

ASSET ALLOCATION

Product Highlights

- Pursues relative safety of capital, with the possibility of long-term growth of capital and income. Consideration is also given to current income.
- Provides a core, all-in-one approach to stock and bond markets.
- Allocates between 20% to 80% of its assets in stocks and between 20% to 80% in bonds, based on changing economic and market conditions.
- Maintains the flexibility to invest in a broad range of asset classes that include U.S. and foreign stocks and exchange-traded funds, U.S. government and investment-grade corporate bonds and mortgage-backed securities, as well as noninvestment-grade, and non-U.S. dollar and emerging market bonds.
- Features a track record of more than 40 years.

Morningstar Category

Moderate Allocation

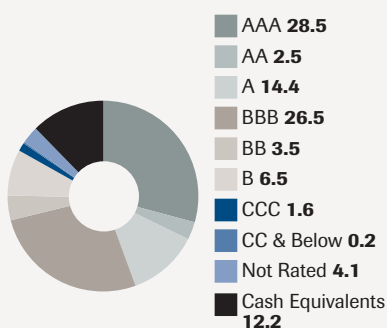
Benchmark

50% Russell 3000[®] Index/10% MSCI All Country World ex U.S. Index/40% Barclays Capital U.S. Universal Index

Nasdaq Symbols

Class A Shares (A)	FSTBX
Class B Shares (B)	FSBBX
Class C Shares (C)	FSBCX
Class R Shares (R)	FSBKX
Institutional Shares (IS)	SBFIX

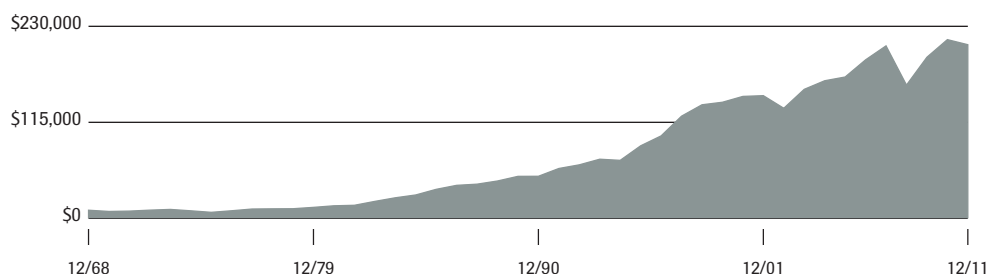
Quality Breakdown (%) **



Growth Over Time

If you had invested \$10,000 on 12/31/68 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 12/31/11.

■ Federated Asset Allocation Fund A \$213,931



Average Annual Total Returns (%)

Performance shown is before tax.

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	15 Year	20 Year	Since Inception	Expense Ratio*	
									Before Waivers	After Waivers
A	12/31/68	4.82	-2.84	1.84	3.53	5.09	6.44	7.38	1.65	1.44
B	8/30/96	4.62	-3.65	1.02	2.88	4.68	N/A	5.21	2.45	2.24
C	4/19/93	4.64	-3.63	1.05	2.74	4.29	N/A	5.41	2.41	2.24
R	12/31/68	4.67	-3.33	1.37	3.07	4.61	5.95	6.89	2.08	1.94
IS	12/31/68	4.89	-2.62	1.84	3.44	4.99	6.33	7.27	1.38	1.19
Benchmark		7.03	2.28	2.70	5.17	6.45	N/A	N/A	N/A	N/A
Lipper Mixed-Asset Target Allocation Growth Funds Average		7.34	-1.30	0.63	3.80	5.39	7.15	N/A	N/A	N/A

Maximum Offering Price

A	12/31/68	-0.96	-8.19	0.70	2.95	4.70	6.14	7.24	1.65	1.44
B	8/30/96	-0.88	-8.93	0.67	2.88	4.68	N/A	5.21	2.45	2.24
C	4/19/93	3.64	-4.59	1.05	2.74	4.29	N/A	5.41	2.41	2.24

Calendar Year Total Returns (%)

Class A Shares/NAV

2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
-2.84	10.93	20.90	-22.73	8.82	12.15	2.72	6.66	17.21	-10.30
2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
0.63	5.02	2.23	11.16	23.92	13.69	25.06	-1.92	10.50	7.33

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. To view performance current to the most recent month-end, and for after tax returns, contact us or visit FederatedInvestors.com. Maximum Offering Price figures reflect the maximum sales charge of 5.5% for Class A Shares, and the maximum contingent deferred sales charges of 5.5% for Class B Shares and 1% for Class C Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

* The Adviser and its affiliates have voluntarily agreed to waive their fees and/or reimburse expenses so that total annual fund operating expenses (excluding acquired fund fees and expenses of 0.19% and dividends on short positions, if any) paid by Class A, B, C and R Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.25%, 2.05%, 2.05% and 1.75% respectively, through the later of 5/31/12 or the date of the fund's next effective prospectus. With regards to Class IS Shares, the Adviser and its affiliates have voluntarily agreed to waive their fees and/or reimburse expenses so that total annual fund operating expenses (excluding Acquired Fund Fees and Expenses, if any) paid by the fund (after the voluntary waivers and/or reimbursements) will not exceed 1.00% up to but not including the later of 5/31/12 or the date of the fund's next effective prospectus.

Federated Asset Allocation Fund

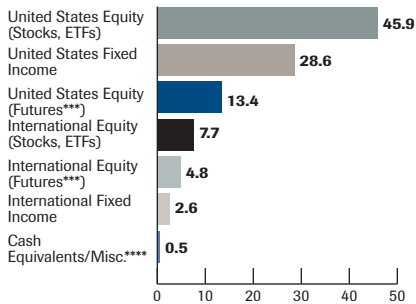
Key Investment Team Members

Timothy H. Goodger, Ph.D.
Philip J. Orlando, CFA
Joseph M. Balestrino, CFA
Christopher J. Smith, CFA

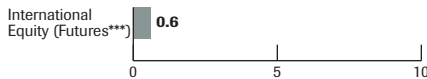
Fund Statistics

Portfolio Assets	\$350.2 m
Number of Fixed Income Holdings	251
Number of Equity Holdings	485
Dividends	Paid Quarterly
30-Day Yield	0.83%
Weighted Average Effective Maturity	5.3 Years
Weighted Average Effective Duration	3.0 Years

Portfolio Allocation (%) – Long Exposure



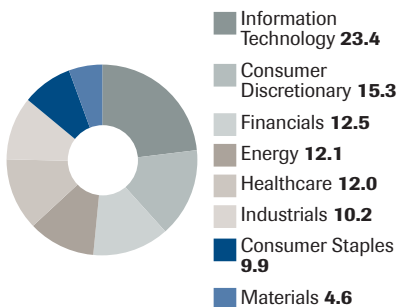
Portfolio Allocation (%) – Short Exposure



***Futures require no cash outlays; thus the notional value is reported.

****Does not include 12.91% cash held against futures positions and 01.79% T-bills held as collateral for futures.

Sector Weightings (%)



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

Past performance is no guarantee of future results.

For Equity and Fixed Income holdings, visit FederatedInvestors.com.

Effective January 31, 2011, Federated Stock and Bond Fund's name was changed to Federated Asset Allocation Fund.

The fund's Institutional Shares commenced operations on June 12, 2009. For the period prior to the commencement of operations for the Institutional Shares, the performance information shown is for the fund's Class A Shares. The performance of the Class A Shares has not been adjusted to reflect the expenses of the Institutional Shares since the Institutional Share class is estimated to have a lower expense ratio than the expense ratio of the Class A Shares. The performance of the Class A Shares has been adjusted to remove any voluntary waiver of the fund's expenses related to the Class A Shares that may have occurred during the period prior to the commencement of operations of the Institutional Share class.

The fund's Class R Shares commenced operations on April 7, 2003. For the period prior to the commencement of operations of the Class R Shares, the performance information shown is for the fund's Class A Shares, adjusted to reflect the expenses of the Class R Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

A WORD ABOUT RISK

High yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment grade securities.

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

International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

DEFINITIONS

The holdings percentages are based on net assets at the close of business on 12/31/11 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.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

The 30-day yield for Class A Shares is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the maximum offering price per share on that date. The figure is compounded and annualized. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 0.69% for Class A Shares. Yields for other classes will vary.

Growth Over Time performance is for the fund's Class A Shares. Figures do not reflect the 5.5% maximum sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

Weighted average effective maturity is the average time to maturity of debt securities held in the fund.

Weighted average effective duration is a measure of security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

Russell 3000[®] Index offers investors access to the broad U.S. equity universe representing approximately 98% of the U.S. market. The Russell 3000 is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. MSCI-All Country World Ex. U.S. Index is an unmanaged index representing 45 developed and emerging markets around the world that collectively comprise virtually all of the foreign equity stock markets. Barclays Capital U.S. Universal Index represents the union of the U.S. Aggregate Index, U.S. Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment-grade or below investment-grade. Indexes are unmanaged and cannot be invested in directly.

** The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.

RATINGS AND RATING AGENCIES

Lipper Averages represent the average total returns reported by all mutual funds designated by Lipper, Inc. as falling into the respective categories indicated and do not reflect sales charges. Data Source: Lipper, A Reuters Company. Copyright 2012© Reuters. All rights reserved. Any copying, republication or redistribution of Lipper content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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