574
580,000	Henderson, NV, (Falls at Lake Las Vegas LID No. T-16), LID No. T-16 LT Obligation Improvement Bonds , 5.125%, 03/01/2025	298,114
	TOTAL	2,880,953
New Jersey — 1.5%		
1,580,000	New Jersey EDA, (NJ Dedicated Cigarette Excise Tax), Revenue Bonds (Series 2004), (Radian Asset Assurance Inc., INS), 5.750%, 06/15/2029	1,625,820
1,200,000	New Jersey State Transportation Trust Fund Authority, (New Jersey State), Transportation System Bonds (Series 2011A), 6.000%, 06/15/2035	1,400,820
3,050,000	Tobacco Settlement Financing Corp., NJ, Revenue Bonds, 7.000%, (United States Treasury PRF 6/1/2013@100), 06/01/2041	3,340,604
	TOTAL	6,367,244
New Mexico — 0.1%		
500,000	(4)(5) Jicarilla, NM Apache Nation, Revenue Bonds, 5.500%, 09/01/2023	523,685
New York — 5.3%		
2,000,000	Brooklyn Arena Local Development Corporation, NY, Pilot Revenue Bonds (Series 2009), 6.375%, 07/15/2043	2,097,220
2,000,000	Erie County, NY IDA, (Buffalo, NY City School District), School Facility Refunding Revenue Bonds (Series 2011B), 5.000%, 05/01/2020	2,404,080
1,500,000	Hudson Yards Infrastructure Corp. NY, Hudson Yards Senior Revenue Bonds (Series 2012A), 5.75%, 2/15/2047	1,622,625
4,000,000	New York City, NY IDA, (Yankee Stadium LLC), CPI Pilot Revenue Bonds (Series 2006), (FGIC INS), 4.345%, 03/01/2021	3,378,400
2,000,000	New York City, NY TFA, Building Aid Revenue Bonds (Series 2009 S-5), 5.000%, 01/15/2031	2,158,560
5,000,000	New York City, NY, UT GO Bonds (Series 2009E-1), 5.250%, 10/15/2017	6,070,599
2,500,000	New York Liberty Development Corporation, (4 World Trade Center), Liberty Revenue Bonds (Series 2011), 5.75%, 11/15/2051	2,711,500
2,000,000	New York State, UT GO Bonds (Series 2011A), 5.000%, 02/15/2020	2,495,060
	TOTAL	22,938,044
North Carolina — 1.0%		
1,000,000	North Carolina Medical Care Commission, (Arc of North Carolina Projects), Health Care Housing Revenue Bonds (Series 2004A), 5.800%, 10/01/2034	1,008,600

\$ 2,000,000	North Carolina Medical Care Commission, (Pennybyrn at Maryfield), Healthcare Facilities Revenue Bonds (Series 2005A), 5.650%, 10/01/2025	\$ 1,664,720
1,535,000	North Carolina Municipal Power Agency No. 1, Revenue Bonds (Series 2008C), 5.250%, 01/01/2020	1,809,212
	TOTAL	4,482,532
	Ohio — 2.8%	
2,850,000	American Municipal Power-Ohio, Inc., (American Municipal Power, Prairie State Energy Campus Project), Revenue Bonds (Series 2008A), 5.000%, 02/15/2016	3,236,973
1,680,000	Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Bonds (Series A-2), 6.500%, 06/01/2047	1,323,538
1,000,000	Lucas County, OH, (ProMedica Healthcare Obligated Group), Revenue Bonds (Series 2011A), 6.000%, 11/15/2041	1,110,890
2,545,000	Ohio State Air Quality Development Authority, (FirstEnergy Solutions Corp.), Revenue Bonds (Series 2009A), 5.700%, 08/01/2020	2,825,459
2,000,000	Ohio State, Common Schools GO Refunding Bonds (Series 2011A), 5.000%, 08/01/2024	2,501,880
375,000	Toledo-Lucas County, OH Port Authority, (Crocker Park Public Improvement Project), Special Assessment Revenue Bonds, 5.250%, 12/01/2023	378,285
400,000	Toledo-Lucas County, OH Port Authority, (CSX Corp.), Revenue Bonds, 6.450%, 12/15/2021	481,664
	TOTAL	11,858,689
	Oklahoma — 0.2%	
1,000,000	Tulsa, OK Industrial Authority, (Montereau, Inc.), Senior Living Community Revenue Bonds (Series 2010A), 7.250%, 11/01/2045	1,044,290
	Pennsylvania — 2.7%	
300,000	Allegheny County, PA Higher Education Building Authority, (Chatham College), Revenue Bonds (Series 2002B), 5.250%, 11/15/2016	300,507
1,300,000	Allegheny County, PA IDA, (United States Steel Corp.), Environmental Improvement Refunding Revenue Bonds (Series 2005), 5.500%, 11/01/2016	1,313,351
2,120,000	Montgomery County, PA Higher Education & Health Authority Hospital, (Dickinson College), Revenue Bonds (Series 2006FF1), 5.000%, (CIFG Assurance NA INS), 05/01/2028	2,210,376
1,000,000	Northampton County, PA General Purpose Authority, (St. Lukes Hospital of Bethlehem), Hospital Revenue Bonds (Series 2008A), 5.250%, 08/15/2024	1,037,800
2,500,000	Northampton County, PA General Purpose Authority, (St. Lukes Hospital of Bethlehem), Hospital Revenue Bonds (Series 2008A), 5.500%, 08/15/2035	2,523,300
250,000	Pennsylvania State Higher Education Facilities Authority, (Dickinson College), Revenue Bonds (Series 2003AA1), 5.000%, (Radian Asset Assurance, Inc. INS), 11/01/2026	254,105
500,000	Pennsylvania State Higher Education Facilities Authority, (Messiah College), Revenue Bonds (Series AA), 5.500%, (Radian Asset Assurance, Inc. INS), 11/01/2022	511,520
3,000,000	Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.500%, 12/01/2041	3,161,100
500,000	Philadelphia Authority for Industrial Development, (PresbyHomes Germantown/Morrisville), Senior Living Revenue Bonds (Series 2005A), 5.625%, 07/01/2035	453,225
	TOTAL	11,765,284
	South Carolina — 0.7%	
2,200,000	Georgetown County, SC Environmental Improvements, (International Paper Co.), Refunding Revenue Bonds, 5.700%, 04/01/2014	2,370,764
710,000	Lancaster County, SC, (Sun City Carolina Lakes Improvement District), Assessment Revenue Bonds (Series 2006), 5.450%, 12/01/2037	609,230

	TOTAL	\$ 2,979,994
	South Dakota — 1.0%	
\$ 4,020,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.500%, 06/01/2032	4,100,199
	Texas — 4.6%	
1,545,000	Bexar County, TX HFDC, (Army Retirement Residence Foundation), Refunding Revenue Bonds (Series 2007), 5.000%, 07/01/2033	1,474,502
2,000,000	Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds (Series 2011), 6.250%, 01/01/2046	2,057,480
1,000,000	Decatur, TX Hospital Authority, (Wise Regional Health System), Hospital Revenue Bonds (Series 2004A), 7.125%, 09/01/2034	1,000,530
3,570,000	Harris County, TX Cultural Education Facilities Finance Corp., (Methodist Hospital, Harris County, TX), Revenue Bonds (Series 2008B), 5.250%, 12/01/2016	4,148,768
265,000	Houston, TX Higher Education Finance Corp., (Cosmos Foundation, Inc.), Education Revenue Bonds (Series 2011A), 6.875%, 05/15/2041	288,556
500,000	North Central Texas HFDC, (Children's Medical Center of Dallas), Hospital Revenue Refunding Bonds (Series 2002), 5.250%, (AMBAC INS), 08/15/2022	511,900
1,000,000	North Texas Tollway Authority, (North Texas Toll Authority Special Projects System), Special Projects System Revenue Bonds (Series 2011), 5.500%, 09/01/2041	1,107,410
1,665,000	North Texas Tollway Authority, System First Tier Revenue Refunding Bonds (Series 2011B), 5.000%, 01/01/2038	1,708,706
2,000,000	Tarrant County, TX Cultural Education Facilities Finance Corp., (Air Force Village), Retirement Facility Revenue Bonds (Series 2007), 5.125%, 05/15/2037	1,785,180
2,965,000	Texas Municipal Gas Acquisition & Supply Corp. I, Gas Supply Senior Lien Revenue Bonds (Series 2006A), 5.250%, (Merrill Lynch & Co., Inc. GTD), 12/15/2026	2,922,660
2,725,000	Texas State Department of Housing & Community Affairs, Residential Mortgage Revenue Bonds (Series 2009A), 5.300%, 07/01/2034	2,949,431
	TOTAL	19,955,123
	Virginia — 1.5%	
4,485,000	Tobacco Settlement Financing Corp., VA, Revenue Bonds, 5.625%, (United States Agency PRF 6/1/2015@100), 06/01/2037	5,222,065
1,170,000	Virginia Peninsula Port Authority, (Brinks Co. (The)), Coal Terminal Revenue Refunding Bonds (Series 2003), 6.000%, 04/01/2033	1,196,079
	TOTAL	6,418,144
	Washington — 1.9%	
1,160,000	Energy Northwest, WA, Wind Project Revenue Bonds , 5.000%, (AMBAC INS), 07/01/2023	1,171,983
3,650,000	Port of Tacoma, WA, LT GO Bonds (Series 2008A), 5.000%, (Assured Guaranty Municipal Corp. INS), 12/01/2030	3,903,748
2,965,000	Washington State, UT GO Bonds (Series 2007A), 5.000%, 07/01/2031	3,257,823
	TOTAL	8,333,554
	West Virginia — 0.2%	
1,000,000	Ohio County, WV County Commission, (Fort Henry Centre Tax Increment Financing District No. 1), Tax Increment Revenue Bonds (Series 2005A), 5.625%, 06/01/2034	1,005,350
	Wisconsin — 1.6%	
1,680,000	Badger, WI Tobacco Asset Securitization Corp., Asset-Backed Revenue Bonds, 6.125%, (United States Treasury & Agency PRF), 06/01/2027	1,721,244

\$ 4,665,000	Wisconsin State General Fund Appropriation, (Wisconsin State), Revenue Bonds (Series 2009A), 5.750%, 05/01/2033	\$ 5,236,043
	TOTAL	6,957,287
	TOTAL MUNICIPAL BONDS	224,855,326
	SHORT-TERM MUNICIPALS — 3.6%⁽⁶⁾	
	Georgia — 0.9%	
4,050,000	Burke County, GA Development Authority, (1st Series 2009) Daily VRDNs (Georgia Power Co.), 0.140%, 1/2/2012	4,050,000
	Indiana — 0.5%	
2,050,000	Richmond, IN Hospital Authority, (Series 2005A) Daily VRDNs (Reid Hospital & Health Care Services, Inc.), (Assured Guaranty Municipal Corp. INS, JPMorgan Chase Bank, N.A. LIQ), 0.090%, 1/2/2012	2,050,000
	Michigan — 0.2%	
750,000	Michigan Strategic Fund, (Series 2010) Weekly VRDNs (CS Facilities LLC) , (Fifth Third Bank, Cincinnati LOC), 0.200%, 1/5/2012	750,000
	New York — 0.9%	
4,000,000	New York City, NY, (Fiscal 2006 Series I-3) Daily VRDNs, (Bank of America N.A. LOC), 0.110%, 1/2/2012	4,000,000
	North Carolina — 0.8%	
3,250,000	North Carolina Medical Care Commission, (Series 2007) Daily VRDNs (Randolph Hospital) , (Bank of America N.A. LOC), 0.140%, 1/2/2012	3,250,000
	Ohio — 0.2%	
1,055,000	Geauga County, OH, Revenue Bonds (Series 2007A) Daily VRDNs (South Franklin Circle) , (Key Bank, N.A. LOC), 0.210%, 1/2/2012	1,055,000
	Pennsylvania — 0.1%	
500,000	Pennsylvania State Higher Education Facilities Authority, (Series 2007B) Weekly VRDNs (La Salle University), (Citizens Bank of Pennsylvania LOC), 0.190%, 1/4/2012	500,000
	TOTAL SHORT-TERM MUNICIPALS	15,655,000
	TOTAL INVESTMENTS	\$ 430,104,742

(1) With regards to the Fund's equity holdings, the Fund will invest primarily in common stocks and other securities that are eligible for the reduced federal income tax rate on qualifying dividends.

(2) Non-income producing security.

(3) Obligor in default.

(4) 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) subject to a contractual restriction on public sales. At December 30, 2011, these restricted securities amounted to \$523,685, which represented 0.1% of total net assets.

(5) 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 Trustees (the "Trustees"). At December 30, 2011, these liquid restricted securities amounted to \$523,685, which represented 0.1% of total net assets.

(6) Current rate and net asset date shown for Variable Rate Demand Notes.

Note: The categories of investments are shown as a percentage of net assets (\$430,469,311) at the close of business on 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:

ADR	--American Depositary Receipt
AMBAC	--American Municipal Bond Assurance Corporation
CDC	--Community Development Authority
COP	--Certificate of Participation
CPI	--Consumer Price Index
EDA	--Economic Development Authority
EDC	--Economic Development Corporation
EDRBs	--Economic Development Revenue Bonds
FGIC	--Financial Guaranty Insurance Company
GO	--General Obligation
GTD	--Guaranteed
HEFA	--Health and Education Facilities Authority
HFDC	--Health Facility Development Corporation
IDA	--Industrial Development Authority
IDFA	--Industrial Development Finance Authority
IDRB	--Industrial Development Revenue Bond
INS	--Insured
LID	--Local Improvement District
LIQ	--Liquidity Agreement
LO	--Limited Obligation
LOC	--Letter of Credit
LT	--Limited Tax
PRF	--Prerefunded
SID	--Special Improvement District
TFA	--Transitional Finance Authority
TOBs	--Tender Option Bonds
UT	--Unlimited Tax
VRDNs	--Variable Rate Demand Notes

Portfolio holding 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 recommendation that others buy, sell or hold any of the securities listed.

For more complete information on the fund, visit 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
32216 12/11

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