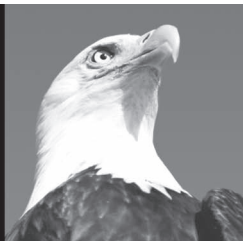


Federated®



FEDERATED MDT LARGE CAP GROWTH FUND

Fund Established 2005

A Portfolio of Federated MDT Series

PRESIDENT'S MESSAGE AND SEMI-ANNUAL SHAREHOLDER REPORT

January 31, 2011

Class A Shares

Class B Shares

Class C Shares

Institutional Shares

Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee

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**J. Christopher
Donahue**

President

Federated MDT Large
Cap Growth Fund

PRESIDENT'S MESSAGE

Dear Valued Shareholder,

I'm writing on behalf of Federated MDT Large Cap Growth Fund to provide you with its Semi-Annual Report covering the period from August 1, 2010 through January 31, 2011, as well as an overview of market conditions prevailing during this period. In this report, you'll find performance data and financial information as well as a complete listing of your fund's holdings.

The spurt in U.S. economic activity earlier in 2010 that supported the prospects for a broadening recovery slowed considerably in early summer, prompting the Federal Reserve to sound warnings about the recovery and hint at a further round of Treasury security purchases to boost growth. As summer gave way to fall, however, the U.S. economy appeared to pick up again, with much stronger consumer spending, growth in manufacturing activity, rising exports and a surge in business investment in equipment and software. As a result, gross domestic product grew at a 2.6% annual rate in the third quarter and accelerated to an estimated 3.2% pace in the final three months of the year. In addition, the Fed committed to further stimulus, which, combined with a compromise extending the Bush tax cuts through 2012 and reducing employee payroll taxes in 2011, added to the positive influences on the U.S. economy as the new year began.

THE BENEFITS OF EXPERIENCE

In any investment environment, maintaining perspective and discipline is important. In Federated's 55 years as an investment manager, we have navigated through numerous market cycles that have presented both challenges and opportunities.

Federated's Diverse Fund Lineup

37 Equity Funds from growth and value to international and balanced to alternative strategies

50 Fixed Income Funds including government, corporate and municipal

49 Money Market Funds including agency, Treasury, government and prime funds

OUR COMMITMENT TO YOU

One of the most important reasons for Federated's steadfast presence in this dynamic business is the trust and support of valued shareholders like you. Our desire to continue earning that confidence is the reason behind the principles that form the foundation of our business:

- **Stability**—Federated has been delivering competitive and consistent results to investors since 1955 and today ranks as a leading global investment manager.
- **Investment Solutions**—As an experienced money manager, we understand the importance of diversification and allocation in managing overall portfolio risk. Our broad product lineup spans domestic and international equity, fixed-income, alternative and money market strategies with the goal of consistent, competitive performance.
- **Diligence**—We take the long view, believing that doing business the right way over time will present opportunity for future growth.

Our website, FederatedInvestors.com, offers timely updates on your fund as well as commentary on economic and market developments from our investment professionals. As always, we thank you for investing with Federated.

Sincerely,



J. Christopher Donahue
President
March 15, 2011

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

Federated Securities Corp., Distributor



FEDERATED MDT LARGE CAP GROWTH FUND

Fund Established 2005

A Portfolio of Federated MDT Series

SEMI-ANNUAL SHAREHOLDER REPORT

January 31, 2011

Class A Shares

Class B Shares

Class C Shares

Institutional Shares

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Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee
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FINANCIAL HIGHLIGHTS – CLASS A SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				Period Ended 7/31/2006 ²
		2010	2009	2008	2007 ¹	
Net Asset Value, Beginning of Period	\$8.45	\$7.60	\$10.23	\$12.12	\$10.17	\$10.00
Income From Investment Operations:						
Net investment income (loss)	(0.01) ³	(0.01) ³	0.00 ^{3,4}	(0.06) ³	(0.14) ³	(0.10) ³
Net realized and unrealized gain (loss) on investments	1.46	0.86	(2.63)	(0.48)	2.20	0.27
TOTAL FROM INVESTMENT OPERATIONS	1.45	0.85	(2.63)	(0.54)	2.06	0.17
Less Distributions:						
Distributions from net realized gain on investments	—	—	—	(1.35)	(0.11)	—
Net Asset Value, End of Period	\$9.90	\$8.45	\$7.60	\$10.23	\$12.12	\$10.17
Total Return⁵	17.16%	11.18%	(25.71)%	(5.76)%	20.38%	1.70%
Ratios to Average Net Assets:						
Net expenses	1.50% ⁶	1.50%	1.50%	1.50%	1.50%	2.01% ⁶
Net investment income (loss)	(0.12)% ⁶	(0.08)%	0.04%	(0.49)%	(1.14)%	(0.93)% ⁶
Expense waiver/ reimbursement ⁷	0.83% ⁶	0.55%	0.52%	0.14%	2.30%	20.55% ⁶
Supplemental Data:						
Net assets, end of period (000 omitted)	\$45,518	\$45,993	\$68,963	\$102,600	\$88,826	\$183
Portfolio turnover	69%	217%	380%	320%	630%	237%

1 MDT Large Cap Growth Fund (the "Predecessor Fund") was reorganized into Federated MDT Large Cap Growth Fund (the "Fund") as of the close of business on December 8, 2006. Prior to the reorganization, the Fund had no investment operations. The Fund is the Successor to the Predecessor Fund. The performance information and financial information presented incorporates the operations of the Predecessor Fund, which, as a result of the reorganization, are the Fund's operations.

2 Reflects operations for the period from September 15, 2005 (date of initial investment) to July 31, 2006.

3 Per share numbers have been calculated using the average shares method.

4 Represents less than \$0.01.

5 Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.

6 Computed on an annualized basis.

7 This expense decrease is reflected in both the net expense and the net investment income (loss) ratios shown above.

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS – CLASS B SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,			Period Ended 7/31/2007 ¹
		2010	2009	2008	
Net Asset Value, Beginning of Period	\$8.30	\$7.53	\$10.21	\$12.18	\$11.48
Income From Investment Operations:					
Net investment income (loss)	(0.04) ²	(0.07) ²	(0.05) ²	(0.14) ²	(0.08) ²
Net realized and unrealized gain (loss) on investments	1.43	0.84	(2.63)	(0.48)	0.78
TOTAL FROM INVESTMENT OPERATIONS	1.39	0.77	(2.68)	(0.62)	0.70
Less Distributions:					
Distributions from net realized gain on investments	—	—	—	(1.35)	—
Net Asset Value, End of Period	\$9.69	\$8.30	\$7.53	\$10.21	\$12.18
Total Return³	16.75%	10.23%	(26.25)%	(6.43)%	6.10%

Ratios to Average

Net Assets:

Net expenses	2.25% ⁴	2.25%	2.25%	2.25%	2.24% ⁴
Net investment income (loss)	(0.88)% ⁴	(0.86)%	(0.72)%	(1.22)%	(1.95)% ⁴
Expense waiver/ reimbursement ⁵	0.83% ⁴	0.56%	0.52%	0.14%	0.54% ⁴

Supplemental Data:

Net assets, end of period (000 omitted)	\$7,729	\$7,506	\$8,532	\$22,138	\$46,933
Portfolio turnover	69%	217%	380%	320%	630% ⁶

- 1 Reflects operations for the period from March 29, 2007 (date of initial investment) to July 31, 2007.
- 2 Per share numbers have been calculated using the average shares method.
- 3 Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.
- 4 Computed on an annualized basis.
- 5 This expense decrease is reflected in both the net expense and the net investment income (loss) ratios shown above.
- 6 Portfolio turnover is calculated at the Fund level. Percentage indicated was calculated for the year ended July 31, 2007.

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS – CLASS C SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				Period Ended 7/31/2006 ²
		2010	2009	2008	2007 ¹	
Net Asset Value, Beginning of Period	\$8.12	\$7.37	\$9.99	\$11.94	\$10.10	\$10.00
Income From Investment Operations:						
Net investment income (loss)	(0.04) ³	(0.07) ³	(0.05) ³	(0.13) ³	(0.22) ³	(0.19) ³
Net realized and unrealized gain (loss) on investments	1.40	0.82	(2.57)	(0.47)	2.17	0.29
TOTAL FROM INVESTMENT OPERATIONS	1.36	0.75	(2.62)	(0.60)	1.95	0.10
Less Distributions:						
Distributions from net realized gain on investments	—	—	—	(1.35)	(0.11)	—
Net Asset Value, End of Period	\$9.48	\$8.12	\$7.37	\$9.99	\$11.94	\$10.10
Total Return⁴	16.75%	10.18%	(26.23)%	(6.39)%	19.42%	1.00%
Ratios to Average Net Assets:						
Net expenses	2.25% ⁵	2.25%	2.25%	2.22%	2.25%	2.76% ⁵
Net investment income (loss)	(0.88)% ⁵	(0.86)%	(0.71)%	(1.21)%	(1.83)%	(1.68)% ⁵
Expense waiver/ reimbursement ⁶	0.83% ⁵	0.56%	0.52%	0.14%	5.64%	20.55% ⁵
Supplemental Data:						
Net assets, end of period (000 omitted)	\$7,592	\$6,816	\$7,333	\$14,895	\$14,388	\$147
Portfolio turnover	69%	217%	380%	320%	630%	237%

- The Predecessor Fund was reorganized into the Fund as of the close of business on December 8, 2006. Prior to the reorganization, the Fund had no investment operations. The Fund is the Successor to the Predecessor Fund. The performance information and financial information presented incorporates the operations of the Predecessor Fund, which, as a result of the reorganization, are the Fund's operations.*
- Reflects operations for the period from September 15, 2005 (date of initial investment) to July 31, 2006.*
- Per share numbers have been calculated using the average shares method.*
- Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.*
- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income (loss) ratios shown above.*

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS – INSTITUTIONAL SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				Period Ended 7/31/2006 ²
		2010	2009	2008	2007 ¹	
Net Asset Value, Beginning of Period	\$8.57	\$7.70	\$10.33	\$12.20	\$10.20	\$10.00
Income From Investment Operations:						
Net investment income (loss)	0.01 ³	0.01 ³	0.02 ³	(0.03) ³	(0.03) ³	(0.07) ³
Net realized and unrealized gain (loss) on investments	1.47	0.86	(2.65)	(0.49)	2.14	0.27
TOTAL FROM INVESTMENT OPERATIONS	1.48	0.87	(2.63)	(0.52)	2.11	0.20
Less Distributions:						
Distributions from net realized gain on investments	—	—	—	(1.35)	(0.11)	—
Net Asset Value, End of Period	\$10.05	\$8.57	\$7.70	\$10.33	\$12.20	\$10.20
Total Return⁴	17.27%	11.30%	(25.46)%	(5.55)%	20.81%	2.00%
Ratios to Average Net Assets:						
Net expenses	1.25% ⁵	1.25%	1.25%	1.25%	1.25%	1.76% ⁵
Net investment income (loss)	0.12% ⁵	0.14%	0.28%	(0.28)%	(0.29)%	(0.68)% ⁵
Expense waiver/ reimbursement ⁶	0.83% ⁵	0.56%	0.52%	0.14%	19.41%	20.55% ⁵
Supplemental Data:						
Net assets, end of period (000 omitted)	\$4,455	\$4,179	\$4,769	\$6,280	\$1,798	\$305
Portfolio turnover	69%	217%	380%	320%	630%	237%

- The Predecessor Fund was reorganized into the Fund as of the close of business on December 8, 2006. Prior to the reorganization, the Fund had no investment operations. The Fund is the Successor to the Predecessor Fund. The performance information and financial information presented incorporates the operations of the Predecessor Fund, which, as a result of the reorganization, are the Fund's operations.*
- Reflects operations for the period from September 15, 2005 (date of initial investment) to July 31, 2006.*
- Per share numbers have been calculated using the average shares method.*
- Based on net asset value. Total returns for periods of less than one year are not annualized.*
- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income (loss) ratios shown above.*

See Notes which are an integral part of the Financial Statements

SHAREHOLDER EXPENSE EXAMPLE (UNAUDITED)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase or redemption payments; and (2) 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 August 1, 2010 to January 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 and do not reflect any transaction costs, such as sales charges (loads) on purchase or redemption payments. 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. In addition, if these transaction costs were included, your costs would have been higher.

	Beginning Account Value 8/1/2010	Ending Account Value 1/31/2011	Expenses Paid During Period ¹
Actual:			
Class A Shares	\$1,000	\$1,171.60	\$8.21
Class B Shares	\$1,000	\$1,167.50	\$12.29
Class C Shares	\$1,000	\$1,167.50	\$12.29
Institutional Shares	\$1,000	\$1,172.70	\$6.85
Hypothetical (assuming a 5% return before expenses):			
Class A Shares	\$1,000	\$1,017.64	\$7.63
Class B Shares	\$1,000	\$1,013.86	\$11.42
Class C Shares	\$1,000	\$1,013.86	\$11.42
Institutional Shares	\$1,000	\$1,018.90	\$6.36

¹ Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	1.50%
Class B Shares	2.25%
Class C Shares	2.25%
Institutional Shares	1.25%

PORTFOLIO OF INVESTMENTS SUMMARY

TABLE (UNAUDITED)

At January 31, 2011, the Fund's industry composition¹ was follows:

Industry Composition	Percentage of Total Net Assets
Software Packaged/Custom	14.7%
Internet Services	6.4%
Tobacco	5.6%
Computers - High End	4.8%
Miscellaneous Machinery	4.8%
Financial Services	4.7%
Computers - Midrange	4.6%
Multi-Industry Transportation	4.6%
Pollution Control	3.5%
Commodity Chemicals	3.4%
Oil Well Supply	3.2%
Hotels	2.6%
Energy Equipment & Services	2.3%
Soft Drinks	2.3%
Miscellaneous Components	2.2%
Specialty Retailing	2.2%
Electronic Equipment Instruments & Components	2.1%
IT Services	1.8%
Textiles Apparel & Luxury Goods	1.8%
Life Sciences Tools & Services	1.7%
Automobiles	1.6%
Generic Drugs	1.4%
Auto Original Equipment Manufacturers	1.3%
Communications Equipment	1.3%
Industrial Machinery	1.2%
Cosmetics & Toiletries	1.0%
Restaurant	1.0%
Other ²	10.8%
Cash Equivalents ³	1.6%
Other Assets and Liabilities—Net ⁴	(0.5)%
TOTAL	100.0%

- 1 *Except for Cash Equivalents and Other Assets and Liabilities, industry classifications are based upon, and individual portfolio securities are assigned to, the classifications of the Global Industry Classification Standard (GICS) except that the Adviser assigns a classification to securities not classified by the GICS and to securities for which the Adviser does not have access to the classification made by the GICS.*
- 2 *For purposes of this table, industry classifications which constitute less than 1.0% of the Fund's total net assets have been aggregated under the designation "Other."*
- 3 *Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.*
- 4 *Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*

PORTFOLIO OF INVESTMENTS

January 31, 2011 (unaudited)

Shares		Value
	COMMON STOCKS—98.9%	
	Auto Components—0.4%	
4,859	¹ TRW Automotive Holdings Corp.	\$ 289,888
	Auto Original Equipment Manufacturers—1.3%	
17,345	Johnson Controls, Inc.	665,874
7,618	¹ LKQ Corp.	184,051
	TOTAL	849,925
	Auto Part Replacement—0.3%	
3,727	¹ WABCO Holdings, Inc.	217,657
	Automobiles—1.6%	
64,342	¹ Ford Motor Co.	1,026,255
	Biotechnology—0.5%	
1,409	¹ Hospira, Inc.	77,819
3,009	¹ Waters Corp.	229,858
	TOTAL	307,677
	Business Services—0.1%	
2,686	¹ Verisk Analytics, Inc.	90,867
	Cable & Wireless Television—0.7%	
3,220	¹ Discovery Communications, Inc.	125,580
7,049	Scripps Networks Interactive	327,779
	TOTAL	453,359
	Commodity Chemicals—3.4%	
5,903	Celanese Corp.	244,915
39,057	Du Pont (E.I.) de Nemours & Co.	1,979,409
	TOTAL	2,224,324
	Communications Equipment—1.3%	
18,017	Harris Corp.	838,511
	Computers - High End—4.8%	
19,250	IBM Corp.	3,118,500
	Computers - Low End—0.3%	
12,669	¹ Dell, Inc.	166,724
	Computers - Midrange—4.6%	
66,235	Hewlett-Packard Co.	3,026,277
	Construction Machinery—0.3%	
1,958	Joy Global, Inc.	170,698
	Contracting—0.6%	
4,871	¹ IHS, Inc., Class A	399,227

Shares		Value
	COMMON STOCKS—continued	
	Cosmetics & Toiletries—1.0%	
5,560	Estee Lauder Cos., Inc., Class A	\$ 447,580
3,874	International Flavors & Fragrances, Inc.	221,012
	TOTAL	668,592
	Crude Oil & Gas Production—0.8%	
7,710	¹ Continental Resources, Inc.	495,059
	Electrical Equipment—0.4%	
6,219	AMETEK, Inc.	253,611
	Electronic Equipment Instruments & Components—2.1%	
32,695	¹ Agilent Technologies, Inc.	1,367,632
	Electronic Instruments—0.7%	
10,403	¹ Trimble Navigation Ltd.	479,370
	Electronic Test/Measuring Equipment—0.6%	
6,529	¹ Itron, Inc.	378,813
	Energy Equipment & Services—2.3%	
15,957	¹ FMC Technologies, Inc.	1,499,958
	Ethical Drugs—0.3%	
4,271	Abbott Laboratories	192,878
	Financial Services—4.7%	
5,842	FactSet Research Systems	588,874
35,806	Visa, Inc., Class A	2,501,049
	TOTAL	3,089,923
	Furniture—0.3%	
4,631	¹ Tempur-Pedic International, Inc.	202,097
	Generic Drugs—1.4%	
12,381	Perrigo Co.	900,594
	Hotels—2.6%	
22,475	Starwood Hotels & Resorts Worldwide, Inc.	1,325,351
14,039	Wyndham Worldwide Corp.	394,917
	TOTAL	1,720,268
	Industrial Machinery—1.2%	
9,652	Dover Corp.	618,693
3,729	Graco, Inc.	158,408
	TOTAL	777,101
	Internet Services—6.4%	
9,423	¹ Monster Worldwide, Inc.	156,893
9,717	¹ NetFlix, Inc.	2,080,215
4,467	¹ Priceline.com, Inc.	1,914,199
	TOTAL	4,151,307

Shares		Value
	COMMON STOCKS—continued	
	IT Services—1.8%	
16,563	Automatic Data Processing, Inc.	\$ 793,368
12,292	Paychex, Inc.	393,344
	TOTAL	1,186,712
	Life Sciences Tools & Services—1.7%	
16,357	¹ Illumina, Inc.	1,134,194
	Machinery—0.7%	
4,688	Caterpillar, Inc.	454,783
	Magazine Publishing—0.4%	
7,485	McGraw-Hill Cos., Inc.	291,765
	Medical Supplies—0.4%	
7,434	AmerisourceBergen Corp.	266,583
	Medical Technology—0.6%	
4,126	¹ IDEXX Laboratories, Inc.	295,834
2,615	¹ St. Jude Medical, Inc.	105,908
	TOTAL	401,742
	Miscellaneous Components—2.2%	
25,714	Amphenol Corp., Class A	1,423,013
	Miscellaneous Machinery—4.8%	
29,804	Illinois Tool Works, Inc.	1,594,216
6,286	Parker-Hannifin Corp.	562,031
11,646	Rockwell Automation, Inc.	943,443
	TOTAL	3,099,690
	Multi-Industry Transportation—4.6%	
42,176	United Parcel Service, Inc.	3,020,645
	Mutual Fund Adviser—0.2%	
3,199	Waddell & Reed Financial, Inc., Class A	115,548
	Oil Well Supply—3.2%	
23,405	Schlumberger Ltd.	2,082,811
	Packaged Foods—0.3%	
1,189	Hershey Foods Corp.	55,514
3,424	McCormick & Co., Inc.	151,341
	TOTAL	206,855
	Pollution Control—3.5%	
50,048	Danaher Corp.	2,305,211
	Restaurant—1.0%	
3,051	¹ Chipotle Mexican Grill, Inc.	667,925
	Services to Medical Professionals—0.3%	
3,006	¹ MEDNAX, Inc.	198,847

Shares		Value
	COMMON STOCKS—continued	
	Soft Drinks—2.3%	
6,118	¹ Coca-Cola Enterprises, Inc.	\$ 153,929
21,514	The Coca-Cola Co.	1,352,155
	TOTAL	1,506,084
	Software Packaged/Custom—14.7%	
10,121	¹ Adobe Systems, Inc.	334,499
2,432	¹ Ansys, Inc.	127,559
10,317	¹ Autodesk, Inc.	419,696
13,772	¹ F5 Networks, Inc.	1,492,609
12,263	¹ Informatica Corp.	569,003
29,187	¹ Intuit, Inc.	1,369,746
3,419	¹ Nuance Communications, Inc.	69,508
86,467	Oracle Corp.	2,769,538
5,354	¹ Red Hat, Inc.	221,227
15,129	¹ Rovi Corp.	934,367
2,288	Solera Holdings, Inc.	119,731
13,766	¹ VMware, Inc., Class A	1,177,268
	TOTAL	9,604,751
	Specialty Machinery—0.6%	
5,252	Gardner Denver, Inc.	378,879
	Specialty Retailing—2.2%	
3,851	¹ AutoZone, Inc.	976,344
14,797	Limited Brands, Inc.	432,664
	TOTAL	1,409,008
	Textiles Apparel & Luxury Goods—1.8%	
21,842	Coach, Inc.	1,181,434
	Tobacco—5.6%	
13,547	Lorillard, Inc.	1,019,276
45,555	Philip Morris International, Inc.	2,607,568
	TOTAL	3,626,844
	Undesignated Consumer Cyclical—0.8%	
7,472	Herbalife Ltd.	488,146
	Wireless Telecommunication Services—0.2%	
11,114	¹ MetroPCS Communications, Inc.	143,704
	TOTAL COMMON STOCKS (IDENTIFIED COST \$52,634,209)	64,552,266

Shares		Value
	MUTUAL FUND—1.6%	
1,044,431	^{2,3} Federated Prime Value Obligations Fund, Institutional Shares, 0.23% (AT NET ASSET VALUE)	\$ 1,044,431
	TOTAL INVESTMENTS—100.5% (IDENTIFIED COST \$53,678,640) ⁴	65,596,697
	OTHER ASSETS AND LIABILITIES - NET—(0.5)% ⁵	(302,758)
	TOTAL NET ASSETS—100%	\$65,293,939

1 *Non-income producing security.*

2 *Affiliated company.*

3 *7-Day net yield.*

4 *Also represents cost for federal tax purposes.*

5 *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 January 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

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

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 January 31, 2011, all investments of the Fund utilized Level 1 inputs in valuing the Fund's assets carried at fair value.

See Notes which are an integral part of the Financial Statements

STATEMENT OF ASSETS AND LIABILITIES

January 31, 2011 (unaudited)

Assets:

Total investments in securities, at value including \$1,044,431 of investments in an affiliated issuer (Note 5) (identified cost \$53,678,640)	\$ 65,596,697
Income receivable	18,821
Receivable for investments sold	2,156,605
Receivable for shares sold	29,841
TOTAL ASSETS	67,801,964

Liabilities:

Payable for investments purchased	\$2,179,112
Payable for shares redeemed	185,191
Payable for distribution services fee (Note 5)	9,831
Payable for shareholder services fee (Note 5)	26,700
Accrued expenses	107,191
TOTAL LIABILITIES	2,508,025

Net assets for 6,640,625 shares outstanding \$ 65,293,939

Net Assets Consist of:

Paid-in capital	\$ 89,157,593
Net unrealized appreciation of investments	11,918,057
Accumulated net realized loss on investments	(35,693,021)
Accumulated net investment income (loss)	(88,690)
TOTAL NET ASSETS	\$ 65,293,939

STATEMENT OF ASSETS AND LIABILITIES – CONTINUED

Net Asset Value, Offering Price and Redemption Proceeds Per Share

Institutional Shares:

Net asset value per share (\$4,455,207 ÷ 443,149 shares outstanding), no par value, unlimited shares authorized	\$10.05
Offering price per share	\$10.05
Redemption proceeds per share	\$10.05

Class A Shares:

Net asset value per share (\$45,518,405 ÷ 4,599,290 shares outstanding), no par value, unlimited shares authorized	\$ 9.90
Offering price per share (100/94.50 of \$9.90)	\$10.48
Redemption proceeds per share	\$ 9.90

Class B Shares:

Net asset value per share (\$7,728,690 ÷ 797,495 shares outstanding), no par value, unlimited shares authorized	\$ 9.69
Offering price per share	\$ 9.69
Redemption proceeds per share (94.50/100 of \$9.69)	\$ 9.16

Class C Shares:

Net asset value per share (\$7,591,637 ÷ 800,691 shares outstanding), no par value, unlimited shares authorized	\$ 9.48
Offering price per share	\$ 9.48
Redemption proceeds per share (99.00/100 of \$9.48)	\$ 9.39

See Notes which are an integral part of the Financial Statements

STATEMENT OF OPERATIONS

Six Months Ended January 31, 2011 (unaudited)

Investment Income:

Dividends (including \$1,038 received from an affiliated issuer (Note 5))	\$ 448,221
Interest	812
TOTAL INCOME	449,033

Expenses:

Investment adviser fee (Note 5)	\$ 243,870
Administrative personnel and services fee (Note 5)	136,110
Custodian fees	6,884
Transfer and dividend disbursing agent fees and expenses	176,558
Directors'/Trustees' fees	1,402
Auditing fees	11,342
Legal fees	3,279
Portfolio accounting fees	40,192
Distribution services fee—Class B Shares (Note 5)	28,315
Distribution services fee—Class C Shares (Note 5)	26,658
Shareholder services fee—Class A Shares (Note 5)	56,426
Shareholder services fee—Class B Shares (Note 5)	9,438
Shareholder services fee—Class C Shares (Note 5)	8,886
Account administration fee—Class A Shares	473
Share registration costs	27,889
Printing and postage	24,915
Insurance premiums	2,256
Miscellaneous	3,055
TOTAL EXPENSES	807,948

Waivers and Reimbursement (Note 5):

Waiver/reimbursement of investment adviser fee	\$(242,825)
Waiver of administrative personnel and services fee	(27,400)
TOTAL WAIVERS AND REIMBURSEMENT	(270,225)

Net expenses	537,723
Net investment income (loss)	(88,690)

Realized and Unrealized Gain on Investments:

Net realized gain on investments	1,621,466
Net change in unrealized appreciation of investments	8,615,670
Net realized and unrealized gain on investments	10,237,136
Change in net assets resulting from operations	\$10,148,446

See Notes which are an integral part of the Financial Statements

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended (unaudited) 1/31/2011	Year Ended 7/31/2010
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ (88,690)	\$ (178,522)
Net realized gain on investments	1,621,466	16,280,057
Net change in unrealized appreciation/depreciation of investments	8,615,670	(6,276,555)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	10,148,446	9,824,980
Share Transactions:		
Proceeds from sale of shares	4,417,074	20,131,474
Cost of shares redeemed	(13,765,590)	(55,060,157)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(9,348,516)	(34,928,683)
Change in net assets	799,930	(25,103,703)
Net Assets:		
Beginning of period	64,494,009	89,597,712
End of period (including accumulated net investment income (loss) of \$(88,690) and \$0, respectively)	\$ 65,293,939	\$ 64,494,009

See Notes which are an integral part of the Financial Statements

NOTES TO FINANCIAL STATEMENTS

January 31, 2011 (unaudited)

1. ORGANIZATION

Federated MDT Series (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 five diversified portfolios. The financial statements included herein are only those of Federated MDT Large Cap Growth Fund (the “Fund”), a diversified portfolio. 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 Fund offers four classes of shares: Institutional Shares, Class A Shares, Class B Shares and Class C Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is long-term capital appreciation.

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

In calculating its net asset value (NAV), the Fund generally values investments as follows:

- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Shares of other mutual funds are valued based upon their reported NAVs.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Board of Trustees (the “Trustees”).
- Fixed-income securities acquired with remaining maturities greater than 60 days are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- Fixed-income securities acquired with remaining maturities of 60 days or less are valued at their cost (adjusted for the accretion of any discount or amortization of any premium).

If the Fund cannot obtain a price or price evaluation from a pricing service for an investment, the Fund may attempt to value the investment based upon the mean of bid and asked quotations or fair value the investment based on price evaluations, from one or more dealers. If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could purchase or sell an investment at the price used to calculate the Fund’s NAV.

Fair Valuation and Significant Events Procedures

The Trustees have authorized the use of pricing services to provide evaluations of the current fair value of certain investments for purposes of calculating the NAV. Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of

the market for an investment (a “bid” evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a “mid” evaluation). The Fund normally uses bid evaluations for U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for other types of fixed-income securities and OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

The Trustees also have adopted procedures requiring an investment to be priced at its fair value whenever the Adviser determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment’s value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities traded in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures or options contracts;
- With respect to price evaluations of fixed-income securities determined before the close of regular trading on the NYSE, actions by the Federal Reserve Open Market Committee and other significant trends in U.S. fixed-income markets;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded; and
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, a natural disaster affecting the issuer’s operations or regulatory changes or market developments affecting the issuer’s industry.

The Trustees have approved the use of a pricing service to determine the fair value of equity securities traded principally in foreign markets when the Adviser determines that there has been a significant trend in the U.S. equity markets or in index futures trading. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Fund will determine the fair value of the investment using another method approved by the Trustees.

Repurchase Agreements

It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund’s custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a “securities entitlement” and exercises “control” as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

The insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

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. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that each class may bear certain expenses unique to that class such as account administration, distribution services and shareholder services fees. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses.

Premium and Discount Amortization

All premiums and discounts on fixed-income securities are amortized/accreted for financial statement purposes.

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "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 January 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 January 31, 2011, tax years 2007 through 2010 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 tables summarize share activity:

Institutional Shares:	Six Months Ended 1/31/2011		Year Ended 7/31/2010	
	Shares	Amount	Shares	Amount
Shares sold	37,982	\$ 357,015	317,649	\$ 2,753,235
Shares redeemed	(82,469)	(786,663)	(449,603)	(3,761,807)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(44,487)	\$(429,648)	(131,954)	\$(1,008,572)

Class A Shares:	Six Months Ended 1/31/2011		Year Ended 7/31/2010	
	Shares	Amount	Shares	Amount
Shares sold	248,371	\$ 2,293,597	1,729,634	\$ 14,253,526
Shares redeemed	(1,094,937)	(9,970,497)	(5,353,095)	(45,047,810)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	(846,566)	\$(7,676,900)	(3,623,461)	\$(30,794,284)

Class B Shares:	Six Months Ended 1/31/2011		Year Ended 7/31/2010	
	Shares	Amount	Shares	Amount
Shares sold	99,433	\$ 914,541	238,449	\$ 1,975,151
Shares redeemed	(206,226)	(1,850,532)	(467,487)	(3,852,446)
NET CHANGE RESULTING FROM CLASS B SHARE TRANSACTIONS	(106,793)	\$(935,991)	(229,038)	\$(1,877,295)

Class C Shares:	Six Months Ended 1/31/2011		Year Ended 7/31/2010	
	Shares	Amount	Shares	Amount
Shares sold	95,039	\$ 851,921	140,643	\$ 1,149,562
Shares redeemed	(133,611)	(1,157,898)	(296,687)	(2,398,094)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	(38,572)	\$(305,977)	(156,044)	\$(1,248,532)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(1,036,418)	\$(9,348,516)	(4,140,497)	\$(34,928,683)

4. FEDERAL TAX INFORMATION

At January 31, 2011, the cost of investments for federal tax purposes was \$53,678,640. The net unrealized appreciation of investments for federal tax purposes was \$11,918,057. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$12,480,204 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$562,147.

At July 31, 2010, the Fund had a capital loss carryforward of \$37,185,339 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, such capital loss carryforward will expire as follows:

Expiration Year	Expiration Amount
2016	\$ 183,375
2017	\$35,401,337
2018	\$ 1,600,627

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010, for an unlimited period. However, any losses incurred during those future years will be required to be utilized prior to the losses incurred in pre-enactment tax years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

Federated MDTA LLC is the Fund's investment adviser (the "Adviser"). The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.75% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee. For the six months ended January 31, 2011, the Adviser voluntarily waived \$242,301 of its fee.

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 January 31, 2011, FAS waived \$27,400 of its fee. The net fee paid to FAS was 0.334% of average daily net assets of the Fund. The Fund is currently being charged the minimum administrative fee; therefore the fee as a percentage of average daily net assets is greater than the amounts presented in the chart above.

Distribution Services Fee

The Fund has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund’s Class A Shares, Class B Shares and Class C Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

Share Class Name	Percentage of Average Daily Net Assets of Class
Class A Shares	0.05%
Class B Shares	0.75%
Class C Shares	0.75%

Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended January 31, 2011, FSC retained \$3,801 of fees paid by the Fund. For the six months ended January 31, 2011, the Fund’s Class A Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

Sales Charges

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. They are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. For the six months ended January 31, 2011, FSC retained \$1,516 in sales charges from the sale of Class A Shares.

Shareholder Services Fee

The Fund may pay fees (“Service Fees”) up to 0.25% of the average daily net assets of the Fund’s Class A Shares, Class B Shares and Class C Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Financial intermediaries may include a company affiliated with management of Federated Investors, Inc. A financial intermediary affiliated with management of Federated Investors, Inc. received \$3,124 of Service Fees for the six months ended January 31, 2011. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for Service Fees. For the six months ended January 31, 2011, FSSC received \$1,548 of fees paid by the Fund.

Expense Limitation

The Adviser and its affiliates (which may include FSC, 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's Institutional Shares, Class A Shares, Class B Shares and Class C Shares (after the voluntary waivers and reimbursements) will not exceed 1.25%, 1.50%, 2.25% and 2.25% (the "Fee Limit"), respectively, through the later of (the "Termination Date"): (a) November 5, 2011; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements 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.

Transactions Involving Affiliated Holdings

Affiliated holdings are mutual funds which are managed by the Adviser or an affiliate of the Adviser. The Adviser has agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated mutual funds. For the six months ended January 31, 2011, the Adviser reimbursed \$524. Transactions involving the affiliated holding during the six months ended January 31, 2011, were as follows:

Affiliate	Balance of Shares Held 7/31/2010	Purchases/ Additions	Sales/ Reductions	Balance of Shares Held 1/31/2011	Value	Dividend Income
Federated Prime Value Obligations Fund, Institutional Shares	1,104,117	8,700,075	8,759,761	1,044,431	\$1,044,431	\$1,038

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the six months ended January 31, 2011, were as follows:

Purchases	\$43,318,948
Sales	\$52,517,909

7. 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 January 31, 2011, there were no outstanding loans. During the six months ended January 31, 2011, the Fund did not utilize the LOC.

8. 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 January 31, 2011, there were no outstanding loans. During the six months ended January 31, 2011, the program was not utilized.

9. LEGAL PROCEEDINGS

Since February 2004, Federated Investors, Inc. and related entities (collectively, "Federated"), have been named as defendants in several lawsuits that are now pending in the United States District Court for the Western District of Pennsylvania. These lawsuits have been consolidated into a single action alleging excessive advisory fees involving one of the Federated-sponsored mutual funds ("Federated Funds"). Federated and its counsel have been defending this litigation. Additional lawsuits based upon similar allegations may be filed in the future. The potential impact of these lawsuits, all of which seek monetary damages, attorneys' fees and expenses, and future potential similar suits is uncertain. Although we do not believe that these lawsuits will have a material adverse effect on the Federated Funds, there can be no assurance that these suits, ongoing adverse publicity and/or other developments resulting from the allegations in these matters will not result in increased redemptions, or reduced sales, of shares of the Federated Funds or other adverse consequences for the Federated Funds.

EVALUATION AND APPROVAL OF ADVISORY CONTRACT – MAY 2010

FEDERATED MDT LARGE CAP GROWTH FUND (THE “FUND”)

The Fund’s Board reviewed the Fund’s investment advisory contract at meetings held in May 2010. 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 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 reports 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 reports 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 reports 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. He also observed that certain funds may exhibit important differences in their objectives and management techniques when compared to other funds placed in the same peer group by ranking organizations, noting in this connection that the Fund's quantitative investment program is of such a type.

The Fund's performance fell below the median of the relevant peer group for both the one- and three-year periods covered by the report. In addition, the Board was informed by the Adviser that, for the same periods, the Fund underperformed its benchmark index for the one-year period and underperformed its benchmark index for the three-year period. 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 reports on the compensation and benefits Federated derived from its relationships with the Federated funds. These reports 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 reports also discussed 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 reports regarding the institution or elimination of these voluntary waivers.

Federated furnished reports, 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 reports unreliable. The allocation reports were considered in the analysis by the Board but were determined to be of limited use.

The Board and the Senior Officer also reviewed a report 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, 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 report, 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's evaluation noted his belief that the information and observations contained in his evaluation supported a finding that the proposed management fees 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 homepage, select "View All" next to "Find Products." 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.

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 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 homepage, select "View All" next to "Find Products." 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 top of that page, view "Holdings" by selecting a period or, 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.

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.

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Federated®

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Federated Investors Funds
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Warrendale, PA 15086-7561

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

Federated Securities Corp., Distributor

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