

CORPORATE

Product Highlights

- Pursues current income.
- Invests in asset-backed, mortgage-backed and corporate bonds as well as U.S. Treasury securities.
- Maintains a portfolio dollar-weighted average effective duration of one to three years.
- Seeks to provide a relatively conservative approach to earning a higher level of income than is generally available through money market funds.

Morningstar Category

Short-Term Bond

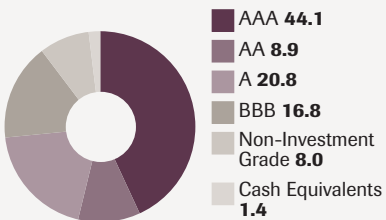
Benchmark

Bank of America Merrill Lynch 0-3 Year Composite Index

Nasdaq Symbols

Class A Shares (A)	FTIAX
Class Y Shares (Y)	FSTYX
Institutional Shares (IS)	FSTIX
Service Shares (SS)	FSISX

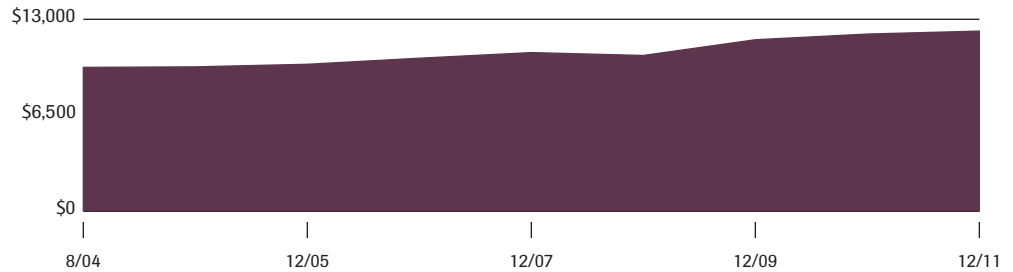
Quality Breakdown (%) **



Growth Over Time

If you had invested \$10,000 on 8/31/04 (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 Short-Term Income Fund A \$12,551



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	8/26/04	0.32	1.66	3.32	N/A	N/A	N/A	3.14	1.36	1.11
Y	8/26/04	0.51	2.42	4.08	N/A	N/A	N/A	3.90	0.61	0.37
IS	7/1/86	0.47	2.25	3.91	3.36	4.32	4.59	5.28	0.86	0.54
SS	1/24/92	0.42	2.06	3.72	3.16	4.10	N/A	4.38	1.01	0.72
Benchmark		0.33	1.90	2.55	3.10	4.30	N/A	N/A	N/A	N/A
Lipper Short Investment Grade Debt Funds Average		0.45	1.26	3.03	3.10	4.00	N/A	N/A	N/A	N/A

Maximum Offering Price

A	8/26/04	-0.72	0.61	3.12	N/A	N/A	N/A	2.99	1.36	1.11
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Calendar Year Total Returns (%)

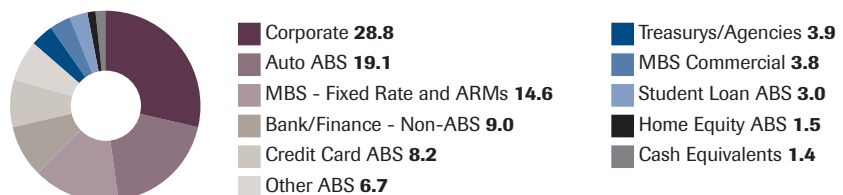
Class A Shares/NAV

2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
1.66	3.32	10.10	-1.82	3.69	4.10	1.80	N/A	N/A	N/A
2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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 1% for Class A 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 0.02% and expenses allocated from affiliated partnerships, if any) paid by Class A, IS, SS and Y Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.09%, 0.52%, 0.70% and 0.35% respectively, up to but not including the later of 7/1/12 or the date of the fund's next effective prospectus.

Sector Weightings (%)



Federated Short-Term Income Fund

Key Investment Team Members

Randall S. Bauer, CFA

Fund Statistics

Portfolio Assets	\$961.6 m
Dividends	Paid Monthly
30-Day Yield	1.27%
Weighted Average Effective Maturity	1.7 Years
Weighted Average Effective Duration	1.5 Years

Top Holdings (%)

U.S. Treasury Note, 2.50% due 4/30/15	2.2
U.S. Treasury Note, 1.75% due 7/31/15	1.1
AmeriCredit Automobile Receivables Trust 2011-5, Class D, 5.05% due 12/08/17	1.0
Citibank Credit Card Issuance Trust 2005-C3, Class C3, Floating Rate Note due 7/15/14	1.0
FHLMC Structured Pass-Through Certificates K701, Class A1, 2.776% due 6/25/17	1.0
Ford Credit Floorplan Master Owner Trust 2011-1, 2.69% due 2/15/16	1.0
Fosse Master Issuer PLC 2011-1A, Class A2, Floating Rate Note due 10/18/54 (UK RMBS)	1.0
Huntington Auto Trust 2011-1A, Class D, 3.52% due 6/15/18	1.0
Mercedes-Benz Auto Lease Trust 2011-A, Class A4, 1.45% due 10/17/16	0.9
Silverstone Master Issuer 2010-1A, Class A1, Floating Rate Note due 1/21/55 (UK RMBS)	0.9

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.

Effective September 30, 2011, the fund's share class was changed from Institutional Service Shares to Service Shares.

A WORD ABOUT RISK

Mutual funds are subject to risks and fluctuate in value. Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

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.

The Fund is not a "money market" fund. A money market 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.

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 1.03% 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 1% 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.

Bank of America Merrill Lynch 0-3 Year Composite Index is comprised of the following Bank of America Merrill Lynch indices: 30% ML 1-3 Year Corporate Index; 30% ML 0-3 Year Fixed Rate ABS Index; 20% ML 1-3 Year Treasury/Agency Index; and 20% ML 0-3 Year Mortgage Index. 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.

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2012 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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