

*October 31, 2011*

<b>Share Class</b>	<b>Ticker</b>
Service*	AGSXX

*\*formerly, Institutional  
Service Shares*

## Federated Automated Government Cash Reserves

A Portfolio of Money Market Obligations Trust

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# Portfolio of Investments Summary Tables (unaudited)

At October 31, 2011, the Fund's portfolio composition<sup>1</sup> was as follows:

	<b>Percentage of Total Net Assets</b>
U.S. Government Agency Securities	57.9%
U.S. Treasury Securities	44.5%
Other Assets and Liabilities—Net <sup>2</sup>	(2.4)%
<b>TOTAL</b>	<b>100.0%</b>

At October 31, 2011, the Fund's effective maturity<sup>3</sup> schedule was as follows:

<b>Securities With an Effective Maturity of:</b>	<b>Percentage of Total Net Assets</b>
1-7 Days	8.3%
8-30 Days	43.8%
31-90 Days	31.1%
91-180 Days	17.7%
181 Days or more	1.5%
Other Assets and Liabilities—Net <sup>2</sup>	(2.4)%
<b>TOTAL</b>	<b>100.0%</b>

- <sup>1</sup> See the Fund's Prospectus and Statement of Additional Information for a description of the principal types of securities in which the Fund invests.
- <sup>2</sup> Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- <sup>3</sup> Effective maturity is determined in accordance with the requirements of Rule 2a-7 under the Investment Company Act of 1940, which regulates money market mutual funds.

# Portfolio of Investments

October 31, 2011 (unaudited)

Principal Amount		Value
	GOVERNMENT AGENCIES—57.9%	
\$56,000,000	<sup>1</sup> Federal Farm Credit System Discount Notes, 0.010% - 0.130%, 11/1/2011 - 2/21/2012	\$ 55,993,746
74,625,000	<sup>2</sup> Federal Farm Credit System Floating Rate Notes, 0.135% - 0.295%, 11/6/2011 - 11/28/2011	74,628,610
10,400,000	Federal Farm Credit System Notes, 0.350% - 1.980%, 11/2/2011 - 11/15/2011	10,407,100
44,000,000	<sup>1</sup> Federal Home Loan Bank System Discount Notes, 0.025% - 0.060%, 11/9/2011 - 1/18/2012	43,997,379
10,000,000	<sup>2</sup> Federal Home Loan Bank System Floating Rate Notes, 0.162% - 0.222%, 11/3/2011 - 11/9/2011	9,999,282
50,820,000	Federal Home Loan Bank System Notes, 0.100% - 4.875%, 11/9/2011 - 7/17/2012	50,832,699
	TOTAL GOVERNMENT AGENCIES	245,858,816
	U.S. TREASURY—44.5%	
3,150,000	<sup>1</sup> United States Treasury Bill, 0.035%, 11/17/2011	3,149,951
15,000,000	<sup>1</sup> United States Treasury Bill, 0.050%, 11/10/2011	14,999,813
41,884,000	United States Treasury Note, 0.750%, 11/30/2011	41,907,754
5,000,000	United States Treasury Note, 0.875%, 2/29/2012	5,013,687
37,363,000	United States Treasury Note, 1.000%, 12/31/2011	37,422,171
15,000,000	United States Treasury Note, 1.125%, 1/15/2012	15,033,417
3,000,000	United States Treasury Note, 1.125%, 12/15/2011	3,003,979
20,000,000	United States Treasury Note, 1.750%, 11/15/2011	20,013,237
17,800,000	United States Treasury Notes, 0.875% - 4.750%, 1/31/2012	17,911,598
30,000,000	United States Treasury Notes, 1.375% - 4.875%, 2/15/2012	30,314,039
	TOTAL U.S. TREASURY	188,769,646
	TOTAL INVESTMENTS—102.4% (AT AMORTIZED COST) <sup>3</sup>	434,628,462
	OTHER ASSETS AND LIABILITIES - NET—(2.4)% <sup>4</sup>	(10,371,208)
	TOTAL NET ASSETS—100%	\$424,257,254

1 Discount rate at the time of purchase.

2 Floating rate note with current rate and next reset date shown.

3 Also represents cost for federal tax purposes.

4 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at October 31, 2011.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities, including investment companies with daily net asset values, if applicable.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

As of October 31, 2011, all investments of the Fund are valued at amortized cost, which is considered a Level 2 input, in valuing the Fund's assets.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 10/31/2011	Year Ended April 30,				
		2011	2010	2009	2008	2007
<b>Net Asset Value, Beginning of Period</b>	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
<b>Income From Investment Operations:</b>						
Net investment income	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.012	0.040	0.046
Net realized gain on investments	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.001	—	—	—
TOTAL FROM INVESTMENT OPERATIONS	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.001	0.012	0.040	0.046
<b>Less Distributions:</b>						
Distributions from net investment income	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.012)	(0.040)	(0.046)
Distributions from net realized gain on investments	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.001)	—	—	—
TOTAL DISTRIBUTIONS	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.001)	(0.012)	(0.040)	(0.046)
<b>Net Asset Value, End of Period</b>	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
<b>Total Return<sup>2</sup></b>	0.01%	0.01%	0.09%	1.24%	4.08%	4.72%
<b>Ratios to Average Net Assets:</b>						
Net expenses	0.10% <sup>3</sup>	0.19%	0.40%	0.62%	0.59%	0.59%
Net investment income	0.01% <sup>3</sup>	0.01%	0.01%	1.17%	3.92%	4.63%
Expense waiver/ reimbursement <sup>4</sup>	0.81% <sup>3</sup>	0.81%	0.62%	0.32%	0.32%	0.31%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$424,257	\$297,994	\$309,719	\$887,905	\$614,404	\$453,667

1 Represents less than \$0.001.

2 Based on net asset value. Total returns for periods of less than one year are not annualized.

3 Computed on an annualized basis.

4 This expense decrease is reflected in both the net expense and net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

# Statement of Assets and Liabilities

October 31, 2011 (unaudited)

**Assets:**

Total investments in securities, at amortized cost and fair value	\$434,628,462
Income receivable	998,957
Receivable for shares sold	10,021
<b>TOTAL ASSETS</b>	<b>435,637,440</b>

**Liabilities:**

Bank overdraft	\$ 1,248,109
Payable for investments purchased	10,048,900
Payable for shares redeemed	877
Income distribution payable	537
Payable to adviser (Note 4)	2,101
Accrued expenses	79,662
<b>TOTAL LIABILITIES</b>	<b>11,380,186</b>
Net assets for 424,256,560 shares outstanding	\$424,257,254

**Net Assets Consist of:**

Paid-in capital	\$424,256,559
Accumulated net realized gain on investments	695
<b>TOTAL NET ASSETS</b>	<b>\$424,257,254</b>

**Net Asset Value, Offering Price and Redemption Proceeds Per Share:**

$\$424,257,254 \div 424,256,560$ shares outstanding, no par value, unlimited shares authorized	\$1.00
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See Notes which are an integral part of the Financial Statements

# Statement of Operations

Six Months Ended October 31, 2011 (unaudited)

## Investment Income:

Interest	\$216,894
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## Expenses:

Investment adviser fee (Note 4)	\$ 955,183
Administrative fee (Note 4)	149,200
Custodian fees	11,093
Transfer and dividend disbursing agent fees and expenses	41,314
Directors'/Trustees' fees	949
Auditing fees	9,312
Legal fees	3,478
Portfolio accounting fees	54,044
Shareholder services fee (Note 4)	472,103
Account administration fee	4,735
Share registration costs	21,269
Printing and postage	8,952
Insurance premiums	2,383
Miscellaneous	10,416
<b>TOTAL EXPENSES</b>	<b>1,744,431</b>

## Waivers and Reimbursement (Note 4):

Waiver of investment adviser fee	\$(955,183)
Waiver of administrative fee	(3,821)
Waiver of shareholder services fee	(472,103)
Waiver of account administration fee	(4,735)
Reimbursement of other operating expenses	(110,768)
<b>TOTAL WAIVERS AND REIMBURSEMENT</b>	<b>(1,546,610)</b>

Net expenses	197,821
Net investment income	19,073
Net realized gain on investments	694
Change in net assets resulting from operations	\$ 19,767

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

	<b>Six Months Ended (unaudited) 10/31/2011</b>	<b>Year Ended 4/30/2011</b>
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 19,073	\$ 29,673
Net realized gain on investments	694	2,334
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>19,767</b>	<b>32,007</b>
<b>Distributions to Shareholders:</b>		
Distributions from net investment income	(19,094)	(29,816)
Distributions from net realized gain on investments	(1,364)	(1,643)
<b>CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS</b>	<b>(20,458)</b>	<b>(31,459)</b>
<b>Share Transactions:</b>		
Proceeds from sale of shares	530,957,947	525,905,551
Net asset value of shares issued to shareholders in payment of distributions declared	17,151	25,084
Cost of shares redeemed	(404,711,292)	(537,655,782)
<b>CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS</b>	<b>126,263,806</b>	<b>(11,725,147)</b>
Change in net assets	126,263,115	(11,724,599)
<b>Net Assets:</b>		
Beginning of period	297,994,139	309,718,738
End of period (including undistributed net investment income of \$0 and \$21, respectively)	\$ 424,257,254	\$ 297,994,139

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

October 31, 2011 (unaudited)

## **1. ORGANIZATION**

Money Market Obligations Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end, management investment company. The Trust consists of 36 portfolios. The financial statements included herein are only those of Federated Automated Government Cash Reserves (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The investment objective of the Fund is current income with stability of principal and liquidity.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

### **Investment Valuation**

Securities are valued at amortized cost. Under the amortized cost valuation method, an investment is valued initially at its cost as determined in accordance with GAAP. The Fund then adjusts the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate market value, the fair value of the portfolio securities will be determined under procedures established by and under the general supervision of the Fund's Board of Trustees (the "Trustees").

### **Investment Income, Gains and Losses, Expenses and Distributions**

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified cost basis. Interest income and expenses are accrued daily. Distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income are declared daily and paid monthly.

### **Premium and Discount Amortization**

All premiums and discounts on fixed-income securities are amortized/accreted using the effective interest rate method.

### **Federal Taxes**

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended October 31, 2011, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of October 31, 2011, tax years 2008 through 2011 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

## When-Issued and Delayed Delivery Transactions

The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

## Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimated.

## 3. SHARES OF BENEFICIAL INTEREST

The following table summarizes share activity:

	Six Months Ended 10/31/2011	Year Ended 4/30/2011
Shares sold	530,957,947	525,905,551
Shares issued to shareholders in payment of distributions declared	17,151	25,084
Shares redeemed	(404,711,292)	(537,655,782)
NET CHANGE RESULTING FROM FUND SHARE TRANSACTIONS	126,263,806	(11,725,147)

## 4. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

### Investment Adviser Fee

Federated Investment Management Company is the Fund's investment adviser (the "Adviser"). The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.50% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Advisor may voluntarily waive any portion of its fee and/or reimburse certain operating expenses of the Fund. For the six months ended October 31, 2011, the Adviser voluntarily waived its entire fee of \$955,183 and voluntarily reimbursed \$110,768 of other operating expenses.

### Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. The fee paid to FAS is based on the average aggregate daily net assets of certain Federated funds as specified below:

Administrative Fee	Average Aggregate Daily Net Assets of the Federated Funds
0.150%	on the first \$5 billion
0.125%	on the next \$5 billion
0.100%	on the next \$10 billion
0.075%	on assets in excess of \$20 billion

The administrative fee received during any fiscal year shall be at least \$150,000 per portfolio and \$40,000 per each additional class of Shares. Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the six months ended October 31, 2011, the net fee paid to FAS was 0.076% of average daily net assets of the Fund. FAS waived \$3,821 of its fee.

### **Shareholder Services Fee**

The Fund may pay fees (“Service Fees”) up to 0.25% of the average daily net assets of the Fund to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for Services Fees. In addition, unaffiliated third-party financial intermediaries may waive Service Fees. This waiver can be modified or terminated at any time. For the six months ended October 31, 2011, unaffiliated third party financial intermediaries waived \$472,103 of shareholder services fees and \$4,735 of account administration fees.

### **Expense Limitation**

Due to the possibility of changes in market conditions and other factors, there can be no assurance that the level of waivers/reimbursements/reduction of Fund expenses reflected in the financial highlights will be maintained in the future. However, the Adviser and its affiliates (which may include FAS and FSSC) have voluntarily agreed to waive their fees and/or reimburse expenses so that the total annual fund operating expenses (as shown in the financial highlights) paid by the Fund (after voluntary waivers and reimbursements) will not exceed 0.59% up to but not including the later of (the “Termination Date”): (a) July 1, 2012; or (b) the date of the Fund’s next effective Prospectus. While the Adviser and its affiliates currently do not anticipate terminating or increasing this arrangement prior to the Termination Date, this arrangement may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

### **General**

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of the above companies.

## **5. LINE OF CREDIT**

The Fund participates in a \$100,000,000 unsecured, uncommitted revolving line of credit (LOC) agreement with PNC Bank. The LOC was made available for extraordinary or emergency purposes, primarily for financing redemption payments. Borrowings are charged interest at a rate offered to the Fund by PNC Bank at the time of the borrowing. As of October 31, 2011, there were no outstanding loans. During the six months ended October 31, 2011, the Fund did not utilize the LOC.

## **6. INTERFUND LENDING**

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Investors, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of October 31, 2011, there were no outstanding loans. During the six months ended October 31, 2011, the program was not utilized.

## **7. RECENT ACCOUNTING PRONOUNCEMENTS**

In April 2011, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) No. 2011-03, "Reconsideration of Effective Control for Repurchase Agreements." This ASU amends FASB Accounting Standards Codification (ASC) Topic 860, "Transfers and Servicing"; specifically the criteria required to determine whether a repurchase agreement and similar agreements should be accounted for as sales of financial assets or secured borrowings with commitments. This ASU is effective for fiscal years and interim periods beginning after December 15, 2011. At this time, management is evaluating the implications of adopting ASU No. 2011-03 and its impact on the Fund's financial statements and the accompanying notes, net assets and results of operations.

In addition, in May 2011, FASB released ASU No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." This ASU amends FASB ASC Topic 820, "Fair Value Measurement," to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP. This ASU is effective for fiscal years and interim periods beginning after December 15, 2011. At this time, management is evaluating the implications of adopting ASU No. 2011-04 and its impact on the Fund's financial statements and the accompanying notes.

## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or shareholder services fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from May 1, 2011 to October 31, 2011.

### ACTUAL EXPENSES

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

### HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	Beginning Account Value 5/1/2011	Ending Account Value 10/31/11	Expenses Paid During Period <sup>1,2</sup>
<b>Actual</b>	\$1,000	\$1,000.10	\$0.50
<b>Hypothetical (assuming a 5% return before expenses)</b>	\$1,000	\$1,024.63	\$0.51

- Expenses are equal to the Fund’s annualized net expense ratio of 0.10%, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half-year period).*
- Actual and Hypothetical expenses paid during the period utilizing the Fund’s current annualized net expense ratio of 0.59% (as reflected in the Notes to Financial Statements, Note 4 under Expense Limitation), multiplied by the average account value over the period, multiplied by 184/366 (to reflect current expenses as if they had been in effect throughout the most recent one-half-year period) would be \$2.97 and \$3.00, respectively.*

# Evaluation and Approval of Advisory Contract – May 2011

## **FEDERATED AUTOMATED GOVERNMENT CASH RESERVES (THE “FUND”)**

The Fund’s Board reviewed the Fund’s investment advisory contract at meetings held in May 2011. The Board’s decision regarding the contract reflects the exercise of its business judgment on whether to continue the existing arrangements.

In this connection, the Federated Funds’ Board had previously appointed a Senior Officer, whose duties include specified responsibilities relating to the process by which advisory fees are to be charged to a Federated fund. The Senior Officer has the authority to retain consultants, experts, or staff as may be reasonably necessary to assist in the performance of his duties, reports directly to the Board, and may be terminated only with the approval of a majority of the independent members of the Board. The Senior Officer prepared and furnished to the Board an independent, written evaluation that covered topics discussed below (the “Evaluation”). The Board considered that Evaluation, along with other information, in deciding to approve the advisory contract.

During its review of the contract, the Board considered compensation and benefits received by the Adviser. This included the fees received for services provided to the Fund by other entities in the Federated organization and research services (if any) received by the Adviser from brokers that execute Federated fund trades, as well as advisory fees. The Board is also familiar with and considered judicial decisions concerning allegedly excessive investment advisory fees, which have indicated that the following factors may be relevant to an Adviser’s fiduciary duty with respect to its receipt of compensation from a fund: the nature and quality of the services provided by the Adviser, including the performance of the fund; the Adviser’s cost of providing the services; the extent to which the Adviser may realize “economies of scale” as a fund grows larger; any indirect benefits that may accrue to the Adviser and its affiliates as a result of the Adviser’s relationship with a fund; performance and expenses of comparable funds; and the extent to which the independent Board members are fully informed about all facts the Board deems relevant bearing on the Adviser’s services and fees. The Board further considered management fees (including any components thereof) charged to institutional and other clients of the Adviser for what might be viewed as like services, and the cost to the Adviser and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit and profit margins of the Adviser and its affiliates for supplying such services. The Board was aware of these factors and was guided by them in its review of the Fund’s advisory contract to the extent it considered them to be appropriate and relevant, as discussed further below.

The Board considered and weighed these circumstances in light of its substantial accumulated experience in governing the Fund and working with Federated on matters relating to the Federated funds, and was assisted in its deliberations by independent legal counsel. Throughout the year, the Board has requested and received substantial and detailed information about the Fund and the Federated organization that was in addition to the extensive materials that comprise and accompany the Senior Officer's Evaluation. Federated provided much of this information at each regular meeting of the Board, and furnished additional information in connection with the particular meeting at which the Board's formal review of the advisory contract occurred. Between regularly scheduled meetings, the Board also received information on particular matters as the need arose. Thus, the Board's consideration of the advisory contract included review of the Senior Officer's Evaluation, accompanying data and additional information covering such matters as: the Adviser's investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund's short- and long-term performance (in absolute terms, both on a gross basis and net of expenses, as well as in relationship to its particular investment program and certain competitor or "peer group" funds and/or other benchmarks, as appropriate), and comments on the reasons for performance; the Fund's investment objectives; the Fund's expenses (including the advisory fee itself and the overall expense structure of the Fund, both in absolute terms and relative to similar and/or competing funds, with due regard for contractual or voluntary expense limitations); the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates. The Board also considered the preferences and expectations of Fund shareholders and their relative sophistication; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund's relationship to the Federated family of funds which include a comprehensive array of funds with different investment objectives, policies and strategies which are available for exchange without the incurrence of additional sales charges; compliance and audit reports concerning the Federated funds and the Federated companies that service them (including communications from regulatory agencies), as well as Federated's responses to any issues raised therein; and relevant developments in the mutual fund industry and how the Federated funds and/or Federated are responding to them. The Board's evaluation process is evolutionary. The criteria considered and the emphasis placed on relevant criteria change in recognition of changing circumstances in the mutual fund marketplace.

With respect to the Fund's performance and expenses in particular, the Board has found the use of comparisons to other mutual funds with comparable investment programs to be relevant, given the high degree of competition in the mutual fund business. The Board focused on comparisons with other similar

mutual funds more heavily than non-mutual fund products or services because it is believed that they are more relevant. For example, other mutual funds are the products most like the Fund, they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle in fact chosen and maintained by the Fund's investors. The range of their fees and expenses therefore appears to be a generally reliable indication of what consumers have found to be reasonable in the precise marketplace in which the Fund competes. The Fund's ability to deliver competitive performance when compared to its peer group was a useful indicator of how the Adviser is executing the Fund's investment program, which in turn assisted the Board in reaching a conclusion that the nature, extent, and quality of the Adviser's investment management services were such as to warrant continuation of the advisory contract. In this regard, the Senior Officer has reviewed Federated's fees for providing advisory services to products outside the Federated family of funds (e.g., institutional and separate accounts). He concluded that mutual funds and institutional accounts are inherently different products. Those differences include, but are not limited to, different types of targeted investors; being subject to different laws and regulations; different legal structures; different average account sizes; different associated costs; different portfolio management techniques made necessary by different cash flows; and portfolio manager time spent in review of securities pricing. The Senior Officer did not consider these fee schedules to be determinative in judging the appropriateness of mutual fund advisory contracts.

The Senior Officer reviewed information compiled by Federated, using data supplied by independent fund ranking organizations, regarding the performance of, and fees charged by, other mutual funds, noting his view that comparisons to fund peer groups are relevant in judging the reasonableness of proposed fees.

The Fund's performance fell below the median of the relevant peer group for the one-year period covered by the Evaluation. The Board discussed the Fund's performance with the Adviser and recognized the efforts being undertaken by the Adviser. The Board will continue to monitor these efforts and the performance of the Fund.

The Board also received financial information about Federated, including information regarding the compensation and benefits Federated derived from its relationships with the Federated funds. This information covered not only the fees under the advisory contracts, but also fees received by Federated's subsidiaries for providing other services to the Federated funds under separate contracts (e.g., for serving as the Federated funds' administrator). The information also detailed any indirect benefit Federated may derive from its receipt of research services from brokers who execute Federated fund trades. In addition, the Board considered the fact that, in order for a fund to be competitive in the marketplace, Federated and its affiliates frequently waived fees

and/or reimbursed expenses and have disclosed to fund investors and/or indicated to the Board their intention to do so in the future, where appropriate. Moreover, the Board receives regular reporting as to the institution or elimination of these voluntary waivers.

Federated furnished information, requested by the Senior Officer, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the Senior Officer. The Senior Officer noted that, although they may apply consistent allocation processes, the inherent difficulties in allocating costs (and the unavoidable arbitrary aspects of that exercise) and the lack of consensus on how to allocate those costs may render such allocation information unreliable. The allocation information was considered in the analysis by the Board but was determined to be of limited use.

The Board and the Senior Officer also reviewed information compiled by Federated comparing profitability information for Federated to other publicly held fund management companies. In this regard, the Senior Officer noted the limited availability of such information, but nonetheless concluded that Federated's profit margins did not appear to be excessive and the Board agreed.

The Senior Officer's Evaluation also discussed the notion of possible realization of "economies of scale" as a fund grows larger. The Board considered in this regard that the Adviser has made significant and long-term investments in areas that support all of the Federated funds, such as personnel and processes for the portfolio management, compliance, internal audit, and risk management functions; and systems technology; and that the benefits of these efforts (as well as any economies, should they exist) were likely to be enjoyed by the fund complex as a whole. Finally, the Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which (as discussed in the Senior Officer's Evaluation) is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with "breakpoints" that serve to reduce the fee as the fund attains a certain size. The Senior Officer did not recommend institution of breakpoints in pricing Federated's fund advisory services at this time.

It was noted in the materials for the Board meeting that for the period covered by the Evaluation, the Fund's investment advisory fee, after waivers and expense reimbursements, if any, was below the median of the relevant peer group. The Board reviewed the fees and other expenses of the Fund with the Adviser and was satisfied that the overall expense structure of the Fund remained competitive.

The Senior Officer noted that, considering the totality of the circumstances, and all of the factors referenced within his Evaluation, he had concluded that, subject to comments and recommendations made within his Evaluation, his observations and the information accompanying the Evaluation supported a finding by the Board that the management fees for each of the funds are reasonable and that Federated appeared to provide appropriate administrative

services to the Fund for the fees paid. Under these circumstances, no changes were recommended to, and no objection was raised to, the continuation of the Fund's advisory contract. The Board concluded that the nature, quality and scope of services provided the Fund by the Adviser and its affiliates were satisfactory.

In its decision to continue an existing investment advisory contract, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew an advisory contract. In particular, the Board recognized that many shareholders have invested in the Fund on the strength of the Adviser's industry standing and reputation and with the expectation that the Adviser will have a continuing role in providing advisory services to the Fund. Thus, the Board's approval of the advisory contract reflected the fact that it is the shareholders who have effectively selected the Adviser by virtue of having invested in the Fund.

The Board based its decision to approve the advisory contract on the totality of the circumstances and relevant factors and with a view to past and future long-term considerations. Not all of the factors and considerations identified above were necessarily relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were relevant, the Board's decision to approve the contract reflects its determination that Federated's performance and actions provided a satisfactory basis to support the decision to continue the existing arrangements.

## Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available from Federated's website at FederatedInvestors.com. To access this information from the home page, select "All" under "Asset Classes." Select a fund name and share class, if applicable, to go to the Fund Overview page. On the Fund Overview page, select the "Documents" tab. At the bottom of that page, select "Proxy Voting Record Report (Form N-PX)." Form N-PX filings are also available at the SEC's website at [www.sec.gov](http://www.sec.gov).

## Quarterly Portfolio Schedule

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q." These filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. (Call 1-800-SEC-0330 for information on the operation of the Public Reference Room.) You may also access this information from the "Products" section of Federated's website at FederatedInvestors.com. From the home page, select "All" under "Asset Classes." Select a fund name and share class, if applicable, to go to the Fund Overview page. On the Fund Overview page, select the "Documents" tab. At the bottom of that page, select "Form N-Q."

*Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal. Although money market funds seek to maintain a stable net asset value of \$1.00 per share, there is no assurance that they will be able to do so.*

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

**IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY**

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its/their Prospectus and Statement of Additional Information, and supplements to each, as well as Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-341-7400.

# Notes

# Notes

# Federated<sup>®</sup>

Federated Automated Government Cash Reserves  
Federated Investors Funds  
4000 Ericsson Drive  
Warrendale, PA 15086-7561

Contact us at **FederatedInvestors.com**  
or call 1-800-341-7400.

Federated Securities Corp., Distributor

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