

FEDERATED BOND FUND

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

PORTFOLIO AS OF DECEMBER 31, 2009 CURRENT NET ASSETS -- \$ 1,120,504,159

Principal Amount or Shares		Value
	CORPORATE BONDS - 65.2%	
	Basic Industry - Chemicals - 1.8%	
\$3,760,000	Albemarle Corp., Sr. Note, 5.10%, 2/1/2015	\$3,777,897
3,670,000	Dow Chemical Co., Note, 8.55%, 5/15/2019	4,386,175
2,600,000	Du Pont (E.I.) de Nemours & Co., 6.00%, 7/15/2018	2,851,501
1,900,000	(1)Fertinro Finance, Company Guarantee, 8.29%, 4/1/2020	1,149,500
2,220,000	(1)(2)Incitec Pivot Finance LLC, Company Guarantee, Series 144A, 6.00%, 12/10/2019	2,181,696
2,365,000	RPM International, Inc., 6.50%, 2/15/2018	2,422,337
1,885,000	RPM International, Inc., Sr. Unsecd. Note, 6.125%, 10/15/2019	1,899,914
1,525,000	Rohm & Haas Co., 6.00%, 9/15/2017	1,576,111
	TOTAL	20,245,131
	Basic Industry - Metals & Mining - 2.8%	
2,500,000	Alcoa, Inc., Note, 5.55%, 2/1/2017	2,489,362
1,860,000	Allegheny Technologies, Inc., Sr. Note, 9.375%, 6/1/2019	2,144,411
1,370,000	ArcelorMittal, 6.125%, 6/1/2018	1,405,590
400,000	BHP Finance (USA), Inc., 6.50%, 4/1/2019	461,483
5,000,000	Barrick Gold Corp., 4.875%, 11/15/2014	5,271,858
530,000	Barrick Gold Corp., 6.95%, 4/1/2019	601,901
3,325,000	(1)(2)Codelco, Inc., Bond, 5.625%, 9/21/2035	3,204,302
4,050,000	Newmont Mining Corp., Company Guarantee, 5.875%, 4/1/2035	3,885,471
3,230,000	Rio Tinto Finance USA Ltd., 5.875%, 7/15/2013	3,494,484
2,810,000	Rio Tinto Finance USA Ltd., 6.50%, 7/15/2018	3,080,494
1,000,000	Rio Tinto Finance USA Ltd., Company Guarantee, 8.95%, 5/1/2014	1,199,255
2,500,000	Xstrata Canada Corp., 6.00%, 10/15/2015	2,643,401
1,500,000	(1)(2)Xstrata Finance Canada Ltd., Unsecd. Note, 5.50%, 11/16/2011	1,559,987
	TOTAL	31,441,999
	Basic Industry - Paper - 1.1%	
1,700,000	International Paper Co., Bond, 7.30%, 11/15/2039	1,808,512
1,175,000	International Paper Co., Sr. Unsecd. Note, 7.50%, 8/15/2021	1,316,813
1,330,000	Louisiana-Pacific Corp., 8.875%, 8/15/2010	1,379,875
2,850,000	(3)Pope & Talbot, Inc., 8.375%, 6/1/2013	285
4,500,000	Westvaco Corp., 7.65%, 3/15/2027	4,151,329
3,750,000	Weyerhaeuser Co., Deb., 7.375%, 3/15/2032	3,564,667
	TOTAL	12,221,481
	Capital Goods - Aerospace & Defense - 0.6%	
3,650,000	(1)(2)BAE Systems Holdings, Inc., 5.20%, 8/15/2015	3,821,806
2,000,000	Boeing Co., 4.875%, 2/15/2020	2,015,011
600,000	Raytheon Co., Sr. Note, 4.40%, 2/15/2020	595,522
	TOTAL	6,432,339
	Capital Goods - Building Materials - 0.5%	
5,500,000	Masco Corp., Note, 5.875%, 7/15/2012	5,610,275

Principal Amount or Shares		Value
	Capital Goods - Diversified Manufacturing - 2.7%	
2,940,000	Briggs & Stratton Corp., Company Guarantee, 8.875%, 3/15/2011	3,098,025
2,065,000	Dover Corp., Note, 5.45%, 3/15/2018	2,184,669
2,020,000	Harsco Corp., 5.75%, 5/15/2018	1,995,034
2,600,000	Hubbell, Inc., 5.95%, 6/1/2018	2,653,163
768,000	(1)(2)Hutchison Whampoa International Ltd., 6.50%, 2/13/2013	835,505
1,000,000	(1)(2)Hutchison Whampoa International Ltd., 7.625%, 4/9/2019	1,150,578
2,300,000	(1)(2)Hutchison Whampoa International Ltd., Company Guarantee, Series 144A, 4.625%, 9/11/2015	2,308,848
1,910,000	Ingersoll-Rand Global Holding Co. Ltd., 6.875%, 8/15/2018	2,130,425
2,770,000	Roper Industries, Inc., 6.625%, 8/15/2013	3,019,148
660,000	Roper Industries, Inc., Sr. Unsecd. Note, 6.25%, 9/1/2019	688,347
2,630,000	Textron Financial Corp., 5.40%, 4/28/2013	2,630,723
3,230,000	(1)(2)Textron Financial Corp., Jr. Sub. Note, 6.00%, 2/15/2067	2,313,488
1,090,000	Thomas & Betts Corp., Sr. Unsecd. Note, 5.625%, 11/15/2021	1,052,620
4,230,000	Tyco Electronics Group SA, 5.95%, 1/15/2014	4,428,421
	TOTAL	30,488,994
	Capital Goods - Environmental - 0.3%	
500,000	Republic Services, Inc., Note, 6.086%, 3/15/2035	477,825
600,000	Republic Services, Inc., Note, 6.75%, 8/15/2011	631,074
1,000,000	(1)(2)Republic Services, Inc., Sr. Unsecd. Note, Series 144A, 5.50%, 9/15/2019	1,019,659
1,275,000	Waste Management, Inc., 7.375%, 3/11/2019	1,486,447
	TOTAL	3,615,005
	Communications - Media & Cable - 1.4%	
900,000	Comcast Corp., 7.05%, 3/15/2033	987,817
1,480,000	Comcast Corp., Company Guarantee, 6.50%, 1/15/2017	1,642,729
300,000	Comcast Corp., Sr. Sub. Deb., 10.625%, 7/15/2012	353,417
5,010,000	Cox Communications, Inc., Unsecd. Note, 5.45%, 12/15/2014	5,373,295
2,470,000	Time Warner Cable, Inc., Company Guarantee, 6.75%, 6/15/2039	2,601,125
1,600,000	Time Warner Cable, Inc., Company Guarantee, 8.75%, 2/14/2019	1,956,826
2,250,000	Time Warner Cable, Inc., Sr. Unsecd. Note, 5.85%, 5/1/2017	2,366,292
	TOTAL	15,281,501
	Communications - Media Noncable - 0.7%	
6,880,000	Grupo Televisa S.A., 6.625%, 3/18/2025	6,833,149
500,000	News America Holdings, Inc., Sr. Deb., 9.25%, 2/1/2013	581,785
	TOTAL	7,414,934
	Communications - Telecom Wireless - 1.1%	
6,540,000	AT&T Wireless Services, Inc., 8.75%, 3/1/2031	8,489,672
3,100,000	America Movil S.A.B. de C.V., Note, 5.75%, 1/15/2015	3,287,534
800,000	Vodafone Group PLC, 5.35%, 2/27/2012	855,561
	TOTAL	12,632,767
	Communications - Telecom Wirelines - 3.3%	
1,000,000	AT&T, Inc., 6.70%, 11/15/2013	1,132,818
3,810,000	BellSouth Corp., 5.20%, 9/15/2014	4,092,571
1,540,000	CenturyTel, Inc., Sr. Note, 6.15%, 9/15/2019	1,577,311
2,620,000	Citizens Communications Co., 9.00%, 8/15/2031	2,587,250
6,380,000	Deutsche Telekom International Finance BV, 4.875%, 7/8/2014	6,718,294
4,940,000	(1)(2)KT Corp., Note, 5.875%, 6/24/2014	5,245,035
2,140,000	Rogers Communications, Inc., 5.50%, 3/15/2014	2,315,213
3,870,000	SBC Communications, Inc., 5.10%, 9/15/2014	4,190,852
5,030,000	Telefonica SA, Sr. Note, 5.855%, 2/4/2013	5,459,079
3,260,000	Verizon Communications, Inc., Sr. Unsecd. Note, 6.35%, 4/1/2019	3,623,075
	TOTAL	36,941,498
	Consumer Cyclical - Automotive - 2.1%	
3,560,000	(1)(2)American Honda Finance Corp., 4.625%, 4/2/2013	3,676,810
2,490,000	DaimlerChrysler North America Holding Corp., 6.50%, 11/15/2013	2,736,131
1,000,000	DaimlerChrysler North America Holding Corp., Company Guarantee, 8.50%, 1/18/2031	1,221,295
7,740,000	DaimlerChrysler North America Holding Corp., Note, 4.875%, 6/15/2010	7,859,060
2,100,000	(3)(4)General Motors Corp., Note, 9.45%, 11/1/2011	561,750

Principal Amount or Shares		Value
2,710,000	(1)(2)Hyundai Capital Services, Inc., Note, Series 144A, 6.00%, 5/5/2015	2,816,706
4,800,000	(1)(2)Nissan Motor Acceptance Corp., Sr. Unsecd. Note, 5.625%, 3/14/2011	4,930,070
	TOTAL	23,801,822
	Consumer Cyclical - Entertainment - 0.6%	
2,500,000	Time Warner, Inc., 5.50%, 11/15/2011	2,655,652
3,390,000	Time Warner, Inc., Company Guarantee, 6.875%, 5/1/2012	3,716,492
	TOTAL	6,372,144
	Consumer Cyclical - Lodging - 0.1%	
1,530,000	Wyndham Worldwide Corp., Sr. Unsecd. Note, 6.00%, 12/1/2016	1,427,302
	Consumer Cyclical - Retailers - 0.9%	
2,240,000	Best Buy Co., Inc., Sr. Unsecd. Note, 6.75%, 7/15/2013	2,462,793
1,815,701	(1)(2)CVS Caremark Corp., Pass Thru Cert., 5.298%, 1/11/2027	1,675,351
4,350,000	CVS Caremark Corp., Sr. Unsecd. Note, 5.75%, 6/1/2017	4,591,538
900,000	JC Penney Corp., Inc., Sr. Unsecd. Note, 5.75%, 2/15/2018	892,125
	TOTAL	9,621,807
	Consumer Cyclical - Services - 0.7%	
7,475,000	Boston University, 7.625%, 7/15/2097	8,086,844
	Consumer Non-Cyclical - Food/Beverage - 1.2%	
4,000,000	(1)(2)Bacardi Ltd., Sr. Note, 7.45%, 4/1/2014	4,535,669
960,000	Diageo Capital PLC, Company Guarantee, 7.375%, 1/15/2014	1,110,696
2,420,000	General Mills, Inc., Note, 5.70%, 2/15/2017	2,633,577
2,000,000	Kraft Foods, Inc., 5.625%, 11/1/2011	2,129,382
740,000	Kraft Foods, Inc., Note, 6.25%, 6/1/2012	798,723
1,540,000	Kraft Foods, Inc., Sr. Unsecd. Note, 6.125%, 2/1/2018	1,633,822
1,120,000	(1)(2)Ralcorp Holdings, Inc., Sr. Note, 6.625%, 8/15/2039	1,095,753
	TOTAL	13,937,622
	Consumer Non-Cyclical - Health Care - 0.9%	
1,750,000	Boston Scientific Corp., 4.50%, 1/15/2015	1,755,527
1,550,000	Boston Scientific Corp., 6.00%, 1/15/2020	1,586,724
1,060,000	Covidien International Finance SA, 6.55%, 10/15/2037	1,190,822
500,000	Quest Diagnostics, Inc., Sr. Unsecd. Note, 4.75%, 1/30/2020	493,646
500,000	Quest Diagnostics, Inc., Sr. Unsecd. Note, 5.75%, 1/30/2040	486,022
1,660,000	Thermo Electron Corp., Sr. Unsecd. Note, 5.00%, 6/1/2015	1,752,561
1,210,000	(1)(2)Thermo Fisher Scientific, Inc., Sr. Note, Series 144A, 2.15%, 12/28/2012	1,204,502
1,120,000	Zimmer Holdings, Inc., Sr. Note, 5.75%, 11/30/2039	1,112,035
	TOTAL	9,581,839
	Consumer Non-Cyclical - Products - 0.6%	
900,000	Clorox Co., Sr. Unsecd. Note, 3.55%, 11/1/2015	897,731
500,000	Philips Electronics NV, 4.625%, 3/11/2013	524,677
1,960,000	Philips Electronics NV, 5.75%, 3/11/2018	2,088,434
2,950,000	Whirlpool Corp., 5.50%, 3/1/2013	3,039,901
	TOTAL	6,550,743
	Consumer Non-Cyclical - Supermarkets - 0.1%	
1,310,000	Kroger Co., Bond, 6.90%, 4/15/2038	1,469,138
	Consumer Non-Cyclical - Tobacco - 0.3%	
2,900,000	Altria Group, Inc., 9.25%, 8/6/2019	3,543,286
	Energy - Independent - 1.8%	
460,000	Canadian Natural Resources Ltd., 4.90%, 12/1/2014	484,675
300,000	Canadian Natural Resources Ltd., 5.45%, 10/1/2012	320,883
5,890,000	Canadian Natural Resources Ltd., 5.85%, 2/1/2035	5,705,459
1,500,000	(1)(2)Lukoil International Finance BV, 6.356%, 6/7/2017	1,481,250
495,000	Pemex Project Funding Master, 5.75%, 12/15/2015	508,303
3,450,000	Pemex Project Funding Master, Company Guarantee, 9.125%, 10/13/2010	3,667,896
6,000,000	(1)(2)Petroleos Mexicanos, 4.875%, 3/15/2015	5,958,997
440,000	XTO Energy, Inc., 6.375%, 6/15/2038	498,235
775,000	XTO Energy, Inc., 6.75%, 8/1/2037	914,851
135,000	XTO Energy, Inc., Sr. Unsecd. Note, 6.25%, 8/1/2017	153,711
	TOTAL	19,694,260

Principal Amount or Shares		Value
	Energy - Integrated - 0.9%	
2,750,000	Conoco, Inc., 7.25%, 10/15/2031	3,220,742
550,000	Husky Energy, Inc., 5.90%, 6/15/2014	600,536
450,000	Husky Oil Ltd., Deb., 7.55%, 11/15/2016	490,029
4,650,000	Petro-Canada, Bond, 5.35%, 7/15/2033	4,221,611
220,000	Petro-Canada, Deb., 7.00%, 11/15/2028	237,039
1,190,238	(1)(2)Qatar Petroleum, 5.579%, 5/30/2011	1,231,076
	TOTAL	10,001,033
	Energy - Oil Field Services - 0.4%	
1,100,000	Nabors Industries, Inc., Company Guarantee, 9.25%, 1/15/2019	1,355,912
210,000	Noble Drilling Corp., Sr. Note, 7.50%, 3/15/2019	235,336
100,000	Weatherford International Ltd., 6.00%, 3/15/2018	102,331
2,700,000	Weatherford International Ltd., 7.00%, 3/15/2038	2,751,433
	TOTAL	4,445,012
	Energy - Refining - 0.7%	
1,000,000	Premcor Refining Group, Inc., 6.125%, 5/1/2011	1,051,730
1,665,000	Valero Energy Corp., 7.50%, 4/15/2032	1,712,152
3,870,000	Valero Energy Corp., 9.375%, 3/15/2019	4,633,824
	TOTAL	7,397,706
	Financial Institution - Banking - 12.1%	
1,810,000	(1)(2)ANZ National (Int'l) Ltd., Company Guarantee, Series 144A, 2.375%, 12/21/2012	1,797,522
4,000,000	Astoria Financial Corp., Note, 5.75%, 10/15/2012	3,733,312
1,580,000	Bank of America Corp., Sr. Note, 7.375%, 5/15/2014	1,794,603
930,000	Bank of America Corp., Sr. Unsecd. Note, 6.50%, 8/1/2016	1,004,606
5,000,000	(1)(2)Barclays Bank PLC, 5.926%, 12/31/2049	3,850,000
4,750,000	(5)Bear Stearns Cos., Inc., Sr. Unsecd. Note, 7.25%, 2/1/2018	5,485,249
4,180,000	Capital One Capital IV, 6.745%, 2/17/2037	3,511,200
1,450,000	Capital One Capital V, 10.25%, 8/15/2039	1,689,997
3,140,000	Capital One Capital VI, 8.875%, 5/15/2040	3,367,650
2,270,000	Capital One Financial Corp., Sr. Note, 7.375%, 5/23/2014	2,575,862
6,460,000	Citigroup, Inc., Sr. Unsecd. Note, 6.875%, 3/5/2038	6,555,720
5,570,000	City National Capital Trust I, Jr. Sub. Note, 9.625%, 2/1/2040	5,931,103
2,300,000	(1)(2)Commonwealth Bank of Australia, Sr. Unsecd. Note, Series 144A, 3.75%, 10/15/2014	2,295,858
2,900,000	Goldman Sachs Group, Inc., 6.125%, 2/15/2033	2,982,981
1,000,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 5.125%, 1/15/2015	1,052,899
2,100,000	Goldman Sachs Group, Inc., Sub. Note, 6.345%, 2/15/2034	1,968,431
1,000,000	HSBC Bank USA, Sr. Sub. Note, 4.625%, 4/1/2014	1,046,003
3,500,000	Hudson United Bancorp, 7.00%, 5/15/2012	3,738,914
870,000	JPMorgan Chase & Co., Sub. Deb., 8.00%, 4/29/2027	1,051,011
10,900,000	JPMorgan Chase & Co., Sub. Note, 5.125%, 9/15/2014	11,547,624
1,280,000	M & T Bank Corp., 5.375%, 5/24/2012	1,332,212
3,975,000	Manufacturers & Traders Trust Co., Sub. Note, 5.629%, 12/1/2021	3,299,259
5,000,000	Marshall & Ilsley Bank, Milwaukee, Sr. Note, 4.40%, 3/15/2010	4,999,306
3,170,000	Merrill Lynch & Co., Inc., Sr. Unsecd. Note, 6.05%, 8/15/2012	3,410,853
1,000,000	Morgan Stanley, Sr. Unsecd. Note, 4.20%, 11/20/2014	1,000,788
3,300,000	Morgan Stanley, Sr. Unsecd. Note, 5.625%, 9/23/2019	3,336,164
1,500,000	Morgan Stanley, Sr. Unsecd. Note, 5.95%, 12/28/2017	1,565,814
2,450,000	Morgan Stanley, Sr. Unsecd. Note, 6.00%, 4/28/2015	2,615,122
7,350,000	Morgan Stanley, Sr. Unsecd. Note, 6.625%, 4/1/2018	7,996,556
2,650,000	(1)(2)Nordea Bank AB, Sr. Unsecd. Note, 3.70%, 11/13/2014	2,618,009
1,000,000	PNC Funding Corp., Sr. Unsecd. Note, 4.25%, 9/21/2015	1,022,461
1,170,000	PNC Funding Corp., Sub. Note, 5.625%, 2/1/2017	1,175,449
10,398,302	(1)(2)Regional Diversified Funding, 9.25%, 3/15/2030	5,461,604
3,870,000	Sovereign Bancorp, Inc., Sr. Note, 4.80%, 9/1/2010	3,964,269
5,580,000	U.S. Bank, N.A., Sub. Note, 4.95%, 10/30/2014	5,950,057
5,000,000	Wachovia Bank N.A., 4.80%, 11/1/2014	5,096,396
3,440,000	Wachovia Bank N.A., Sub. Note, 4.875%, 2/1/2015	3,523,953
500,000	Wachovia Corp., 5.75%, 2/1/2018	521,252
4,530,000	Westpac Banking Corp., Sr. Unsecd. Note, 4.875%, 11/19/2019	4,490,255

Principal Amount or Shares		Value
3,550,000	Wilmington Trust Corp., Sub. Note, 8.50%, 4/2/2018	3,408,774
1,358,158	(1)(2)World Financial, Pass Thru Cert., Series 96 WFP, 6.91%, 9/1/2013	1,340,332
	TOTAL	135,109,430
	Financial Institution - Brokerage - 2.5%	
5,970,000	BlackRock, Inc., 6.25%, 9/15/2017	6,445,473
1,500,000	Eaton Vance Corp., 6.50%, 10/2/2017	1,555,383
4,255,000	(1)(2)FMR LLC, Bond, 7.57%, 6/15/2029	4,519,725
1,150,000	Janus Capital Group, Inc., Sr. Note, 6.50%, 6/15/2012	1,142,174
1,375,000	Janus Capital Group, Inc., Sr. Note, 6.95%, 6/15/2017	1,297,846
4,390,000	Jefferies Group, Inc., Sr. Unsecd. Note, 8.50%, 7/15/2019	4,720,806
1,200,000	(3)Lehman Brothers Holdings, Inc., 5.75%, 5/17/2013	240,000
1,500,000	(3)Lehman Brothers Holdings, Inc., 7.875%, 8/15/2010	300,000
1,020,000	Nuveen Investments, 5.00%, 9/15/2010	1,014,900
1,020,000	Nuveen Investments, 5.50%, 9/15/2015	710,175
2,990,000	Raymond James Financial, Inc., 8.60%, 8/15/2019	3,236,633
3,355,000	TD Ameritrade Holding Corp., Company Guarantee, 4.15%, 12/1/2014	3,321,017
	TOTAL	28,504,132
	Financial Institution - Finance Noncaptive - 3.9%	
6,930,000	American Express Credit Corp., 5.875%, 5/2/2013	7,428,621
5,000,000	American International Group, Inc., Sr. Note, 4.70%, 10/1/2010	5,015,625
3,300,000	Discover Bank, Sub., 8.70%, 11/18/2019	3,541,378
7,000,000	General Electric Capital Corp., 6.875%, 1/10/2039	7,249,740
6,000,000	HSBC Finance Capital Trust IX, Note, 5.911%, 11/30/2035	4,935,000
2,200,000	HSBC Finance Corp., 4.75%, 4/15/2010	2,224,575
2,770,000	HSBC Finance Corp., 5.00%, 6/30/2015	2,879,413
1,500,000	(1)(2)ILFC E-Capital Trust I, 5.90%, 12/21/2065	795,000
3,100,000	International Lease Finance Corp., 4.875%, 9/1/2010	2,993,438
1,670,000	International Lease Finance Corp., 6.625%, 11/15/2013	1,355,205
1,170,000	(1)(2)Macquarie Group Ltd., Note, Series 144A, 7.625%, 8/13/2019	1,303,701
3,250,000	Susa Partnership LP, 8.20%, 6/1/2017	3,645,832
	TOTAL	43,367,528
	Financial Institution - Insurance - Health - 0.9%	
810,000	Aetna US Healthcare, 5.75%, 6/15/2011	851,561
2,200,000	Anthem, Inc., 6.80%, 8/1/2012	2,430,249
2,060,000	CIGNA Corp., 6.35%, 3/15/2018	2,069,211
4,000,000	UnitedHealth Group, Inc., Bond, 6.00%, 2/15/2018	4,179,649
740,000	Wellpoint, Inc., 5.85%, 1/15/2036	695,507
	TOTAL	10,226,177
	Financial Institution - Insurance - Life - 3.2%	
2,750,000	AXA-UAP, Sub. Note, 8.60%, 12/15/2030	3,136,000
3,860,000	(1)(2)Massachusetts Mutual Life Insurance Co., Sub. Note, 8.875%, 6/1/2039	4,705,725
3,570,000	MetLife, Inc., 6.75%, 6/1/2016	4,025,054
1,000,000	MetLife, Inc., Jr. Sub. Note, 10.75%, 8/1/2069	1,243,187
3,400,000	(1)(2)New York Life Insurance Co., Sub. Note, 6.75%, 11/15/2039	3,470,936
2,950,000	(1)(2)Pacific Life Global Funding, Note, 5.15%, 4/15/2013	3,065,308
4,000,000	(1)(2)Pacific LifeCorp., Bond, 6.60%, 9/15/2033	3,437,772
2,990,000	Prudential Financial, Inc., 5.15%, 1/15/2013	3,161,840
1,530,000	Prudential Financial, Inc., 6.625%, 12/1/2037	1,587,052
2,500,000	Prudential Financial, Inc., Sr. Unsecd. Note, 4.75%, 9/17/2015	2,548,962
1,500,000	Prudential Financial, Inc., Sr. Unsecd. Note, 5.80%, 6/15/2012	1,594,135
3,950,000	(1)Union Central Life Insurance Co., Note, 8.20%, 11/1/2026	3,576,705
	TOTAL	35,552,676
	Financial Institution - Insurance - P&C - 1.8%	
2,940,000	ACE INA Holdings, Inc., 5.60%, 5/15/2015	3,230,503
540,000	CNA Financial Corp., 6.50%, 8/15/2016	531,504
1,370,000	CNA Financial Corp., Note, 6.00%, 8/15/2011	1,393,108
700,000	CNA Financial Corp., Sr. Unsecd. Note, 7.35%, 11/15/2019	702,033
1,710,000	Horace Mann Educators Corp., Sr. Note, 6.85%, 4/15/2016	1,712,048
4,000,000	(1)(2)Liberty Mutual Group, Inc., Unsecd. Note, 5.75%, 3/15/2014	3,946,316

Principal Amount or Shares		Value
1,300,000	(1)(2)Nationwide Mutual Insurance Co., Note, Series 144A, 9.375%, 8/15/2039	1,366,823
1,220,000	The Travelers Cos., Inc., Bond, 6.25%, 3/15/2067	1,112,285
265,000	The Travelers Cos., Inc., Sr. Unsecd. Note, 5.50%, 12/1/2015	287,013
1,000,000	(1)(2)USF&G Corp., 8.312%, 7/1/2046	835,572
5,610,000	(1)(2)ZFS Finance USA Trust I, Jr. Sub. Note, 6.15%, 12/15/2065	5,091,075
	TOTAL	20,208,280
	Financial Institution - REITs - 1.7%	
1,750,000	AMB Property LP, Company Guarantee, 6.125%, 12/1/2016	1,733,966
1,850,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 5.70%, 3/15/2017	1,881,847
3,500,000	Boston Properties LP, Sr. Unsecd. Note, 5.875%, 10/15/2019	3,532,906
1,500,000	Equity One, Inc., Bond, 6.00%, 9/15/2017	1,349,170
1,500,000	Equity One, Inc., Sr. Unsecd. Note, 6.25%, 12/15/2014	1,477,281
1,535,000	Liberty Property LP, 6.625%, 10/1/2017	1,490,755
720,000	Prologis, Conv. Bond, 2.25%, 4/1/2037	667,745
1,430,000	Simon Property Group LP, 6.125%, 5/30/2018	1,457,631
1,840,000	Simon Property Group LP, 6.75%, 5/15/2014	1,964,009
430,000	Simon Property Group, Inc., 6.35%, 8/28/2012	460,914
2,330,000	Simon Property Group, Inc., Note, 5.60%, 9/1/2011	2,447,144
	TOTAL	18,463,368
	Municipal Services - 0.3%	
1,825,000	(1)(2)Army Hawaii Family Housing, 5.524%, 6/15/2050	1,353,858
2,980,000	(1)(2)Camp Pendleton & Quantico Housing LLC, 5.572%, 10/1/2050	2,220,845
	TOTAL	3,574,703
	Sovereign - 0.7%	
5,350,000	Corp Andina De Fomento, Bond, 7.375%, 1/18/2011	5,626,431
2,475,000	(1)(2)State of Qatar, 5.25%, 1/20/2020	2,496,656
	TOTAL	8,123,087
	Technology - 1.5%	
1,400,000	BMC Software, Inc., 7.25%, 6/1/2018	1,524,518
1,320,000	Cisco Systems, Inc., Sr. Unsecd. Note, 5.50%, 2/22/2016	1,458,578
3,630,000	Fiserv, Inc., Sr. Note, 6.80%, 11/20/2017	4,005,938
6,175,000	Harris Corp., 5.95%, 12/1/2017	6,492,446
965,000	IBM Corp., Deb., 8.375%, 11/1/2019	1,239,901
2,330,000	KLA-Tencor Corp., 6.90%, 5/1/2018	2,467,036
	TOTAL	17,188,417
	Transportation - Airlines - 0.2%	
710,000	Southwest Airlines Co., 6.50%, 3/1/2012	742,639
1,995,000	Southwest Airlines Co., Deb., 7.375%, 3/1/2027	1,831,452
	TOTAL	2,574,091
	Transportation - Railroads - 1.2%	
1,200,000	Burlington Northern Santa Fe Corp., 4.875%, 1/15/2015	1,256,055
2,086,262	Burlington Northern Santa Fe Corp., Pass Thru Cert., 7.57%, 1/2/2021	2,505,242
3,150,000	Canadian Pacific RR, 7.125%, 10/15/2031	3,337,917
655,000	Norfolk Southern Corp., Note, 6.75%, 2/15/2011	691,565
700,000	Norfolk Southern Corp., Sr. Unsecd. Note, 5.75%, 1/15/2016	744,070
1,000,000	Norfolk Southern Corp., Sr. Unsecd. Note, 5.75%, 4/1/2018	1,064,471
3,580,000	Union Pacific Corp., 4.875%, 1/15/2015	3,738,929
	TOTAL	13,338,249
	Transportation - Services - 0.3%	
3,080,000	(1)(2)Enterprise Rent-A-Car USA Finance Co., 6.375%, 10/15/2017	3,221,029
	Utility - Electric - 5.7%	
2,650,000	Appalachian Power Co., Sr. Unsecd. Note, 7.95%, 1/15/2020	3,169,388
1,530,000	Cleveland Electric Illuminating Co., Sr. Unsecd. Note, 5.95%, 12/15/2036	1,433,915
4,670,000	Commonwealth Edison Co., 1st Mtg. Bond, 5.80%, 3/15/2018	5,001,749
1,180,000	Commonwealth Edison Co., 1st Mtg. Bond, 6.15%, 9/15/2017	1,285,340
1,375,000	Consolidated Edison Co., Sr. Unsecd. Note, 6.65%, 4/1/2019	1,563,969
2,390,000	Consolidated Natural Gas Co., 5.00%, 12/1/2014	2,558,634
2,000,000	Dominion Resources, Inc., Unsecd. Note, 5.95%, 6/15/2035	2,013,749
2,765,000	Duke Capital Corp., Sr. Note, 6.25%, 2/15/2013	2,984,676

Principal Amount or Shares		Value
1,480,000	Duke Energy Indiana, Inc., 1st Mtg. Bond, 6.35%, 8/15/2038	1,625,522
1,830,000	(1)(2)Enel Finance International SA, Company Guarantee, Series 144A, 3.875%, 10/7/2014	1,854,442
5,150,000	Enersis S.A., Note, 7.40%, 12/1/2016	5,780,811
300,000	FPL Group Capital, Inc., 7.875%, 12/15/2015	362,124
3,400,000	FirstEnergy Solutions Corp., Company Guarantee, 4.80%, 2/15/2015	3,474,263
2,680,000	FirstEnergy Solutions Corp., Company Guarantee, Series WI, 6.05%, 8/15/2021	2,709,201
3,338,360	(1)(2)Great River Energy, 1st Mtg. Note, 5.829%, 7/1/2017	3,650,114
1,000,000	KCP&L Greater Missouri Operations Co., Sr. Unsecd. Note, 11.875%, 7/1/2012	1,148,084
1,330,000	(1)(2)Korea Hydro & Nuclear Power Co. Ltd., Sr. Unsecd. Note, 6.25%, 6/17/2014	1,445,720
5,350,000	MidAmerican Energy Holdings Co., Sr. Unsecd. Note, 5.95%, 5/15/2037	5,423,075
2,930,000	National Rural Utilities Cooperative Finance Corp., Collateral Trust, 5.50%, 7/1/2013	3,190,930
800,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 10.375%, 11/1/2018	1,070,251
1,835,000	PPL Energy Supply LLC, Sr. Unsecd. Note, 6.00%, 12/15/2036	1,677,379
1,000,000	PSEG Power LLC, Company Guarantee, 7.75%, 4/15/2011	1,070,309
1,670,000	PSI Energy, Inc., Bond, 6.05%, 6/15/2016	1,792,379
1,810,000	Progress Energy, Inc., 7.05%, 3/15/2019	2,032,579
2,940,000	Union Electric Co., 6.00%, 4/1/2018	3,097,457
1,000,000	Virginia Electric & Power Co., Sr. Unsecd. Note, 5.00%, 6/30/2019	1,012,247
2,020,000	Westar Energy, Inc., 5.875%, 7/15/2036	1,806,459
	TOTAL	64,234,766
	Utility - Natural Gas Distributor - 0.5%	
1,690,000	Atmos Energy Corp., 5.125%, 1/15/2013	1,782,417
195,000	Atmos Energy Corp., 8.50%, 3/15/2019	236,894
1,300,000	Sempra Energy, Sr. Unsecd. Note, 6.00%, 10/15/2039	1,291,168
2,540,000	Sempra Energy, Sr. Unsecd. Note, 6.50%, 6/1/2016	2,758,460
	TOTAL	6,068,939
	Utility - Natural Gas Pipelines - 1.1%	
3,080,000	Enbridge, Inc., Sr. Note, 5.60%, 4/1/2017	3,229,525
580,000	Enterprise Products Operating LLC, 4.60%, 8/1/2012	612,900
3,850,000	Enterprise Products Operating LLC, Company Guarantee, 9.75%, 1/31/2014	4,598,841
3,300,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 5.80%, 3/15/2035	3,075,751
830,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.85%, 2/15/2020	930,194
	TOTAL	12,447,211
	TOTAL CORPORATE BONDS	730,458,565
	CORPORATE NOTE - 0.4%	
	Communications - Telecom Wirelines - 0.4%	
4,595,000	Telecom Italia Capital, Note, 4.875%, 10/1/2010	4,704,151
	MORTGAGE-BACKED SECURITIES - 0.0%	
8,814	Federal Home Loan Mortgage Corp., Pool C00702, 6.00%, 1/1/2029	9,455
9,905	Federal Home Loan Mortgage Corp., Pool C00748, 6.00%, 4/1/2029	10,622
2,794	Federal Home Loan Mortgage Corp., Pool C20263, 6.00%, 1/1/2029	2,997
5,627	Federal Home Loan Mortgage Corp., Pool C25621, 6.50%, 5/1/2029	6,083
3,217	Federal Home Loan Mortgage Corp., Pool G10493, 6.00%, 4/1/2011	3,439
8,532	Federal National Mortgage Association, Pool 313324, 9.00%, 6/1/2017	9,501
10,141	Federal National Mortgage Association, Pool 323159, 7.50%, 4/1/2028	11,157
6,135	Federal National Mortgage Association, Pool 421223, 7.00%, 5/1/2028	6,780
6,119	Federal National Mortgage Association, Pool 429707, 6.50%, 5/1/2013	6,477
10,297	Federal National Mortgage Association, Pool 430232, 7.00%, 8/1/2028	11,380
39,566	Federal National Mortgage Association, Pool 439947, 6.50%, 11/1/2028	42,802
30,763	Federal National Mortgage Association, Pool 489867, 6.50%, 3/1/2029	33,279
6,937	Government National Mortgage Association, Pool 449491, 7.50%, 12/15/2027	7,616
3,013	Government National Mortgage Association, Pool 486467, 7.00%, 8/15/2028	3,299
13,962	Government National Mortgage Association, Pool 780339, 8.00%, 12/15/2023	15,394
9,083	Government National Mortgage Association, Pool 780340, 9.00%, 11/15/2017	10,092
8,355	Government National Mortgage Association, Pool 780373, 7.00%, 12/15/2023	9,092
	TOTAL MORTGAGE-BACKED SECURITIES	199,465

Principal Amount or Shares		Value
	MUNICIPAL - 0.2%	
	Municipal Services - 0.2%	
2,080,000	Tampa, FL Sports Authority, 8.02% Bonds (GTD by National Public Finance Guarantee Corporation), 10/1/2026	2,299,066
	GOVERNMENTS/AGENCIES - 1.2%	
	Sovereign - 1.2%	
3,500,000	Sweden, Government of, 10.25%, 11/1/2015	3,756,832
6,500,000	United Mexican States, 6.625%, 3/3/2015	7,292,220
1,871,000	United Mexican States, 6.75%, 9/27/2034	2,001,569
	TOTAL GOVERNMENTS/AGENCIES	13,050,621
	COMMON STOCK - 0.0%	
	Utility - Electric - 0.0%	
113	(3)NRG Energy, Inc.	2,668
	PREFERRED STOCKS - 0.3%	
	Financial Institution - Brokerage - 0.0%	
130,000	(3)Lehman Brothers Holdings, Inc., Pfd.	20,800
	Financial Institution - REITs - 0.3%	
80,000	Prologis, Cumulative REIT Perpetual Pfd. Stock, Series C, \$4.27 Annual Dividend	3,700,000
	TOTAL PREFERRED STOCKS	3,720,800
	ASSET-BACKED SECURITY - 0.0%	
	Home Equity Loan - 0.0%	
121,231	(1)(2)125 Home Loan Owner Trust 1998-1A, Class B1, 9.76%, 2/15/2029	100,622
	COLLATERALIZED MORTGAGE OBLIGATIONS - 0.0%	
	Non-Agency Mortgage - 0.0%	
46,640	(1)(2)SMFC Trust Asset-Backed Certificates, 1997-A, Class 4, 2.604%, 1/28/2027	26,818
	MUTUAL FUNDS - 31.4%	
55,625,099	Affiliated Federated Fund (High Yield)	348,769,370
2,831,301	(6)Prime Value Obligations Fund, Institutional Shares, 0.18%	2,831,301
	TOTAL MUTUAL FUNDS	351,600,671
	TOTAL INVESTMENTS	\$1,106,163,447

At December 31, 2009, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Unrealized Appreciation
⁴ United States Treasury Notes 10-Year Short Futures	300	\$34,635,938	March 2010	\$843,163

- (1) Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At December 31, 2009, these restricted securities amounted to \$123,244,675, which represented 11.0% of total net assets.
- (2) Denotes a restricted security that may be resold without restriction to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 and that the Fund has determined to be liquid under criteria established by the Fund's Board of Directors. At December 31, 2009, these liquid restricted securities amounted to \$118,518,470, which represented 10.6% of total net assets.
- (3) Non-income producing security.
- (4) Issuer in default.
- (5) JPMorgan Chase & Co. has fully and unconditionally guaranteed Bear Stearns' outstanding registered debt securities.
- (6) 7-Day net yield.

Note: The categories of investments are shown as a percentage of net assets (\$1,120,504,159) at the close of business December 31, 2009, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

The following acronyms are used throughout this portfolio:

GTD --Guaranteed
REIT --Real Estate Investment Trust

Portfolio holdings are shown as of the date indicated and are unaudited. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

For more complete information on the fund, visit www.FederatedInvestors.com for a prospectus. You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

Federated Securities Corp., Distributor
(32162) 12/31/2009