

Federated

WORLD-CLASS INVESTMENT MANAGER[®]



FEDERATED BALANCED ALLOCATION FUND

Established 2005

A Portfolio of Federated Managed Allocation Portfolios

PRESIDENT'S MESSAGE AND ANNUAL SHAREHOLDER REPORT

November 30, 2009

Class A Shares

Class B Shares

Class C Shares

Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee



**J. Christopher
Donahue**

President

Federated Balanced
Allocation Fund

PRESIDENT'S MESSAGE

Dear Valued Shareholder:

Enclosed is your Annual Shareholder Report for Federated Balanced Allocation Fund. The report covers the 12-month reporting period from December 1, 2008 through November 30, 2009. Your fund's manager is Philip J. Orlando, CFA, senior vice president, Federated Global Investment Management Corp., who works closely with the underlying funds' portfolio managers and their teams. Please review the complete listing of the fund's holdings, financial statements, Management's Discussion of Fund Performance and other information in the enclosed Annual Shareholder Report, as well as the commentary in this letter.

Federated Balanced Allocation Fund combines four distinctive funds—Federated Kaufmann Fund, Federated InterContinental Fund,¹ Federated Intermediate Corporate Bond Fund and Federated Capital Appreciation Fund—in one convenient portfolio.² The fund's broad diversification across multiple asset classes, investment styles and types of securities can help you more effectively manage the market's ups and downs while pursuing your long-term goals.³

- 1 *Effective January 29, 2008, Federated InterContinental Fund (FICF), an equity portfolio within Federated's equity funds complex, replaced Federated American Leaders Fund, Inc. (FALF) as an underlying fund in Federated Balanced Allocation Fund.*
- 2 *Due to its strategy of investing in other mutual funds, this fund may incur certain additional expenses and tax results that would not be present with a direct investment in the underlying funds.*
- 3 *Diversification does not assure a profit nor protect against a loss.*

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit FederatedInvestors.com or call 1-800-341-7400.

As the reporting period began, it was clear that what began as a rumble in the U.S. housing market accelerated into a full-blown capital crisis, bringing much of global economic activity to a virtual halt. Generous amounts of liquidity administered by the Federal Reserve, aggressive global fiscal stimulus and targeted rescue efforts combined to stabilize the markets. By early March 2009, reports of a slower rate of economic deterioration and some positive earnings surprises proved to be the encouragement that beleaguered investors needed to trigger a rally which carried the markets into positive territory for much of the following nine months. Corporations began to benefit from improved outlooks and cost cutting measures put in place during the first half of the year. A range of economic data suggested that the recession had stabilized and likely bottomed in the first or second quarter of 2009, with a fledgling recovery supported by coordinated and massive government intervention in the global financial markets.

Interest rates moved up across the yield curve in the first half of the reporting period, but the Federal Reserve Board's aggressive intervention worked to keep the moves in check. While effectively acknowledging a recovery was underway during the second and third quarters, the Fed appeared intent on doing its part to prod growth along: it maintained the federal funds target rate at virtually zero percent while continuing to provide explicit support to various lending and government securities markets. As the recovery took hold, anything in the fixed-income market that could be considered economically sensitive, including corporate bonds, generated strong absolute returns and even stronger relative returns compared with the U.S. Treasury market.

For the 12-month reporting period, the fund's performance reflected the improving nature of the market, with Class A Shares returning 27.52% at net asset value. By comparison, for the same period, the fund's benchmark, the S&P 500 Index,⁴ gained 25.39% on a total return basis. Total return performance for the fund follows. For a detailed discussion of key drivers of fund performance, please review Management's Discussion of Fund Performance in the enclosed Annual Shareholder Report.

Share Class	Maximum Sales Charge	Contingent Deferred Sales Charge	Total Return at Offering Price	Total Return at Net Asset Value
Class A Shares	5.50%	0.00%	20.53%	27.52%
Class B Shares	None	5.50%	21.18%	26.68%
Class C Shares	None	1.00%	25.87%	26.87%

⁴ *The S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Investments cannot be made directly in an index.*

As of the date of this message, fund management notes that its constructive view on global equities is tempered by the still-challenged housing market, high debt levels and negative employment data in the United States and Europe. However, it believes that the markets have the potential to grind higher as the global economy produces favorable short-term momentum, ample liquidity, relatively attractive valuations, an improving credit outlook and as central banks remain accommodating. This should help sustain a positive environment for equities and higher-grade corporate bonds in 2010.⁵

The uncertainties associated with a post-stimulus investment environment support the use of Federated Balanced Allocation Fund. The fund's carefully managed, well-diversified approach is designed to help investors seek opportunities across the asset allocation spectrum and to weather inevitable market swings in support of a long-term investment focus.³

Thank you for investing with Federated. We hope you have found this discussion useful and look forward to keeping you informed. We also encourage you to visit our Web site, FederatedInvestors.com, for regular updates and commentary on economic and market developments from our investment strategists.

Sincerely,



J. Christopher Donahue
President
January 15, 2010

⁵ *Bond credit ratings measure the risk that a security will default. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings of BB and below are lower-rated securities; and credit ratings of CCC or below have high default risk.*



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FEDERATED BALANCED ALLOCATION FUND

Established 2005

A Portfolio of Federated Managed Allocation Portfolios

ANNUAL SHAREHOLDER REPORT

November 30, 2009

Class A Shares

Class B Shares

Class C Shares

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FINANCIAL HIGHLIGHTS – CLASS A SHARES

(For a Share Outstanding Throughout Each Period)

	Year Ended November 30,			Period
	2009	2008	2007	Ended 11/30/2006 ¹
Net Asset Value, Beginning of Period	\$6.04	\$10.71	\$10.90	\$10.00
Income From Investment Operations:				
Net investment income	0.17	0.10	0.13 ²	0.34 ²
Net realized and unrealized gain (loss) on investments	1.45	(3.35)	0.69	0.56
TOTAL FROM INVESTMENT OPERATIONS	1.62	(3.25)	0.82	0.90
Less Distributions:				
Distributions from net investment income	(0.17)	(0.49)	(0.23)	—
Distributions from net realized gain on investments	—	(0.93)	(0.78)	—
TOTAL DISTRIBUTIONS	(0.17)	(1.42)	(1.01)	—
Net Asset Value, End of Period	\$7.49	\$6.04	\$10.71	\$10.90
Total Return³	27.52%	(34.90)%	8.15%	9.00%
Ratios to Average Net Assets:				
Net expenses	0.27%	0.27%	0.27%	0.27% ⁴
Net investment income	2.70%	1.33%	1.26%	3.59% ⁴
Expense waiver/reimbursement ⁵	1.23%	1.16%	1.29%	2.75% ⁴
Supplemental Data:				
Net assets, end of period (000 omitted)	\$23,848	\$17,002	\$19,755	\$13,150
Portfolio turnover	23%	47%	2%	0% ⁶

- 1 Reflects operations for the period from December 23, 2005 (date of initial investment) to November 30, 2006.
- 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 ratios shown above.
- 6 Represents less than 1%.

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS – CLASS B SHARES

(For a Share Outstanding Throughout Each Period)

	Year Ended November 30,			Period
	2009	2008	2007	Ended
				11/30/2006 ¹
Net Asset Value, Beginning of Period	\$5.99	\$10.64	\$10.86	\$10.00
Income From Investment Operations:				
Net investment income	0.13	0.05	0.07 ²	0.24 ²
Net realized and unrealized gain (loss) on investments	1.44	(3.34)	0.67	0.62
TOTAL FROM INVESTMENT OPERATIONS	1.57	(3.29)	0.74	0.86
Less Distributions:				
Distributions from net investment income	(0.11)	(0.43)	(0.18)	—
Distributions from net realized gain on investments	—	(0.93)	(0.78)	—
TOTAL DISTRIBUTIONS	(0.11)	(1.36)	(0.96)	—
Net Asset Value, End of Period	\$7.45	\$5.99	\$10.64	\$10.86
Total Return³	26.68%	(35.41)%	7.38%	8.60%
Ratios to Average Net Assets:				
Net expenses	1.02%	1.02%	1.02%	1.02% ⁴
Net investment income	1.94%	0.58%	0.64%	2.48% ⁴
Expense waiver/reimbursement ⁵	1.23%	1.16%	1.30%	2.72% ⁴
Supplemental Data:				
Net assets, end of period (000 omitted)	\$19,734	\$14,525	\$20,364	\$12,434
Portfolio turnover	23%	47%	2%	0% ⁶

- 1 Reflects operations for the period from December 23, 2005 (date of initial investment) to November 30, 2006.
- 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 ratios shown above.
- 6 Represents less than 1%.

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS – CLASS C SHARES

(For a Share Outstanding Throughout Each Period)

	Year Ended November 30,			Period
	2009	2008	2007	Ended
				11/30/2006 ¹
Net Asset Value, Beginning of Period	\$5.98	\$10.64	\$10.86	\$10.00
Income From Investment Operations:				
Net investment income	0.13	0.06	0.10 ²	0.23 ²
Net realized and unrealized gain (loss) on investments	1.45	(3.36)	0.64	0.63
TOTAL FROM INVESTMENT OPERATIONS	1.58	(3.30)	0.74	0.86
Less Distributions:				
Distributions from net investment income	(0.12)	(0.43)	(0.18)	—
Distributions from net realized gain on investments	—	(0.93)	(0.78)	—
TOTAL DISTRIBUTIONS	(0.12)	(1.36)	(0.96)	—
Net Asset Value, End of Period	\$7.44	\$5.98	\$10.64	\$10.86
Total Return ³	26.87%	(35.46)%	7.37%	8.60%
Ratios to Average Net Assets:				
Net expenses	1.02%	1.02%	1.00%	1.02% ⁴
Net investment income	1.91%	0.61%	0.93%	2.45% ⁴
Expense waiver/reimbursement ⁵	1.22%	1.16%	1.29%	2.80% ⁴
Supplemental Data:				
Net assets, end of period (000 omitted)	\$7,460	\$5,111	\$7,254	\$3,560
Portfolio turnover	23%	47%	2%	0% ⁶

- 1 Reflects operations for the period from December 23, 2005 (date of initial investment) to November 30, 2006.
- 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 ratios shown above.
- 6 Represents less than 1%.

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 June 1, 2009 to November 30, 2009.

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 6/1/2009	Ending Account Value 11/30/2009	Expenses Paid During Period ¹
Actual:			
Class A Shares	\$1,000	\$1,161.20	\$1.46
Class B Shares	\$1,000	\$1,156.80	\$5.51
Class C Shares	\$1,000	\$1,157.10	\$5.52
Hypothetical (assuming a 5% return before expenses):			
Class A Shares	\$1,000	\$1,023.71	\$1.37
Class B Shares	\$1,000	\$1,019.95	\$5.16
Class C Shares	\$1,000	\$1,019.95	\$5.16

¹ Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	0.27%
Class B Shares	1.02%
Class C Shares	1.02%

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE (UNAUDITED)

The Fund's Class A Shares, Class B Shares and Class C Shares produced total returns of 27.52%, 26.68% and 26.87%, respectively, based on net asset value for the fiscal year ended November 30, 2009. This compared with the Fund's benchmark index, the Standard & Poor's 500 Index (S&P 500),¹ which returned 25.39% for the same period. A moderate allocation fund category returned slightly less than the Fund.² The Fund's total return for the fiscal year reflected actual cash flows, transaction costs and other expenses which were not reflected in the total return of the S&P 500.

The following discussion will focus on the performance of the Fund's Class A Shares.

- 1 *The S&P 500 is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Investments cannot be made in an index.*
- 2 *Source: Morningstar.*

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit FederatedInvestors.com or call 1-800-341-7400.

MARKET OVERVIEW

Domestic Equities

Domestic equities, as measured by the S&P 500, experienced substantial volatility throughout the reporting period. The fiscal year began with markets reeling from the fall-out caused by the failure of Lehman Brothers. With the credit crisis, the S&P 500 moved sharply lower, losing nearly 25% between the start of the fiscal year and the market bottom on March 9, 2009. In response to frozen credit markets, bank failures and rapidly deteriorating macroeconomic fundamentals, the Federal Reserve (the “Fed”) cut interest rates to a range between 0% and 0.25% at the December 16, 2008, Federal Open Market Committee meeting before eventually implementing a program of quantitative easing. Likewise, Congress supported the banking sector via the Troubled Asset Relief Program while also passing a \$787 billion stimulus plan. These measures, combined with aggressive cost cutting by corporations, led to better-than-expected earnings results in both the second and third quarters of 2009. As a result, the S&P 500 rallied 62% off of the March 9, 2009, low to finish the fiscal year up 22.25% (up 25.39% on a total return basis). Eight out of 10 sectors posted positive, double-digit returns. The three best-performing S&P sectors were Information Technology, up 55.81%; Materials, up 45.69%; and Consumer Discretionary, up 42.72%. The three lagging sectors were Telecommunication Services, up 5.1%; Utilities, up 3.8%; and Energy, up 10.3%.

Interest Rates

Interest rates were mixed over the past 12 months, as shorter maturity yields fell while longer maturity yields rose. Long-term rates rose on increasing worries about a pickup of inflation on aggressive monetary easing. Spread bonds, on the other hand, performed well on expectations that credit-related bonds would do well in a growing economic environment. The Fed’s specially crafted lending programs appeared to be easing the credit crisis.

The two-year Treasury yield fell 0.33% over the 12 months and finished the reporting period at 0.67%, while the 30-year Treasury yield rose 0.75% in the period to finish at 4.20%. The yield to worst of the Barclays Capital U.S. Aggregate Bond Index³ stood at 3.15% on November 30, 2009, compared to 4.96% 12 months earlier.

3 *Barclays Capital U.S. Aggregate Bond Index is composed of securities from the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.*

FUND PERFORMANCE

The fund, by design, invests approximately equal amounts of its non-cash assets in four underlying Federated mutual funds: Federated InterContinental Fund, Federated Capital Appreciation Fund, Federated Kaufmann Fund and Federated Intermediate Corporate Bond Fund.⁴

The returns of each of the four underlying funds relative to its respective benchmark depends upon the investment decisions made in each of those funds' portfolios and the fees charged. Each of the funds is actively managed. The primary investment decisions made by each manager involve the overweight or underweight in certain sectors of the market and the individual securities purchased. While the Fund outperformed the S&P 500 as a whole, each of the underlying funds underperformed their individual benchmarks for the period. The Federated InterContinental Fund Institutional Share Class was up 45.80% on a net basis while its benchmark, the MSCI All Country World Ex-US Index,⁵ had a return of 46.42%. The Federated Capital Appreciation Fund posted a positive return of 14.84%, while its benchmark, the S&P 500 index, gained 25.39%. The Federated Kaufmann Fund Class K Shares returned 30.03% while its benchmark, the Russell Midcap Growth Index,⁶ was up 42.83%, and the Federated Intermediate Corporate Bond Fund posted a return of 21.14% while its benchmark, the Barclays Capital U.S. Intermediate Credit index,⁷ was up 21.61%.

- 4 *Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.*
- 5 *The MSCI All Country World Ex-US Index consists of 22 developed and 22 emerging market country indices. It is market capitalization weighted. Investments cannot be made directly in an index.*
- 6 *Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index. The index is unmanaged, and unlike the Fund, is not affected by cash flows. Investments cannot be made in an index.*
- 7 *Barclays Capital U.S. Intermediate Credit Index is an unmanaged index that consists of dollar-denominated, investment-grade, publicly-issued securities with a maturity of between one and ten years, a minimum amount outstanding of \$250 million and that are issued by both corporate issuers and non-corporate issuers (supranationals, sovereigns, foreign agencies and foreign local governments). Investments cannot be made in an index.*

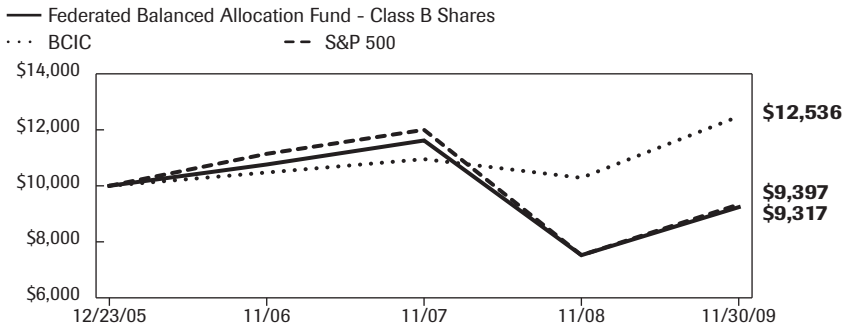
GROWTH OF A \$10,000 INVESTMENT — CLASS B SHARES

The graph below illustrates the hypothetical investment of \$10,000¹ in Federated Balanced Allocation Fund (Class B Shares) (the “Fund”) from December 23, 2005 (start of performance) to November 30, 2009, compared to the Standard and Poor’s 500 Index (S&P 500)² and the Barclays Capital U.S. Intermediate Credit Index (BCIC).²

Average Annual Total Returns³ for the Period Ended 11/30/2009

1 Year	21.18%
Start of Performance (12/23/2005)	-1.78%

GROWTH OF \$10,000 AS OF NOVEMBER 30, 2009



Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit FederatedInvestors.com or call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured. Total returns shown include the maximum contingent deferred sales charge of 5.50%, as applicable.

- 1 Represents a hypothetical investment of \$10,000 in the Fund. The maximum contingent deferred sales charge is 5.50% on any redemption less than one year from the purchase date. The Fund’s performance assumes the reinvestment of all dividends and distributions. The BCIC and the S&P 500 have been adjusted to reflect reinvestment of dividends on securities in the indexes.
- 2 The BCIC and S&P 500 are not adjusted to reflect sales charges, expenses or other fees that the SEC requires to be reflected in the Fund’s performance. The indexes are unmanaged and, unlike the Fund, are not affected by cash flows. It is not possible to invest directly in an index.
- 3 Total returns quoted reflect all applicable contingent deferred sales charges.

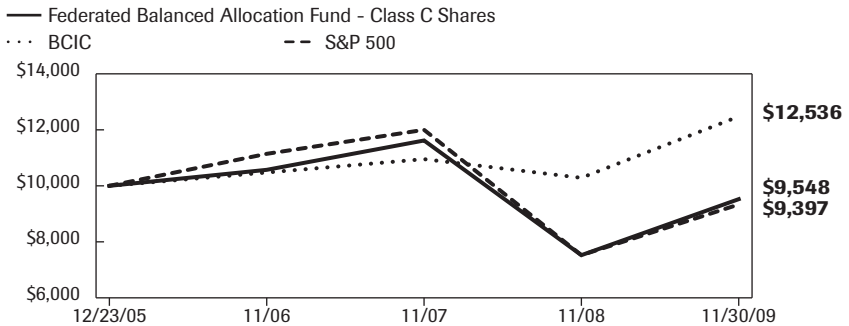
GROWTH OF A \$10,000 INVESTMENT — CLASS C SHARES

The graph below illustrates the hypothetical investment of \$10,000¹ in Federated Balanced Allocation Fund (Class C Shares) (the “Fund”) from December 23, 2005 (start of performance) to November 30, 2009, compared to the Standard and Poor’s 500 Index (S&P 500)² and the Barclays Capital U.S. Intermediate Credit Index (BCIC).²

Average Annual Total Returns³ for the Period Ended 11/30/2009

1 Year	25.87%
Start of Performance (12/23/2005)	-1.17%

GROWTH OF \$10,000 AS OF NOVEMBER 30, 2009



Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit FederatedInvestors.com or call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured. Total returns shown include the maximum contingent deferred sales charge of 1.00%, as applicable.

- 1 Represents a hypothetical investment of \$10,000 in the Fund. A 1.00% contingent deferred sales charge would be applied on any redemption less than one year from the purchase date. The Fund’s performance assumes the reinvestment of all dividends and distributions. The BCIC and the S&P 500 have been adjusted to reflect reinvestment of dividends on securities in the indexes.
- 2 The BCIC and S&P 500 are not adjusted to reflect sales charges, expenses or other fees that the SEC requires to be reflected in the Fund’s performance. The indexes are unmanaged and, unlike the Fund, are not affected by cash flows. It is not possible to invest directly in an index.
- 3 Total returns quoted reflect all applicable contingent deferred sales charges.

PORTFOLIO OF INVESTMENTS SUMMARY TABLE (UNAUDITED)

At November 30, 2009, the Fund's portfolio composition¹ was as follows:

Underlying Fund	Percentage of Total Net Assets
Federated Intermediate Corporate Bond Fund	25.2%
Federated Capital Appreciation Fund	24.8%
Federated Kaufmann Fund	24.8%
Federated InterContinental Fund	24.6%
Cash Equivalents ²	0.6%
Other Assets and Liabilities—Net ^{3,4}	(0.0)%
TOTAL	100.0%

- 1 *See the Fund's Prospectus and Statement of Additional Information for a description of the underlying funds in which the Fund invests.*
- 2 *Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.*
- 3 *Assets, other than investment in securities, less liabilities. See Statement of Assets and Liabilities.*
- 4 *Represents less than 0.1%.*

PORTFOLIO OF INVESTMENTS

November 30, 2009

Shares		Value
	AFFILIATED MUTUAL FUNDS—100.0%	
746,961	Federated Capital Appreciation Fund, Institutional Shares	\$12,668,452
289,236	Federated InterContinental Fund, Institutional Shares	12,558,624
1,300,520	Federated Intermediate Corporate Bond Fund, Institutional Shares	12,875,148
2,847,148	Federated Kaufmann Fund, Class A Shares	12,669,808
284,323	¹ Prime Value Obligations Fund, Institutional Shares, 0.22%	284,323
	TOTAL INVESTMENTS—100.0% (IDENTIFIED COST \$53,620,625) ²	51,056,355
	OTHER ASSETS AND LIABILITIES - NET—(0.0)% ³	(14,477)
	TOTAL NET ASSETS—100%	\$51,041,878

1 7-Day net yield.

2 The cost of investments for federal tax purposes amounts to \$59,221,752.

3 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 November 30, 2009.

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.

The following is a summary of the inputs used, as of November 30, 2009, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1 – Quoted Prices and Investments in Mutual Funds	Level 2 – Other Significant Observable Inputs	Level 3 – Significant Unobservable Inputs	Total
Affiliated Mutual Funds	\$51,056,355	\$—	\$—	\$51,056,355

See Notes which are an integral part of the Financial Statements

STATEMENT OF ASSETS AND LIABILITIES

November 30, 2009

Assets:

Total investments in affiliated issuers, at value (Note 5) (identified cost \$53,620,625)	\$ 51,056,355
Income receivable	52,487
Receivable for investments sold	31,000
Receivable for shares sold	40,012
TOTAL ASSETS	51,179,854

Liabilities:

Payable for shares redeemed	\$51,333
Payable for transfer and dividend disbursing agent fees and expenses	16,047
Payable for auditing fees	22,000
Payable for portfolio accounting fees	10,971
Payable for distribution services fee (Note 5)	16,646
Payable for shareholder services fee (Note 5)	8,368
Payable for share registration costs	3,728
Payable for insurance premiums	4,449
Accrued expenses	4,434
TOTAL LIABILITIES	137,976
Net assets for 6,834,072 shares outstanding	\$ 51,041,878

Net Assets Consist of:

Paid-in capital	\$ 64,646,447
Net unrealized depreciation of investments	(2,564,270)
Accumulated net realized loss on investments	(11,273,092)
Undistributed net investment income	232,793
TOTAL NET ASSETS	\$ 51,041,878

STATEMENT OF ASSETS AND LIABILITIES – CONTINUED

Net Asset Value, Offering Price and Redemption Proceeds Per Share

Class A Shares:

Net asset value per share (\$23,847,545 ÷ 3,182,091 shares outstanding), no par value, unlimited shares authorized	\$7.49
Offering price per share (100/94.50 of \$7.49)	\$7.93
Redemption proceeds per share	\$7.49

Class B Shares:

Net asset value per share (\$19,734,155 ÷ 2,649,226 shares outstanding), no par value, unlimited shares authorized	\$7.45
Offering price per share	\$7.45
Redemption proceeds per share (94.50/100 of \$7.45)	\$7.04

Class C Shares:

Net asset value per share (\$7,460,178 ÷ 1,002,755 shares outstanding), no par value, unlimited shares authorized	\$7.44
Offering price per share	\$7.44
Redemption proceeds per share (99.00/100 of \$7.44)	\$7.37

See Notes which are an integral part of the Financial Statements

STATEMENT OF OPERATIONS

Year Ended November 30, 2009

Investment Income:

Dividends received from affiliated issuers (Note 5)	\$ 1,263,949
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Expenses:

Administrative personnel and services fee (Note 5)	\$ 230,000
Custodian fees	9,595
Transfer and dividend disbursing agent fees and expenses	122,798
Directors'/Trustees' fees	4,973
Auditing fees	22,000
Legal fees	5,044
Portfolio accounting fees	66,338
Distribution services fee—Class B Shares (Note 5)	122,489
Distribution services fee—Class C Shares (Note 5)	46,361
Shareholder services fee—Class A Shares (Note 5)	50,218
Shareholder services fee—Class B Shares (Note 5)	40,830
Shareholder services fee—Class C Shares (Note 5)	15,220
Share registration costs	32,265
Printing and postage	31,134
Insurance premiums	4,066
Miscellaneous	4,715
TOTAL EXPENSES	808,046

Waiver and Reimbursement (Note 5):

Waiver of administrative personnel and services fee	\$(230,000)
Reimbursement of other operating expenses	(292,319)
TOTAL WAIVER AND REIMBURSEMENT	(522,319)

Net expenses	285,727
Net investment income	978,222

Realized and Unrealized Gain (Loss) on Investments:

Net realized loss on investments in affiliated issuers	(4,637,277)
Net change in unrealized depreciation of investments	14,139,463
Net realized and unrealized gain on investments	9,502,186
Change in net assets resulting from operations	\$10,480,408

See Notes which are an integral part of the Financial Statements

STATEMENT OF CHANGES IN NET ASSETS

Year Ended November 30	2009	2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 978,222	\$ 425,889
Net realized loss on investments in affiliated issuers	(4,637,277)	(6,608,241)
Net change in unrealized appreciation/depreciation of investments	14,139,463	(12,760,807)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	10,480,408	(18,943,159)
Distributions to Shareholders:		
Distributions from net investment income		
Class A Shares	(518,499)	(925,944)
Class B Shares	(275,608)	(827,480)
Class C Shares	(110,313)	(302,825)
Distributions from net realized gain on investments		
Class A Shares	—	(1,755,122)
Class B Shares	—	(1,817,251)
Class C Shares	—	(650,714)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(904,420)	(6,279,336)
Share Transactions:		
Proceeds from sale of shares	15,229,858	22,675,199
Net asset value of shares issued to shareholders in payment of distributions declared	840,764	6,019,001
Cost of shares redeemed	(11,242,384)	(14,206,796)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	4,828,238	14,487,404
Change in net assets	14,404,226	(10,735,091)
Net Assets:		
Beginning of period	36,637,652	47,372,743
End of period (including undistributed net investment income of \$232,793 and \$158,991, respectively)	\$ 51,041,878	\$ 36,637,652

See Notes which are an integral part of the Financial Statements

NOTES TO FINANCIAL STATEMENTS

November 30, 2009

1. ORGANIZATION

Federated Managed Allocation Portfolios (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 one diversified portfolio, Federated Balanced Allocation Fund (the "Fund"). The Fund offers three classes of 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 to provide 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:

- Shares of other mutual funds are valued based upon their reported NAVs.
- 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.
- 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.

With respect to agreements to repurchase U.S. government securities and cash items, the Fund treats the repurchase agreement as an investment in the underlying securities and not as an obligation of the other party to the repurchase agreement. Other repurchase agreements are treated as obligations of the other party secured by the underlying securities. Nevertheless, 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 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 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 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 year ended November 30, 2009, 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 November 30, 2009, tax years 2006 through 2009 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:

Year Ended November 30	2009		2008	
Class A Shares:	Shares	Amount	Shares	Amount
Shares sold	1,208,150	\$ 7,684,722	1,453,242	\$11,654,513
Shares issued to shareholders in payment of distributions declared	78,281	478,295	281,016	2,593,785
Shares redeemed	(920,637)	(5,839,723)	(762,248)	(6,170,532)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	365,794	\$ 2,323,294	972,010	\$ 8,077,766

Year Ended November 30	2009		2008	
Class B Shares:	Shares	Amount	Shares	Amount
Shares sold	746,189	\$ 4,834,187	914,100	\$ 7,724,123
Shares issued to shareholders in payment of distributions declared	42,998	262,716	271,614	2,504,277
Shares redeemed	(565,923)	(3,573,921)	(674,291)	(5,311,254)
NET CHANGE RESULTING FROM CLASS B SHARE TRANSACTIONS	223,264	\$ 1,522,982	511,423	\$ 4,917,146

Year Ended November 30	2009		2008	
Class C Shares:	Shares	Amount	Shares	Amount
Shares sold	431,162	\$ 2,710,949	398,350	\$ 3,296,563
Shares issued to shareholders in payment of distributions declared	16,353	99,753	99,993	920,939
Shares redeemed	(298,699)	(1,828,740)	(326,338)	(2,725,010)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	148,816	\$ 981,962	172,005	\$ 1,492,492
NET CHANGE RESULTING FROM FUND SHARE TRANSACTIONS	737,874	\$ 4,828,238	1,655,438	\$14,487,404

4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended November 30, 2009 and 2008, was as follows:

	2009	2008
Ordinary income ¹	\$904,420	\$2,070,620
Long-term capital gains	\$ —	\$4,208,716

1 For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

As of November 30, 2009, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 232,793
Net unrealized depreciation	\$(8,165,397)
Capital loss carryforwards	\$(5,671,965)

The difference between book-basis and tax-basis net unrealized appreciation/depreciation is attributable in part to differing treatments for the tax deferral of losses on wash sales.

At November 30, 2009, the cost of investments for federal tax purposes was \$59,221,752. The net unrealized depreciation of investments for federal tax purposes was \$8,165,397. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$1,517,052 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$9,682,449.

At November 30, 2009, the Fund had a capital loss carryforward of \$5,671,965 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	\$4,663,301
2017	\$1,008,664

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

Federated Global Investment Management Corporation is the Fund's investment adviser (the "Adviser"), subject to the direction of the Trustees. The Adviser provides investment adviser services at no fee. For the year ended November 30, 2009, the Adviser voluntarily reimbursed \$277,180 of other operating expenses.

Administrative Fee

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

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

The administrative fee received during any fiscal year shall be at least \$150,000 per portfolio and \$40,000 per each additional class of Shares. Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. FAS can modify or terminate this voluntary waiver at any time at its sole discretion. For the year ended November 30, 2009, FAS waived its entire fee of \$230,000.

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. FSC can modify or terminate this voluntary waiver at any time at its sole discretion. When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the year ended November 30, 2009, FSC did not retain any fees paid by the Fund. For the year ended November 30, 2009, 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.

The Fund may invest in other funds distributed by FSC under the Plan. FSC has agreed to reimburse the Fund for certain distribution fees received by FSC as a result of these transactions. For the year ended November 30, 2009, FSC reimbursed \$15,139 of its fee.

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 year ended November 30, 2009, FSC retained \$22,787 in sales charges from the sale of Class A Shares. FSC also retained \$165 of CDSC relating to redemptions of Class C 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. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for shareholder services fees. This voluntary reimbursement can be modified or terminated at any time. For the year ended November 30, 2009, FSSC did not receive any 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 operating expenses (as shown in the financial highlights) paid by the Fund's Class A Shares, Class B Shares and Class C Shares (after the voluntary waivers and reimbursements) will not exceed 0.27%, 1.02% and 1.02%, respectively, through the later of (the "Termination Date"): (a) January 31, 2011; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its affiliates currently do not anticipate terminating these arrangements prior to the Termination Date, these arrangements may only be terminated 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 with Affiliated Companies

Affiliated holdings are mutual funds which are managed by the Adviser or an affiliate of the Adviser. Transactions with the affiliated companies during the year ended November 30, 2009, were as follows:

Affiliates	Balance of Shares Held 11/30/2008	Purchases/ Additions	Sales/ Reductions	Balance of Shares Held 11/30/2009	Value	Dividend Income
Federated InterCon- tinental Fund, Institutional Shares	282,410	110,591	103,765	289,236	\$12,558,624	\$ 582,708
Federated Capital Appreciation Fund, Institutional Shares	609,676	189,975	52,690	746,961	12,668,452	139,472
Federated Intermediate Corporate Bond Fund, Institutional Shares	1,052,892	670,496	422,868	1,300,520	12,875,148	539,120
Federated Kaufmann Fund, Class A Shares	2,668,679	623,639	445,170	2,847,148	12,669,808	—
Prime Value Obligations Fund, Institutional Shares	299,144	8,604,074	8,618,895	284,323	284,323	2,649
TOTAL OF AFFILIATED TRANSACTIONS	4,912,801	10,198,775	9,643,388	5,468,188	\$51,056,355	\$1,263,949

Pursuant to section 12(d)(1)(g) of the Act, the Fund may invest in the following open-end management companies (Fund Investments), registered under the Act which are managed by Federated Equity Management Company of Pennsylvania or its affiliates.

Fund	Investment Objective
Federated Capital Appreciation Fund, Institutional Shares (Capital Appreciation)	To provide capital appreciation.
Federated InterContinental Fund, Institutional Shares (InterContinental)	To provide long-term capital appreciation through investing in international stocks.
Federated Intermediate Corporate Bond Fund, Institutional Shares (Intermediate Corporate Bond)	To provide current income.
Federated Kaufmann Fund, Class A Shares (Kaufmann)	To provide capital appreciation.
Prime Value Obligations Fund, Institutional Shares (Prime Value)	To provide current income consistent with stability of principal and liquidity.

Income distributions from Intermediate Corporate Bond and Prime Value are declared daily and paid monthly. Income distributions from Capital Appreciation, InterContinental and Kaufmann are declared and paid annually. All income distributions are recorded by the Fund as dividend income. Capital gain distributions of the Fund Investments, if any, are declared and paid annually, and are recorded by the Fund as capital gains received. The performance of the Fund is directly affected by the performance of the Fund Investments. A copy of each Fund's financial statements is available on the EDGAR Database on the Securities and Exchange Commission's (SEC) Web site or upon request from the Fund.

Effective January 2, 2008, Capital Appreciation, Class A Shares, was replaced with Capital Appreciation, Institutional Shares.

Effective January 29, 2008, Federated American Leaders Fund, Inc. was replaced with InterContinental, whose investment objective is to provide long-term capital appreciation through investing in international stocks.

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended November 30, 2009, were as follows:

Purchases	\$14,709,000
Sales	\$ 9,709,000

7. RISK OF INVESTING IN UNDERLYING FUNDS

Each of the Underlying Funds in which the Fund invests has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Underlying Fund than in another, the Fund will have greater exposure to the risks of that Underlying Fund.

8. 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 November 30, 2009, there were no outstanding loans. During the year ended November 30, 2009, the Fund did not utilize the LOC.

9. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the SEC, 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 November 30, 2009, there were no outstanding loans. During the year ended November 30, 2009, the program was not utilized.

10. LEGAL PROCEEDINGS

Since October 2003, Federated Investors, Inc. and related entities (collectively, "Federated"), and various Federated funds (Federated Funds) have been named as defendants in several class action lawsuits now pending in the United States District Court for the District of Maryland. The lawsuits were purportedly filed on behalf of people who purchased, owned and/or redeemed shares of Federated-sponsored mutual funds during specified periods beginning November 1, 1998. The suits are generally similar in alleging that Federated engaged in illegal and improper trading practices including market timing and late trading in concert with certain institutional traders, which allegedly caused financial injury to the mutual fund shareholders. These lawsuits began to be filed shortly after Federated's first public announcement that it had received requests for information on shareholder trading activities in the Federated Funds from the SEC, the Office of the New York State Attorney General (NYAG) and other authorities. In that regard, on November 28, 2005, Federated announced that it had reached final settlements with the SEC and the NYAG with respect to those matters. As Federated previously reported in 2004, it has already paid approximately \$8.0 million to certain funds as determined by an independent consultant. As part of these settlements, Federated agreed to pay for the benefit of fund shareholders additional disgorgement and a civil money penalty in the aggregate amount of an additional \$72 million. Federated entities have also been named as defendants in several additional lawsuits that are now pending in the United States District Court for the Western District of Pennsylvania, alleging, among other things, excessive advisory and Rule 12b-1 fees. The Board of the Federated Funds retained the law firm of Dickstein Shapiro LLP to represent the Federated Funds in these lawsuits. Federated and the Federated Funds and their respective counsel have been defending this litigation, and none of the Federated Funds remains a defendant in any of the lawsuits (though some could potentially receive any recoveries as nominal defendants). Additional lawsuits based upon similar allegations may be filed in the future. The potential impact of these lawsuits, all of which seek unquantified 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, the ongoing adverse publicity and/or other developments resulting from the regulatory investigations will not result in increased Federated Fund redemptions, reduced sales of Federated Fund shares or other adverse consequences for the Federated Funds.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 22, 2010, the date the financial statements were issued, and determined that no events have occurred that require additional disclosure.

12. FEDERAL TAX INFORMATION (UNAUDITED)

For the fiscal year ended November 30, 2009, 62.7% of total ordinary income distributions made by the Fund are qualifying dividends which may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Act of 2003. Complete information is reported in conjunction with the reporting of your distributions on Form 1099-DIV.

Of the ordinary income distributions made by the Fund during the year ended November 30, 2009, 15.1% qualify for the dividend received deduction available to corporate shareholders.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF TRUSTEES OF FEDERATED MANAGED ALLOCATION PORTFOLIOS AND THE SHAREHOLDERS OF FEDERATED BALANCED ALLOCATION FUND:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the Federated Balanced Allocation Fund (the “Fund”), a portfolio of Federated Managed Allocation Portfolios, as of November 30, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or period in the four-year period then ended. These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 2009, by correspondence with the custodian and transfer agent. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Federated Balanced Allocation Fund as of November 30, 2009, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or period in the four-year period then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Boston, Massachusetts
January 22, 2010

BOARD OF TRUSTEES AND TRUST OFFICERS

The Board is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Board member and the senior officers of the Fund. Where required, the tables separately list Board members who are "interested persons" of the Fund (i.e., "Interested" Board members) and those who are not (i.e., "Independent" Board members). Unless otherwise noted, the address of each person listed is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222. The address of all Independent Board members listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2009, the Trust comprised one portfolio, and the Federated Fund Complex consisted of 43 investment companies (comprising 145 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Board member oversees all portfolios in the Federated Fund Complex and serves for an indefinite term. The Fund's Statement of Additional Information includes additional information about Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400.

INTERESTED TRUSTEES BACKGROUND

Name

Birth Date

**Positions Held with Trust
Date Service Began**

**Principal Occupation(s) for Past Five Years,
Other Directorships Held and Previous Position(s)**

John F. Donahue*

Birth Date: July 28, 1924

TRUSTEE

Began serving: November 1993

Principal Occupations: Director or Trustee of the Federated Fund Complex; Chairman and Director, Federated Investors, Inc.; Chairman of the Federated Fund Complex's Executive Committee.

Previous Positions: Chairman of the Federated Fund Complex; Trustee, Federated Investment Management Company; Chairman and Director, Federated Investment Counseling.

J. Christopher Donahue*

Birth Date: April 11, 1949

PRESIDENT AND TRUSTEE

Began serving: January 2000

Principal Occupations: Principal Executive Officer and President of the Federated Fund Complex; Director or Trustee of some of the Funds in the Federated Fund Complex; President, Chief Executive Officer and Director, Federated Investors, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman, Federated Equity Management Company of Pennsylvania and Passport Research, Ltd. (investment advisory subsidiary of Federated); Trustee, Federated Shareholder Services Company; Director, Federated Services Company.

Previous Positions: President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd.

* *Family relationships and reasons for "interested" status: John F. Donahue is the father of J. Christopher Donahue; both are "interested" due to their beneficial ownership of shares of Federated Investors, Inc. and the positions they hold with Federated and its subsidiaries.*

INTERESTED TRUSTEES BACKGROUND

Name

Birth Date

**Positions Held with Trust
Date Service Began**

**Principal Occupation(s) for Past Five Years,
Other Directorships Held and Previous Position(s)**

John T. Conroy, Jr., Ph.D.

Birth Date: June 23, 1937

TRUSTEE

Began serving: November 1993

Principal Occupations: Director or Trustee of the Federated Fund Complex; Chairman of the Board, Investment Properties Corporation; Partner or Trustee in private real estate ventures in Southwest Florida; Assistant Professor in Theology, Blessed Edmund Rice School for Pastoral Ministry.

Previous Positions: President, Investment Properties Corporation; Senior Vice President, John R. Wood and Associates, Inc., Realtors; President, Naples Property Management, Inc. and Northgate Village Development Corporation.

Nicholas P. Constantakis

Birth Date: September 3, 1939

TRUSTEE

Began serving: January 2000

Principal Occupation: Director or Trustee of the Federated Fund Complex.

Other Directorship Held: Director and Chairman of the Audit Committee, Michael Baker Corporation (architecture, engineering and construction services).

Previous Position: Partner, Andersen Worldwide SC.

John F. Cunningham

Birth Date: March 5, 1943

TRUSTEE

Began serving: January 1999

Principal Occupation: Director or Trustee of the Federated Fund Complex.

Other Directorships Held: Chairman, President and Chief Executive Officer, Cunningham & Co., Inc. (strategic business consulting); Trustee Associate, Boston College.

Previous Positions: Director, Redgate Communications and EMC Corporation (computer storage systems); Chairman of the Board and Chief Executive Officer, Computer Consoles, Inc.; President and Chief Operating Officer, Wang Laboratories; Director, First National Bank of Boston; Director, Apollo Computer, Inc.

Maureen Lally-Green

Birth Date: July 5, 1949

TRUSTEE

Began serving: August 2009

Principal Occupations: Director or Trustee of the Federated Fund Complex; Director, Office of Church Relations, Diocese of Pittsburgh; Adjunct Professor of Law, Duquesne University School of Law.

Other Directorships Held: Director, Auberle; Trustee St. Francis University; Director, Ireland Institute of Pittsburgh; Director, UPMC Mercy Hospital; Regent, St. Vincent Seminary; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Saint Thomas More Society, Allegheny County; Director, Carlow University.

Previous Position: Pennsylvania Superior Court Judge.

Peter E. Madden

Birth Date: March 16, 1942

TRUSTEE

Began serving: November 1993

Principal Occupation: Director or Trustee, and Chairman of the Board of Directors or Trustees, of the Federated Fund Complex.

Other Directorship Held: Board of Overseers, Babson College.

Previous Positions: Representative, Commonwealth of Massachusetts General Court; President, Chief Operating Officer and Director, State Street Bank and Trust Company and State Street Corporation (retired); Director, VISA USA and VISA International; Chairman and Director, Massachusetts Bankers Association; Director, Depository Trust Corporation; Director, The Boston Stock Exchange.

Name	Birth Date	Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
Charles F. Mansfield, Jr.	Birth Date: April 10, 1945 TRUSTEE	Began serving: January 1999	<p>Principal Occupations: Director or Trustee and Chairman of the Audit Committee of the Federated Fund Complex; Management Consultant.</p> <p>Previous Positions: Chief Executive Officer, PBTC International Bank; Partner, Arthur Young & Company (now Ernst & Young LLP); Chief Financial Officer of Retail Banking Sector, Chase Manhattan Bank; Senior Vice President, HSBC Bank USA (formerly, Marine Midland Bank); Vice President, Citibank; Assistant Professor of Banking and Finance, Frank G. Zarb School of Business, Hofstra University; Executive Vice President DVC Group, Inc. (marketing, communications and technology).</p>
R. James Nicholson	Birth Date: February 4, 1938 TRUSTEE	Began serving: January 2008	<p>Principal Occupations: Director or Trustee of the Federated Fund Complex; Senior Counsel, Brownstein Hyatt Farber Schrek, P.C.; Former Secretary of the U.S. Dept. of Veterans Affairs; Former U.S. Ambassador to the Holy See; Former Chairman of the Republican National Committee.</p> <p>Other Directorships Held: Director, Horatio Alger Association; Director, The Daniels Fund.</p> <p>Previous Positions: Colonel, U.S. Army Reserve; Partner, Calkins, Kramer, Grimshaw and Harring, P.C.; General Counsel, Colorado Association of Housing and Building; Chairman and CEO, Nicholson Enterprises, Inc. (real estate holding company); Chairman and CEO, Renaissance Homes of Colorado.</p>
Thomas M. O'Neill	Birth Date: June 14, 1951 TRUSTEE	Began serving: October 2006	<p>Principal Occupations: Director or Trustee of the Federated Fund Complex; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p>Other Directorships Held: Board of Overseers, Children's Hospital of Boston; Visiting Committee on Athletics, Harvard College.</p> <p>Previous Positions: Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); Director, Midway Pacific (lumber).</p>
John S. Walsh	Birth Date: November 28, 1957 TRUSTEE	Began serving: January 1999	<p>Principal Occupations: Director or Trustee of the Federated Fund Complex; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.</p> <p>Previous Position: Vice President, Walsh & Kelly, Inc.</p>

Name	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
James F. Will Birth Date: October 12, 1938 TRUSTEE Began serving: April 2006	Principal Occupations: Director or Trustee of the Federated Fund Complex; formerly, Vice Chancellor and President, Saint Vincent College. Other Directorships Held: Trustee, Saint Vincent College; Alleghany Corporation. Previous Positions: Chairman, President and Chief Executive Officer, Armco, Inc.; President and Chief Executive Officer, Cyclops Industries; President and Chief Operating Officer, Kaiser Steel Corporation.

OFFICERS

Name	Principal Occupation(s) for Past Five Years and Previous Position(s)
John W. McGonigle Birth Date: October 26, 1938 EXECUTIVE VICE PRESIDENT AND SECRETARY Began serving: November 1993	Principal Occupations: Executive Vice President and Secretary of the Federated Fund Complex; Vice Chairman, Executive Vice President, Secretary and Director, Federated Investors, Inc. Previous Positions: Trustee, Federated Investment Management Company and Federated Investment Counseling; Director, Federated Global Investment Management Corp., Federated Services Company and Federated Securities Corp.
Richard A. Novak Birth Date: December 25, 1963 TREASURER Began serving: January 2006	Principal Occupations: Principal Financial Officer and Treasurer of the Federated Fund Complex; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc. Previous Positions: Controller of Federated Investors, Inc.; Vice President, Finance of Federated Services Company; held various financial management positions within The Mercy Hospital of Pittsburgh; Auditor, Arthur Andersen & Co.
Richard B. Fisher Birth Date: May 17, 1923 VICE PRESIDENT Began serving: November 1993	Principal Occupations: Vice Chairman or Vice President of some of the Funds in the Federated Fund Complex; Vice Chairman, Federated Investors, Inc.; Chairman, Federated Securities Corp. Previous Positions: President and Director or Trustee of some of the Funds in the Federated Fund Complex; Executive Vice President, Federated Investors, Inc.; Director and Chief Executive Officer, Federated Securities Corp.
Brian P. Bouda Birth Date: February 28, 1947 SENIOR VICE PRESIDENT AND CHIEF COMPLIANCE OFFICER Began serving: August 2004	Principal Occupations: Senior Vice President and Chief Compliance Officer of the Federated Fund Complex; Vice President and Chief Compliance Officer of Federated Investors, Inc. and Chief Compliance Officer of its subsidiaries. Mr. Bouda joined Federated in 1999 and is a member of the American Bar Association and the State Bar Association of Wisconsin.

Name**Birth Date****Address****Positions Held with Trust
Date Service Began****Principal Occupation(s) for Past Five Years
and Previous Position(s)**

Stephen F. Auth

Birth Date: September 3, 1956

450 Lexington Avenue

Suite 3700

New York, NY 10017-3943

CHIEF INVESTMENT OFFICER

Began serving: November 2002

Principal Occupations: Mr. Auth is Chief Investment Officer of this Fund and various other Funds in the Federated Fund Complex; Executive Vice President, Federated Investment Counseling, Federated Global Investment Management Corp. and Federated Equity Management Company of Pennsylvania.

Previous Positions: Executive Vice President, Federated Investment Management Company, and Passport Research, Ltd. (investment advisory subsidiary of Federated); Senior Vice President, Global Portfolio Management Services Division; Senior Vice President, Federated Investment Management Company and Passport Research, Ltd.; Senior Managing Director and Portfolio Manager, Prudential Investments.

EVALUATION AND APPROVAL OF ADVISORY CONTRACT – MAY 2009

FEDERATED BALANCED ALLOCATION FUND (THE “FUND”)

The Fund’s Board reviewed the Fund’s investment advisory contract at meetings held in May 2009. The Board’s decision regarding the contract reflects the exercise of its business judgment on whether to continue the existing arrangements. The Fund is distinctive in that it pursues its investment objective by investing in a combination of other Federated mutual funds. In addition, the Adviser does not charge an investment advisory fee for its services although it or its affiliates may receive compensation for managing assets invested in the Fund.

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.

As previously noted, the Adviser does not charge an investment advisory fee for its services; however, the Board did consider compensation and benefits received by the Adviser, including fees received for services provided to the Fund by other entities in the Federated organization and research services received by the Adviser from brokers that execute Federated fund trades. 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 the Fund grows larger; any indirect benefits that may accrue to the Adviser and its affiliates as a result of the Adviser’s relationship with the 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 has 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, personnel and processes; investment and operating strategies; the Fund's short- and long-term performance, and comments on the reasons for performance; the Fund's investment objectives; the Fund's overall expense structure; 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 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.

Because the Adviser does not charge the Fund an investment advisory fee, the Fund's Board does not consider fee comparisons to other mutual funds or other institutional or separate accounts to be relevant.

The Board also received financial information about Federated, including reports on the compensation and benefits Federated derived from its relationships with the Federated funds. Because the Adviser does not charge an investment advisory fee for its services, these reports generally cover 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 waive non-advisory fees and/or reimburse other 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.

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 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. In particular, due to the unusual nature of the Fund as primarily an internal product with no advisory fee, the Board does not consider the assessment of whether economies of scale would be realized if the Fund were to grow to some sufficient size to be relevant. 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 arrangement.

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 Web site at FederatedInvestors.com. To access this information from the "Products" section of the Web site, click on the "Prospectuses and Regulatory Reports" link under "Related Information," then select the appropriate link opposite the name of the Fund; or select the name of the Fund and from the Fund's page, click on the "Prospectuses and Regulatory Reports" link. Form N-PX filings are also available at the SEC's Web site 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 Web site 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 Web site at FederatedInvestors.com by clicking on "Portfolio Holdings" under "Related Information," then selecting the appropriate link opposite the name of the Fund; or select the name of the Fund and from the Fund's page, click on the "Portfolio Holdings" link.

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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.

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

Federated Balanced Allocation Fund
Federated Investors Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561

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

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