

**Federated®**



# FEDERATED GOVERNMENT OBLIGATIONS FUND

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**A Portfolio of Money Market Obligations Trust**

## **SEMI-ANNUAL SHAREHOLDER REPORT**

January 31, 2011

**Institutional Shares**  
**Institutional Service Shares**  
**Institutional Capital Shares**  
**Trust Shares**

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**Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee**

# FINANCIAL HIGHLIGHTS – INSTITUTIONAL SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				
		2010	2009	2008	2007 <sup>1</sup>	2006
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.000 <sup>2</sup>	0.001	0.009	0.036	0.051	0.042
Net realized gain on investments	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—	—	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.000<sup>2</sup></b>	<b>0.001</b>	<b>0.009</b>	<b>0.036</b>	<b>0.051</b>	<b>0.042</b>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.000) <sup>2</sup>	(0.001)	(0.009)	(0.036)	(0.051)	(0.042)
Distributions from net realized gain on investments	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.000)<sup>2</sup></b>	<b>(0.001)</b>	<b>(0.009)</b>	<b>(0.036)</b>	<b>(0.051)</b>	<b>(0.042)</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.02%</b>	<b>0.07%</b>	<b>0.95%</b>	<b>3.64%</b>	<b>5.25%</b>	<b>4.30%</b>

## Ratios to Average Net Assets:

Net expenses	0.20% <sup>4</sup>	0.21%	0.23%	0.20%	0.20%	0.20%
Net investment income	0.04% <sup>4</sup>	0.06%	0.74%	3.33%	5.14%	4.22%
Expense waiver/ reimbursement <sup>5</sup>	0.08% <sup>4</sup>	0.08%	0.08%	0.09%	0.09%	0.28%

## Supplemental Data:

Net assets, end of period (000 omitted)	\$22,259,639	\$24,719,818	\$45,592,513	\$20,425,207	\$8,943,042	\$6,619,952
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- Beginning with the year ended July 31, 2007, the Fund was audited by KPMG LLP. The previous year was audited by another independent registered public accounting firm.*
- Represents less than \$0.001.*
- Based on net asset value. Total returns 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 ratios shown above.*

See Notes which are an integral part of the Financial Statements

# FINANCIAL HIGHLIGHTS – INSTITUTIONAL SERVICE SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				
		2010	2009	2008	2007 <sup>1</sup>	2006
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.007	0.033	0.049	0.040
Net realized gain on investments	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—	—	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.000<sup>2</sup></b>	<b>0.000<sup>2</sup></b>	<b>0.007</b>	<b>0.033</b>	<b>0.049</b>	<b>0.040</b>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.007)	(0.033)	(0.049)	(0.040)
Distributions from net realized gain on investments	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.000)<sup>2</sup></b>	<b>(0.000)<sup>2</sup></b>	<b>(0.007)</b>	<b>(0.033)</b>	<b>(0.049)</b>	<b>(0.040)</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.71%</b>	<b>3.38%</b>	<b>4.99%</b>	<b>4.04%</b>
<b>Ratios to Average Net Assets:</b>						
Net expenses	0.24% <sup>4</sup>	0.26%	0.47%	0.45%	0.45%	0.45%
Net investment income	0.01% <sup>4</sup>	0.01%	0.66%	3.07%	4.89%	3.99%
Expense waiver/reimbursement <sup>5</sup>	0.30% <sup>4</sup>	0.28%	0.09%	0.09%	0.09%	0.09%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$6,334,661	\$5,870,000	\$7,913,479	\$8,770,060	\$4,267,271	\$3,493,161

- Beginning with the year ended July 31, 2007, the Fund was audited by KPMG LLP. The previous year was audited by another independent registered public accounting firm.*
- Represents less than \$0.001.*
- Based on net asset value. Total returns 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 ratios shown above.*

See Notes which are an integral part of the Financial Statements

# FINANCIAL HIGHLIGHTS – INSTITUTIONAL CAPITAL SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				
		2010	2009	2008	2007 <sup>1</sup>	2006
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.008	0.035	0.050	0.041
Net realized gain on investments	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—	—	—
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.000<sup>2</sup></b>	<b>0.000<sup>2</sup></b>	<b>0.008</b>	<b>0.035</b>	<b>0.050</b>	<b>0.041</b>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.008)	(0.035)	(0.050)	(0.041)
Distributions from net realized gain on investments	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.000)<sup>2</sup></b>	<b>(0.000)<sup>2</sup></b>	<b>(0.008)</b>	<b>(0.035)</b>	<b>(0.050)</b>	<b>(0.041)</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.85%</b>	<b>3.54%</b>	<b>5.14%</b>	<b>4.19%</b>
<b>Ratios to Average Net Assets:</b>						
Net expenses	0.24% <sup>4</sup>	0.26%	0.33%	0.30%	0.31%	0.31%
Net investment income	0.01% <sup>4</sup>	0.01%	0.73%	3.45%	5.04%	4.17%
Expense waiver/reimbursement <sup>5</sup>	0.15% <sup>4</sup>	0.13%	0.08%	0.09%	0.09%	0.20%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$1,517,538	\$1,655,591	\$2,196,774	\$1,128,743	\$637,491	\$377,414

- Beginning with the year ended July 31, 2007, the Fund was audited by KPMG LLP. The previous year was audited by another independent registered public accounting firm.*
- Represents less than \$0.001.*
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- Computed on an annualized basis.*
- This expense decrease is reflected in both the net expense and the net investment income ratios shown above.*

See Notes which are an integral part of the Financial Statements

# FINANCIAL HIGHLIGHTS – TRUST SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2011	Year Ended July 31,				
		2010	2009	2008	2007 <sup>1</sup>	2006
<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>2</sup>	0.000 <sup>2</sup>	0.005	0.031	0.047	0.037
Net realized gain on investments	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.000 <sup>2</sup>	—	—	—
TOTAL FROM INVESTMENT OPERATIONS	0.000 <sup>2</sup>	0.000 <sup>2</sup>	0.005	0.031	0.047	0.037
<b>Less Distributions:</b>						
Distributions from net investment income	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.005)	(0.031)	(0.047)	(0.037)
Distributions from net realized gain on investments	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	—	—	—
TOTAL DISTRIBUTIONS	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.005)	(0.031)	(0.047)	(0.037)
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>3</sup></b>	0.01%	0.02%	0.54%	3.12%	4.74%	3.78%

## Ratios to Average Net Assets:

Net expenses	0.23% <sup>4</sup>	0.26%	0.64%	0.70%	0.70%	0.70%
Net investment income	0.01% <sup>4</sup>	0.01%	0.50%	2.76%	4.64%	3.77%
Expense waiver/reimbursement <sup>5</sup>	0.55% <sup>4</sup>	0.53%	0.17%	0.09%	0.09%	0.09%

## Supplemental Data:

Net assets, end of period (000 omitted)	\$865,430	\$621,400	\$448,872	\$459,837	\$239,414	\$104,260
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- Beginning with the year ended July 31, 2007, the Fund was audited by KPMG LLP. The previous year was audited by another independent registered public accounting firm.*
- Represents less than \$0.001.*
- Based on net asset value. Total returns 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 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 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. 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 8/1/2010	Ending Account Value 1/31/2011	Expenses Paid During Period <sup>1</sup>
<b>Actual:</b>			
Institutional Shares	\$1,000	\$1,000.20	\$1.01
Institutional Service Shares	\$1,000	\$1,000.10	\$1.21 <sup>2</sup>
Institutional Capital Shares	\$1,000	\$1,000.10	\$1.21 <sup>3</sup>
Trust Shares	\$1,000	\$1,000.10	\$1.16 <sup>4</sup>
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Institutional Shares	\$1,000	\$1,024.20	\$1.02
Institutional Service Shares	\$1,000	\$1,024.00	\$1.22 <sup>2</sup>
Institutional Capital Shares	\$1,000	\$1,024.00	\$1.22 <sup>3</sup>
Trust Shares	\$1,000	\$1,024.05	\$1.17 <sup>4</sup>

- <sup>1</sup> 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:

Institutional Shares	0.20%
Institutional Service Shares	0.24%
Institutional Capital Shares	0.24%
Trust Shares	0.23%

- <sup>2</sup> Actual and Hypothetical expenses paid during the period utilizing the Fund's Institutional Service Shares current annualized net expense ratio of 0.45% (as reflected in the Notes to Financial Statements, Note 4 under Expense Limitation), multiplied by the average account value over the period, multiplied by 184/365 (to reflect current expenses as if they had been in effect throughout the most recent one-half-year period) would be \$2.27 and \$2.29 respectively.
- <sup>3</sup> Actual and Hypothetical expenses paid during the period utilizing the Fund's Institutional Capital Shares current annualized net expense ratio of 0.30% (as reflected in the Notes to Financial Statements, Note 4 under Expense Limitation), multiplied by the average account value over the period, multiplied by 184/365 (to reflect current expenses as if they had been in effect throughout the most recent one-half-year period) would be \$1.51 and \$1.53 respectively.
- <sup>4</sup> Actual and Hypothetical expenses paid during the period utilizing the Fund's Trust Shares current annualized net expense ratio of 0.70% (as reflected in the Notes to Financial Statements, Note 4 under Expense Limitation), multiplied by the average account value over the period, multiplied by 184/365 (to reflect current expenses as if they had been in effect throughout the most recent one-half-year period) would be \$3.53 and \$3.57, respectively.

# PORTFOLIO OF INVESTMENTS SUMMARY TABLES (UNAUDITED)

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

<b>Security Type</b>	<b>Percentage of Total Net Assets</b>
Repurchase Agreements	62.8%
U.S. Government Agency Securities	35.0%
U.S. Treasury Securities	3.5%
Other Assets and Liabilities—Net <sup>2</sup>	(1.3)%
<b>TOTAL</b>	<b>100.0%</b>

At January 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	59.2%
8-30 Days	19.8%
31-90 Days	6.9%
91-180 Days	5.3%
181 Days or more	10.1%
Other Assets and Liabilities—Net <sup>2</sup>	(1.3)%
<b>TOTAL</b>	<b>100.0%</b>

- 1 See the Fund's Prospectus and Statement of Additional Information for a description of the types of securities in which the Fund invests.
- 2 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- 3 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

January 31, 2011 (unaudited)

Principal Amount		Value
	<b>GOVERNMENT AGENCIES—35.0%</b>	
\$ 211,000,000	<sup>1</sup> Federal Farm Credit System Floating Rate Notes, 0.240%, 2/21/2011	\$ 210,977,411
69,000,000	<sup>2</sup> Federal Home Loan Bank System Discount Notes, 0.210%, 4/15/2011	68,970,618
3,205,400,000	<sup>1</sup> Federal Home Loan Bank System Floating Rate Notes, 0.154% - 0.241%, 2/3/2011 - 4/30/2011	3,204,597,340
3,091,540,000	Federal Home Loan Bank System Notes, 0.190% - 3.125%, 6/1/2011 - 2/22/2012	3,091,899,256
434,930,000	<sup>2</sup> Federal Home Loan Mortgage Corp. Discount Notes, 0.195% - 0.221%, 3/28/2011 - 8/10/2011	434,627,151
837,000,000	<sup>1</sup> Federal Home Loan Mortgage Corp. Floating Rate Notes, 0.210% - 0.330%, 2/1/2011 - 2/28/2011	836,705,787
269,125,000	Federal Home Loan Mortgage Corp. Notes, 1.625% - 3.500%, 2/25/2011 - 5/5/2011	270,032,728
563,000,000	<sup>2</sup> Federal National Mortgage Association Discount Notes, 0.210%, 5/16/2011	562,658,447
1,524,500,000	<sup>1</sup> Federal National Mortgage Association Floating Rate Notes, 0.160% - 0.221%, 2/11/2011 - 2/27/2011	1,524,097,269
235,250,000	Federal National Mortgage Association Notes, 4.500% - 5.050%, 2/7/2011 - 2/15/2011	235,619,943
387,163,000	<sup>1</sup> Housing and Urban Development Floating Rate Notes, 0.503%, 2/1/2011	387,163,000
	<b>TOTAL GOVERNMENT AGENCIES</b>	<b>10,827,348,950</b>
	<b>U.S. TREASURY—3.5%</b>	
135,000,000	United States Treasury Notes, 0.875%, 4/30/2011	135,209,392
902,000,000	United States Treasury Notes, 1.000% - 4.875%, 7/31/2011	912,738,197
41,500,000	United States Treasury Notes, 5.125%, 6/30/2011	42,334,421
	<b>TOTAL U.S. TREASURY</b>	<b>1,090,282,010</b>
	<b>REPURCHASE AGREEMENTS—62.8%</b>	
597,436,000	Interest in \$5,420,000,000 joint repurchase agreement 0.23%, dated 1/31/2011 under which Bank of America, N.A. will repurchase securities provided as collateral for \$5,420,034,628 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 12/1/2038 and the market value of those underlying securities was \$5,528,435,321.	597,436,000
1,150,000,000	<sup>3</sup> Interest in \$2,000,000,000 joint repurchase agreement 0.20%, dated 1/4/2011 under which Barclays Capital, Inc. will repurchase securities provided as collateral for \$2,000,333,333 on 2/4/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/25/2041 and the market value of those underlying securities was \$2,055,785,827.	1,150,000,000

Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$3,929,622,000	Interest in \$9,725,000,000 joint repurchase agreement 0.21%, dated 1/31/2011 under which Barclays Capital, Inc. will repurchase securities provided as collateral for \$9,725,056,729 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Treasury securities with various maturities 4/15/2029 and the market value of those underlying securities was \$9,919,557,878.	\$3,929,622,000
1,000,000,000	Interest in \$3,500,000,000 joint repurchase agreement 0.22%, dated 1/31/2011 under which Barclays Capital, Inc. will repurchase securities provided as collateral for \$3,500,021,389 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/15/2041 and the market value of those underlying securities was \$3,576,915,084.	1,000,000,000
550,000,000	Interest in \$3,250,000,000 joint repurchase agreement 0.22%, dated 1/31/2011 under which BNP Paribas Securities Corp. will repurchase securities provided as collateral for \$3,250,019,861 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Treasury securities with various maturities to 11/15/2020 and the market value of those underlying securities was \$3,315,020,305.	550,000,000
1,128,000,000	Interest in \$1,488,000,000 joint repurchase agreement 0.22%, dated 1/31/2011 under which BNP Paribas Securities Corp. will repurchase securities provided as collateral for \$1,488,009,093 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 2/1/2041 and the market value of those underlying securities was \$1,526,039,896.	1,128,000,000
456,000,000	<sup>3</sup> Interest in \$700,000,000 joint repurchase agreement 0.22%, dated 11/16/2010 under which BNP Paribas Securities Corp. will repurchase securities provided as collateral for \$700,385,000 on 2/14/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/15/2041 and the market value of those underlying securities was \$719,067,175.	456,000,000
756,000,000	<sup>3</sup> Interest in \$1,000,000,000 joint repurchase agreement 0.22%, dated 11/17/2010 under which BNP Paribas Securities Corp. will repurchase securities provided as collateral for \$1,000,550,000 on 2/15/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 2/1/2041 and the market value of those underlying securities was \$1,022,332,006.	756,000,000
500,000,000	<sup>3</sup> Interest in \$750,000,000 joint repurchase agreement 0.21%, dated 1/26/2011 under which Deutsche Bank Securities, Inc. will repurchase securities provided as collateral for \$750,061,250 on 2/9/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 11/1/2040 and the market value of those underlying securities was \$765,026,776.	500,000,000

Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$ 500,000,000	Interest in \$1,000,000,000 joint repurchase agreement 0.21%, dated 1/27/2011 under which Deutsche Bank Securities, Inc. will repurchase securities provided as collateral for \$1,000,040,833 on 2/3/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 2/25/2041 and the market value of those underlying securities was \$1,024,179,675.	\$ 500,000,000
500,000,000	Interest in \$1,000,000,000 joint repurchase agreement 0.23%, dated 1/31/2011 under which Deutsche Bank Securities, Inc. will repurchase securities provided as collateral for \$1,000,006,389 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/20/2041 and the market value of those underlying securities was \$1,027,536,040.	500,000,000
1,287,000,000	Interest in \$2,000,000,000 joint repurchase agreement 0.21%, dated 1/25/2011 under which Goldman Sachs & Co. will repurchase securities provided as collateral for \$2,000,081,667 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/25/2051 and the market value of those underlying securities was \$2,060,084,117.	1,287,000,000
250,000,000	Repurchase agreement 0.23%, dated 1/31/2011 under which HSBC Securities, Inc. will repurchase a security provided as collateral for \$250,001,597 on 2/1/2011. The security provided as collateral at the end of the period was a U.S. Treasury security maturing on 5/15/2020 and the market value of that underlying security was \$255,000,689.	250,000,000
192,000,000	<sup>3</sup> Interest in \$500,000,000 joint repurchase agreement 0.19%, dated 1/24/2011 under which ING Financial Markets LLC will repurchase securities provided as collateral for \$500,079,167 on 2/23/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 12/25/2037 and the market value of those underlying securities was \$515,020,019.	192,000,000
500,000,000	<sup>3</sup> Repurchase agreement 0.22%, dated 1/11/2011 under which ING Financial Markets LLC will repurchase securities provided as collateral for \$500,189,444 on 3/14/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 7/25/2048 and the market value of those underlying securities was \$515,063,032.	500,000,000
750,000,000	Interest in \$1,500,000,000 joint repurchase agreement 0.23%, dated 1/31/2011 under which ING Financial Markets LLC will repurchase securities provided as collateral for \$1,500,009,583 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/20/2041 and the market value of those underlying securities was \$1,530,149,586.	750,000,000

Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$1,000,000,000	Repurchase agreement 0.23%, dated 1/31/2011 under which J.P. Morgan Securities, Inc. will repurchase securities provided as collateral for \$1,000,006,389 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 10/1/2048 and the market value of those underlying securities was \$1,026,357,598.	\$1,000,000,000
168,356,000	Repurchase agreement 0.23%, dated 1/31/2011 under which Merrill Lynch, Pierce, Fenner & Smith, Inc. will repurchase securities provided as collateral for \$168,357,076 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 12/25/2040 and the market value of those underlying securities was \$173,129,501.	168,356,000
500,000,000	Interest in \$1,000,000,000 joint repurchase agreement 0.23%, dated 1/31/2011 under which Natixis Financial Products, Inc. will repurchase securities provided as collateral for \$1,000,006,389 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency and U.S. Treasury securities with various maturities to 12/25/2040 and the market value of those underlying securities was \$1,022,249,753.	500,000,000
200,000,000	<sup>3</sup> Interest in \$450,000,000 joint repurchase agreement 0.20%, dated 1/12/2011 under which RBC Capital Markets LLC will repurchase securities provided as collateral for \$450,225,000 on 4/12/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 1/15/2041 and the market value of those underlying securities was \$461,694,766.	200,000,000
654,000,000	<sup>3</sup> Interest in \$1,000,000,000 joint repurchase agreement 0.24%, dated 1/13/2011 under which RBS Securities, Inc. will repurchase securities provided as collateral for \$1,000,600,000 on 4/13/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 8/16/2050 and the market value of those underlying securities was \$1,030,127,129.	654,000,000
1,400,000,000	Interest in \$2,000,000,000 joint repurchase agreement 0.22%, dated 1/31/2011 under which Societe Generale, New York will repurchase securities provided as collateral for \$2,000,012,222 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency and U.S. Treasury securities with various maturities to 3/16/2044 and the market value of those underlying securities was \$2,048,485,752.	1,400,000,000
500,000,000	Repurchase agreement 0.23%, dated 1/31/2011 under which Wells Fargo Bank, N.A. will repurchase securities provided as collateral for \$500,003,194 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency and U.S. Treasury securities with various maturities to 9/22/2038 and the market value of those underlying securities was \$510,006,987.	500,000,000

Principal Amount		Value
	REPURCHASE AGREEMENTS—continued	
\$1,000,000,000	Interest in \$1,500,000,000 joint repurchase agreement 0.23%, dated 1/31/2011 under which Wells Fargo Securities LLC will repurchase securities provided as collateral for \$1,500,009,583 on 2/1/2011. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 2/1/2041 and the the market value of those underlying securities was \$1,535,124,310.	\$ 1,000,000,000
	TOTAL REPURCHASE AGREEMENTS	19,468,414,000
	TOTAL INVESTMENTS—101.3% (AT AMORTIZED COST) <sup>4</sup>	31,386,044,960
	OTHER ASSETS AND LIABILITIES - NET—(1.3)% <sup>5</sup>	(408,776,194)
	TOTAL NET ASSETS—100%	\$30,977,268,766

- 1 *Floating rate notes with current rate and next reset date shown.*
- 2 *Discount rate at time of purchase.*
- 3 *Although the repurchase date is more than seven days after the date of purchase, the Fund has the right to terminate the repurchase agreement at any time with seven days' notice.*
- 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 amortized cost, which is considered a Level 2 input, 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:

Investments in repurchase agreements	\$19,468,414,000	
Investments in securities	11,917,630,960	
Total investments in securities, at amortized cost and value		\$31,386,044,960
Income receivable		12,944,278
Receivable for shares sold		772,621
<b>TOTAL ASSETS</b>		<b>31,399,761,859</b>

## Liabilities:

Payable for investments purchased	419,236,864	
Payable for shares redeemed	1,592,920	
Bank overdraft	512,453	
Income distribution payable	251,524	
Payable for investment adviser fee (Note 4)	102,395	
Payable for Directors'/Trustees' fees	61,465	
Payable for distribution services fee (Note 4)	5,799	
Payable for shareholder services fee (Note 4)	253,953	
Accrued expenses	475,720	
<b>TOTAL LIABILITIES</b>		<b>422,493,093</b>

Net assets for 30,977,188,221 shares outstanding \$30,977,268,766

## Net Assets Consist of:

Paid-in capital	\$30,977,199,416
Accumulated net realized gain on investments	69,512
Distributions in excess of net investment income	(162)
<b>TOTAL NET ASSETS</b>	<b>\$30,977,268,766</b>

## Net Asset Value, Offering Price and Redemption Proceeds Per Share

### Institutional Shares:

\$22,259,639,203 ÷ 22,259,914,592 shares outstanding, no par value, unlimited shares authorized \$1.00

### Institutional Service Shares:

\$6,334,661,479 ÷ 6,334,422,579 shares outstanding, no par value, unlimited shares authorized \$1.00

### Institutional Capital Shares:

\$1,517,538,071 ÷ 1,517,662,717 shares outstanding, no par value, unlimited shares authorized \$1.00

### Trust Shares:

\$865,430,013 ÷ 865,188,333 shares outstanding, no par value, unlimited shares authorized \$1.00

See Notes which are an integral part of the Financial Statements

# STATEMENT OF OPERATIONS

Six Months Ended January 31, 2011 (unaudited)

**Investment Income:**

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Interest	\$40,061,006
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**Expenses:**

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Investment adviser fee (Note 4)	\$32,506,905
Administrative personnel and services fee (Note 4)	12,710,213
Custodian fees	538,499
Transfer and dividend disbursing agent fees and expenses	107,365
Directors'/Trustees' fees	222,166
Auditing fees	10,611
Legal fees	7,908
Portfolio accounting fees	100,876
Distribution services fee—Trust Shares (Note 4)	963,652
Shareholder services fee—Institutional Service Shares (Note 4)	4,381,586
Shareholder services fee—Institutional Capital Shares (Note 4)	564,993
Shareholder services fee—Trust Shares (Note 4)	158,699
Account administration fee—Institutional Service Shares	3,041,204
Account administration fee—Institutional Capital Shares	228,161
Account administration fee—Trust Shares	804,952
Share registration costs	57,470
Printing and postage	19,288
Insurance premiums	52,212
Miscellaneous	134,942
<b>TOTAL EXPENSES</b>	<b>56,611,702</b>

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# STATEMENT OF OPERATIONS – CONTINUED

## Waivers and Reimbursements (Note 4):

Waiver of investment adviser fee	\$(12,991,163)	
Waiver of administrative personnel and services fee	(341,336)	
Waiver of distribution services fee—Trust Shares	(847,581)	
Waiver of shareholder services fee—Institutional Service Shares	(4,381,586)	
Waiver of shareholder services fee—Institutional Capital Shares	(378,578)	
Waiver of shareholder services fee—Trust Shares	(158,699)	
Reimbursement of shareholder services fee—Institutional Capital Shares	(147,500)	
Waiver of account administration fee—Institutional Service Shares	(551,992)	
Waiver of account administration fee—Trust Shares	(804,952)	
Reimbursement of account administration fee—Institutional Service Shares	(1,542,990)	
<b>TOTAL WAIVERS AND REIMBURSEMENTS</b>	<b>\$(22,146,377)</b>	
Net expenses		\$34,465,325
Net investment income		5,595,681
Net realized gain on investments		93,003
Change in net assets resulting from operations		\$ 5,688,684

See Notes which are an integral part of the Financial Statements

# STATEMENT OF CHANGES IN NET ASSETS

	<b>Six Months Ended (unaudited) 1/31/2011</b>	<b>Year Ended 7/31/2010</b>
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 5,595,681	\$ 23,947,498
Net realized gain on investments	93,003	473,946
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>5,688,684</b>	<b>24,421,444</b>
<b>Distributions to Shareholders:</b>		
Distributions from net investment income		
Institutional Shares	(5,162,052)	(23,045,662)
Institutional Service Shares	(298,839)	(593,557)
Institutional Capital Shares	(79,544)	(280,893)
Trust Shares	(38,699)	(44,095)
Distributions from net realized gain on investments		
Institutional Shares	(371,801)	(3,167,374)
Institutional Service Shares	(89,559)	(475,236)
Institutional Capital Shares	(24,479)	(153,781)
Trust Shares	(11,598)	(29,243)
<b>CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS</b>	<b>(6,076,571)</b>	<b>(27,789,841)</b>
<b>Share Transactions:</b>		
Proceeds from sale of shares	111,790,562,917	274,578,828,038
Proceeds from shares issued in connection with the tax-free transfer of assets from Federated Short-Term U.S. Government Trust	—	59,066,569
Net asset value of shares issued to shareholders in payment of distributions declared	2,287,994	10,114,147
Cost of shares redeemed	(113,682,002,935)	(297,929,469,945)
<b>CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS</b>	<b>(1,889,152,024)</b>	<b>(23,281,461,191)</b>
<b>Change in net assets</b>	<b>(1,889,539,911)</b>	<b>(23,284,829,588)</b>
<b>Net Assets:</b>		
Beginning of period	32,866,808,677	56,151,638,265
End of period (including distributions in excess of net investment income of \$(162) and \$(16,709), respectively)	\$ 30,977,268,766	\$ 32,866,808,677

See Notes which are an integral part of the Financial Statements

# NOTES TO FINANCIAL STATEMENTS

January 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 38 portfolios. The financial statements included herein are only those of Federated Government Obligations 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, Institutional Service Shares, Institutional Capital Shares and Trust 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 to provide current income consistent with stability of principal.

On March 5, 2010, the Fund acquired all of the net assets of Federated Short-Term U. S. Government Trust (the "Acquired Fund"), an open-end investment company in a tax-free reorganization in exchange for shares of the Fund, pursuant to a plan of reorganization approved by the Acquired Fund's shareholders on February 19, 2010. The purpose of the transaction was to combine two portfolios with comparable investment objectives and strategies. For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from the Acquired Fund was carried forward to align ongoing reporting of the Fund's realized gains and losses with amounts distributable to shareholders for tax purposes.

Assuming the acquisition had been completed on August 1, 2009, the beginning of the annual reporting period of the Fund, the Fund's pro forma results of operations for the year ended July 31, 2010, are as follows:

Net investment income*	\$24,021,464
Net realized gain on investments	\$ 474,221
Net increase in net assets resulting from operations	\$24,495,685

\* Net investment income includes \$73,967 of pro forma eliminated expenses.

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Acquired Fund that has been included in the Fund's Statement of Operations as of July 31, 2010. The Fund received net assets from the Acquired Fund as the result of the tax-free reorganization as follows:

Shares of the Fund Issued	Acquired Fund Net Assets Received	Net Assets of the Fund Immediately Prior to Combination	Net Assets of the Fund Immediately After Combination
59,055,366	\$59,066,569	\$45,248,732,120	\$45,307,798,689

## 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 Board of Trustees (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. Distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income are declared daily and paid monthly. Investment income, realized 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 are amortized/accreted.

## 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 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	97,443,719,732	\$ 97,443,719,732	245,628,197,047	\$ 245,628,197,047
Proceeds from shares issued in connection with the tax-free transfer of assets from Federated Short-Term U.S. Government Trust	—	—	59,055,366	59,066,569
Shares issued to shareholders in payment of distributions declared	2,079,059	2,079,059	9,392,883	9,392,883
Shares redeemed	(99,905,696,845)	(99,905,696,845)	(266,566,583,645)	(266,566,583,645)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(2,459,898,054)	\$ (2,459,898,054)	(20,869,938,349)	\$ (20,869,927,146)

<b>Institutional Service Shares:</b>	<b>Six Months Ended 1/31/2011</b>		<b>Year Ended 7/31/2010</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	11,191,179,189	\$ 11,191,179,189	22,718,050,660	\$ 22,718,050,660
Shares issued to shareholders in payment of distributions declared	136,396	136,396	411,301	411,301
Shares redeemed	(10,726,576,721)	(10,726,576,721)	(24,761,505,125)	(24,761,505,125)
NET CHANGE RESULTING FROM INSTITUTIONAL SERVICE SHARE TRANSACTIONS	464,738,864	\$ 464,738,864	(2,043,043,164)	\$ (2,043,043,164)

<b>Institutional Capital Shares:</b>	<b>Six Months Ended 1/31/2011</b>		<b>Year Ended 7/31/2010</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	2,156,149,142	\$ 2,156,149,142	4,756,531,780	\$ 4,756,531,780
Shares issued to shareholders in payment of distributions declared	62,189	62,189	298,642	298,642
Shares redeemed	(2,294,243,660)	(2,294,243,660)	(5,297,874,144)	(5,297,874,144)
NET CHANGE RESULTING FROM INSTITUTIONAL CAPITAL SHARE TRANSACTIONS	(138,032,329)	\$ (138,032,329)	(541,043,722)	\$ (541,043,722)

<b>Trust Shares:</b>	<b>Six Months Ended 1/31/2011</b>		<b>Year Ended 7/31/2010</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	999,514,854	\$ 999,514,854	1,476,048,551	\$ 1,476,048,551
Shares issued to shareholders in payment of distributions declared	10,350	10,350	11,321	11,321
Shares redeemed	(755,485,709)	(755,485,709)	(1,303,507,031)	(1,303,507,031)
NET CHANGE RESULTING FROM TRUST SHARE TRANSACTIONS	244,039,495	\$ 244,039,495	172,552,841	\$ 172,552,841
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(1,889,152,024)	\$(1,889,152,024)	(23,281,472,394)	\$(23,281,461,191)

#### **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 0.20% 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 \$12,991,163 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:

<b>Administrative Fee</b>	<b>Average Aggregate Daily Net Assets of the Federated Funds</b>
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, the net fee paid to FAS was 0.076% of average daily net assets of the Fund. FAS waived \$341,336 of its fee.

## 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 Trust Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund's Trust Shares may incur distribution expenses at 0.25% of average daily net assets, annually, to compensate FSC. Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the six months ended January 31, 2011, FSC voluntarily waived \$847,581 of its fee. For the six months ended January 31, 2011, FSC did not retain any fees paid by the Fund.

## Shareholder Services Fee

The Fund may pay fees ("Service Fees") up to 0.25% of the average daily net assets of the Fund's Institutional Shares, Institutional Service Shares, Institutional Capital Shares and Trust Shares 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 Service Fees. For the six months ended January 31, 2011, FSSC voluntarily reimbursed \$147,500 of shareholder services fees and \$1,542,990 of account administration fees. In addition, for the six months ended January 31, 2011, unaffiliated third-party financial intermediaries waived \$4,918,863 of shareholder services fees and \$1,356,944 of account administration fees. These waivers can be modified or terminated at any time. For the six months ended January 31, 2011, FSSC did not receive any fees paid by the Fund. For the six months ended January 31, 2011, the Fund's Institutional Shares did not incur Service 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/reimbursement/reduction of Fund expenses reflected in the financial highlights will be maintained in the future. However, 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, Institutional Service Shares, Institutional Capital Shares and Trust Shares (after the voluntary waivers and reimbursements) will not exceed 0.20%, 0.45%, 0.30% and 0.70% (the "Fee Limit"), respectively, through the later of (the "Termination Date"): (a) September 30, 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.

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

## **7. 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 GOVERNMENT OBLIGATIONS FUND (THE “FUND”) (formerly, Government Obligations 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.

The Fund's performance was above the median of the relevant peer group for the one-year period covered by the report.

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 above 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 Board will continue to monitor advisory fees and other expenses borne by the Fund.

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](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 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. 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

# Federated<sup>®</sup>

Federated Government Obligations Fund  
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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