

## ASSET ALLOCATION

### Product Highlights

- Pursues the possibility of long-term growth of capital and income.
- Provides a broad, one-decision approach to stock and bond investing.
- Allocates assets across a broad range of equity and fixed-income asset classes—including real estate investment trusts, U.S. stocks and bonds and international stocks and bonds.
- Selects stocks through a bottom-up, fundamentally based, quantitatively driven process.
- Selects bonds through top-down analysis; sector allocation is driven by outlook, pricing, risk exposure, credit, interest rate, yield curve positioning and volatility.

### Morningstar Category

Moderate Allocation

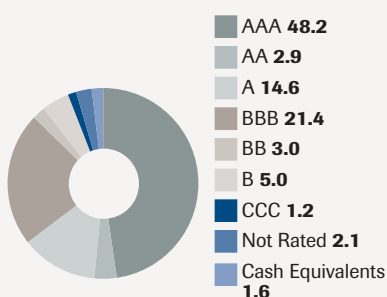
### Benchmark

60% S&amp;P 500/40% Barclays Capital U.S Aggregate Bond Index

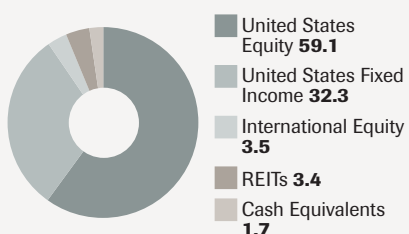
### Nasdaq Symbols

Class A Shares (A)	QABGX
Class C Shares (C)	QCBGX
Class R Shares (R)	QKBGX
Institutional Shares (IS)	QIBGX

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

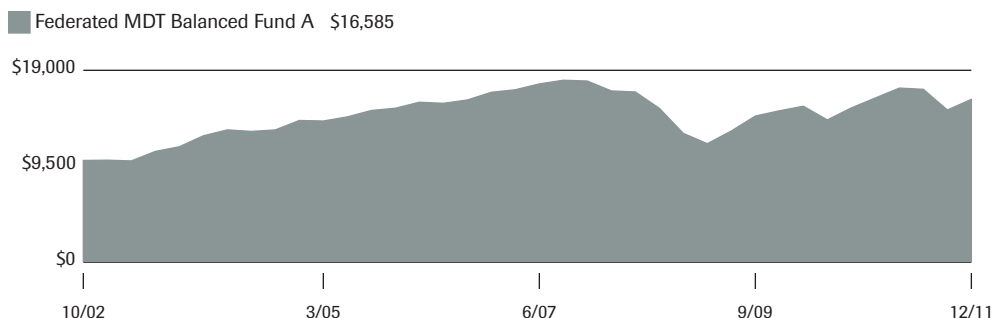


### Portfolio Composition (%)



### Growth Over Time

If you had invested \$10,000 on 10/31/02 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 12/31/11.



### Average Annual Total Returns (%)

Performance shown is before tax.

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	Since Inception	Expense Ratio*	
						Before Waivers	After Waivers
A	10/1/02	6.98	-0.84	-0.85	5.62	1.62	1.35
C	10/1/02	6.78	-1.57	-1.57	4.82	2.29	2.10
R	10/1/02	6.81	-1.29	-1.26	5.14	2.01	1.85
IS	10/1/02	7.00	-0.63	-0.60	5.88	1.27	1.10
Benchmark		7.54	4.69	2.84	N/A	N/A	N/A
Lipper Mixed-Asset Target Allocation Growth Funds Average		7.34	-1.30	0.63	N/A	N/A	N/A
<b>Maximum Offering Price</b>							
A	10/1/02	1.14	-6.26	-1.96	4.98	1.62	1.35
C	10/1/02	5.78	-2.55	-1.57	4.82	2.29	2.10

### Calendar Year Total Returns (%)

Class A Shares/NAV

2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
-0.84	8.45	17.53	-28.88	6.62	10.34	8.65	12.11	23.86	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](http://FederatedInvestors.com). Maximum Offering Price figures reflect the maximum sales charge of 5.5% for Class A Shares, and the maximum contingent deferred sales charge of 1% for Class C Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund. Returns shown for Class A and C Shares (inception date 9/15/05) for the periods prior to their inception are derived from the historical performance of Institutional Class of the fund during such periods and have been adjusted to reflect the higher total annual operating expenses of each specific class.

\* 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 0.05%) paid by Class A, C, R and IS Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.30%, 2.05%, 1.80% and 1.05% respectively, up to but not including the later of 10/1/12 or the date of the fund's next effective prospectus.

# Federated MDT Balanced Fund

## Key Investment Team Members

Daniel J. Mahr, CFA  
Joseph M. Balestrino, CFA  
John F. Sherman, CFA  
Christopher J. Smith, CFA  
Brian M. Greenberg  
Frederick L. Konopka, CFA

## Fund Statistics

Portfolio Assets	\$134.2 m
Dividends	Paid Annually
30-Day Yield	1.03%
Weighted Average Effective Duration	4.4 Years
Weighted Average Maturity	6.7 Years

## Top Holdings (%)

### Stock Portion

iShares MSCI EAFE Index Fund	2.0
Wal-Mart Stores, Inc.	2.0
J.P. Morgan Chase & Co.	1.9
Mastercard, Inc. Class A	1.9
AT&T, Inc.	1.7

### Bond Portion

U.S. Treasury Note, 1.00% due 9/30/16	4.0
U.S. Treasury Note, TIPS, 1.125% due 1/15/21	0.9
U.S. Treasury Note, TIPS, 0.625% due 7/15/21	0.7
DBUBS Mortgage Trust 2011-LC2A, Class B, 4.998% due 7/10/44	0.3
Football Trust V, 5.35% due 10/05/20	0.2

## 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.

The fund is the successor to MDT Balanced Fund pursuant to a reorganization that took place on December 8, 2006. Prior to that date, the fund had no investment operations. Accordingly, the performance information shown for periods prior to that date is that of MDT Balanced Fund.

The fund's Class R Shares commenced operations on December 12, 2006. For the period prior to the commencement of operations of the Class R Shares, the performance information shown is for the fund's Institutional 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

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks.

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

Investments in real estate investment trusts ("REITs") involve special risks associated with an investment in real estate, such as limited liquidity and interest rate risks.

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

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

### 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 0.70% 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 maturity is the average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio.

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Barclays Capital U.S. Aggregate Bond Index is an unmanaged index composed of securities from the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization. Indices 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.