

## MUNICIPAL

### Product Highlights

- Pursues a high level of income exempt from federal regular income tax.
- Invests at least a majority of its assets in a portfolio of: (1) long-term, tax-exempt securities; and (2) medium-quality or noninvestment-grade, tax exempt securities.
- Offers the opportunity for higher yields than are generally available from high-quality municipal bonds.

### Morningstar Category

High Yield Municipal

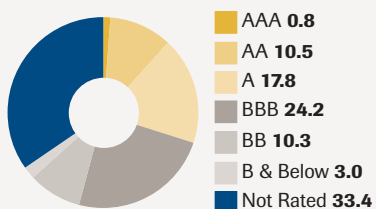
### Benchmark

S&P Municipal Bond Index

### Nasdaq Symbols

Class A Shares (A)	FMOAX
Class B Shares (B)	FMOBX
Class C Shares (C)	FMNCX
Class F Shares (F)	FHTFX

### Quality Breakdown (%) \*\*



### Average Annual Total Returns (%)

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	8/5/96	1.81	11.02	2.02	4.37	4.16	N/A	4.22	1.12	0.89
B	8/5/96	1.62	10.33	1.28	3.75	3.72	N/A	3.80	1.82	1.64
C	8/5/96	1.62	10.33	1.28	3.60	3.37	N/A	3.44	1.82	1.64
F	4/10/87	1.81	11.02	2.02	4.37	4.16	4.60	5.37	1.12	0.89
Benchmark		2.00	10.62	4.86	5.35	N/A	N/A	N/A	N/A	N/A
Lipper High Yield Municipal Debt Funds Average		1.58	9.93	1.55	4.13	4.25	5.28	N/A	N/A	N/A

### Maximum Offering Price

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	15 Year	20 Year	Since Inception	Before Waivers	After Waivers
A	8/5/96	-2.74	5.97	1.08	3.89	3.84	N/A	3.91	1.12	0.89
B	8/5/96	-3.88	4.83	0.96	3.75	3.72	N/A	3.80	1.82	1.64
C	8/5/96	0.62	9.33	1.28	3.60	3.37	N/A	3.44	1.82	1.64
F	4/10/87	-0.14	8.92	1.82	4.26	4.08	4.55	5.33	1.12	0.89

### Calendar Year Total Returns (%)

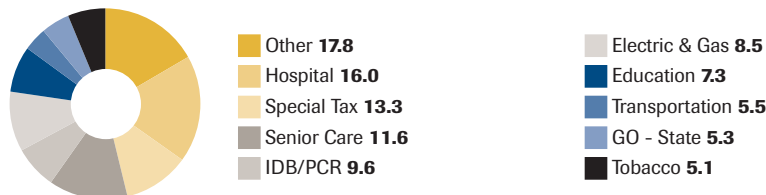
Class F Shares/NAV

2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
11.02	3.47	29.11	-23.57	-2.51	7.05	6.22	6.73	7.57	6.31
2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
4.59	5.93	-6.40	5.47	9.79	1.91	15.86	-5.75	11.08	7.97

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](http://FederatedInvestors.com). Maximum Offering Price figures reflect the maximum sales charges of 4.5% for Class A Shares and 1% for Class F Shares, and the maximum contingent deferred sales charges of 5.5% for Class B Shares, 1% for Class C Shares and 1% for Class F 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, if any) paid by Class A, B, C and F Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.89%, 1.64%, 1.64% and 0.89% respectively, up to but not including the later of 11/1/12 or the date of the fund's next effective prospectus.

### Sector Weightings (%)



# Federated Municipal High Yield Advantage Fund

## Key Investment Team Members

Lee R. Cunningham II  
R.J. Gallo, CFA

## Fund Statistics

Portfolio Assets	\$452.2 m
Number of Holdings	315
Dividends	Paid Monthly
30-Day Yield	4.86%
Weighted Average Effective Maturity	12.5 Years
Weighted Average Effective Duration	7.2 Years

## Top Holdings (%)

Wisconsin State General Fund Appropriation, (Wisconsin State), Revenue Bonds (Series 2009A), 5.750%, 05/01/2033	1.3
New York City, NY Municipal Water Finance Authority, Water and Sewer System Second General Resolution Revenue Bonds (Series 2012AA), 5.000%, 06/15/2034	1.2
New York City, NY IDA, (American Airlines, Inc.), Special Facility Revenue Bonds (Series 2005), 8.000%, 08/01/2028	1.1
Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.250%, 11/01/2039	1.0
Clark County, NV School District, LT GO Building Bonds (Series 2008A), 5.000%, 06/15/2025	1.0
Pennsylvania Economic Development Financing Authority, (Allegheny Energy Supply Company LLC), Exempt Facilities Revenue Bonds (Series 2009), 7.000%, 07/15/2039	1.0
Rhode Island State Health and Educational Building Corp., (Lifespan Obligated Group), Hospital Financing Revenue Bonds (Series 2009A), 7.000%, 05/15/2039 Assured Guaranty Municipal Corp. INS	1.0

## Federated knows...

### Stability

Ranks as a leading global investment manager, managing approximately \$370 billion in assets, delivering competitive and consistent results since 1955 and fostering growth by reinvesting in the company

### Investment Solutions

Offers broad product lines spanning domestic and international equity, fixed income, alternative and money market strategies with the goal of long-term, consistent, competitive performance

### Diligence

Takes the long view, believing that doing business the right way over time will present opportunity for future growth

**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](http://FederatedInvestors.com). Please carefully read the summary prospectus or the prospectus before investing.**

**Past performance is no guarantee of future results.**

**For information on taxable equivalent yields, visit [FederatedInvestors.com](http://FederatedInvestors.com), "Products" section.**

## 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. Interest income from the fund's investments may be subject to the federal alternative minimum tax for individuals and corporations (AMT), and state and local taxes.

## 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 F 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 4.71%. Yields for other classes will vary.

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.

The S&P Municipal Bond Index (formerly S&P/Investor-tools Municipal Bond Index) is a broad, comprehensive, market value-weighted index composed of approximately 55,000 bond issues that are exempt from U.S. federal income taxes or subject to the alternative minimum tax (AMT). 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.

For securities that are unrated, the fund relies on its investment adviser to assess the credit quality of the security.

## 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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