

FEDERATED MORTGAGE FUND

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

PORTFOLIO AS OF MARCH 31, 2009 CURRENT NET ASSETS -- \$ 344,759,966

Principal Amount or Shares		Value
	<i>MORTGAGE-BACKED SECURITIES--80.3%</i>	
\$ 4,500,000	Federal Home Loan Mortgage Corp., 4.000%, 5/1/2039	\$ 4,509,086
37,650,465	Federal Home Loan Mortgage Corp., 4.500%, 6/1/2019 - 5/1/2039	38,526,008
52,882,362	Federal Home Loan Mortgage Corp., 5.000%, 2/1/2019 - 3/1/2039	54,712,900
54,581,391	Federal Home Loan Mortgage Corp., 5.500%, 4/1/2021 - 4/1/2039	56,821,047
29,934,387	Federal Home Loan Mortgage Corp., 6.000%, 9/1/2021 - 2/1/2038	31,380,249
4,195,147	Federal Home Loan Mortgage Corp., 6.500%, 10/1/2037	4,430,038
622,501	Federal Home Loan Mortgage Corp., 7.500%, 1/1/2027 - 2/1/2031	668,184
51,807	Federal Home Loan Mortgage Corp., 8.000%, 3/1/2031	55,543
1,233,032	Federal National Mortgage Association, 4.500%, 12/1/2019	1,278,748
5,657,279	Federal National Mortgage Association, 5.000%, 7/1/2019 - 10/1/2035	5,860,618
35,557,280	Federal National Mortgage Association, 5.500%, 9/1/2034 - 4/1/2036	37,020,701
27,758,941	Federal National Mortgage Association, 6.000%, 11/1/2034 - 4/1/2039	29,055,046
4,772,675	Federal National Mortgage Association, 6.500%, 2/1/2014 - 9/1/2036	5,056,533
692,606	Federal National Mortgage Association, 7.000%, 6/1/2016 - 2/1/2030	737,400
16,467	Federal National Mortgage Association, 7.500%, 4/1/2015	17,501
20,274	Federal National Mortgage Association, 8.000%, 12/1/2026	21,639
6,000,000	Government National Mortgage Association, 5.000%, 4/20/2039	6,207,187
151,896	Government National Mortgage Association, 7.000%, 9/15/2028 - 11/15/2031	162,425
291,498	Government National Mortgage Association, 8.000%, 10/15/2030 - 11/15/2030	315,515
	<i>TOTAL MORTGAGE-BACKED SECURITIES</i>	276,836,368
	<i>COLLATERALIZED MORTGAGE OBLIGATIONS--21.3%</i>	
3,551,614	Bank of America Mortgage Securities 2007-3, Class 1A1, 6.000%, 9/25/2037	2,507,984
3,577,223	Countrywide Home Loans 2007-14, Class A18, 6.000%, 9/25/2037	2,841,034
3,506,680	Countrywide Home Loans 2007-17, Class 3A1, 6.750%, 10/25/2037	2,361,571
2,960,466	Countrywide Home Loans 2007-18, Class 2A1, 6.500%, 11/25/2037	2,113,192
2,226,849	Credit Suisse Mortgage Capital Certificate 2007-4, Class 4A2, 5.500%, 6/25/2037	1,969,150
3,844,240	Federal Home Loan Mortgage Corp. REMIC 3260 PF, 0.856%, 1/15/2037	3,723,667
796,977	Federal Home Loan Mortgage Corp. REMIC 3175 FE, 0.866%, 6/15/2036	785,705
4,190,813	Federal Home Loan Mortgage Corp. REMIC 3160 FD, 0.886%, 5/15/2036	4,119,560
4,656,050	Federal Home Loan Mortgage Corp. REMIC 3144 FB, 0.906%, 4/15/2036	4,543,280
8,402,307	Federal Home Loan Mortgage Corp. REMIC 3179 FP, 0.936%, 7/15/2036	8,254,859
1,134,233	Federal Home Loan Mortgage Corp. REMIC 3206 FE, 0.956%, 8/15/2036	1,112,652
1,664,471	Federal Home Loan Mortgage Corp. REMIC 3076 NM, 7.500%, 4/15/2033	1,731,432
233,843	Federal National Mortgage Association REMIC 361 1, 0.000%, 10/1/2035	216,200
714,401	Federal National Mortgage Association REMIC 2005-63 FC, 0.771%, 10/25/2031	691,819

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2,985,956	Federal National Mortgage Association REMIC 2006-58 FP, 0.821%, 7/25/2036	2,907,434
4,286,690	Federal National Mortgage Association REMIC 2006-104 FY, 0.861%, 11/25/2036	4,174,807
4,463,564	Federal National Mortgage Association REMIC 2006-81 FB, 0.871%, 9/25/2036	4,353,432
3,707,085	Federal National Mortgage Association REMIC 2006-115 EF, 0.881%, 12/25/2036	3,628,359
4,205,291	Federal National Mortgage Association REMIC 2006-85 PF, 0.901%, 9/25/2036	4,036,803
1,369,269	Federal National Mortgage Association REMIC 2006-93 FM, 0.901%, 10/25/2036	1,330,132
1,083,872	Federal National Mortgage Association REMIC 2006-43 FL, 0.921%, 6/25/2036	1,054,750
127,062	Federal National Mortgage Association REMIC 321 2, 6.500%, 4/1/2032	16,317
1,485,148	First Horizon Alternative Mortgage Securities 2005-FA7, Class 2A1, 5.000%, 9/25/2020	1,262,184
1,945,808	Harborview Mortgage Loan Trust 2006-4, Class 2A1A, 0.756%, 5/19/2047	690,075
3,512,100	Indymac IMJA Mortgage Loan Trust 2007-A2, Class 2A1, 6.500%, 10/25/2037	2,506,950
3,452,828	Lehman Mortgage Trust 2007-8, Class 2A2, 6.500%, 9/25/2037	2,464,642
3,505,484	Lehman Mortgage Trust 2007-9, Class 1A1, 6.000%, 10/25/2037	2,475,409
485 (1)	Lehman Structured Securities Corp. 2001-GE3, Class A, PO, 0.000%, 5/28/2018	330
78,222 (1)	Lehman Structured Securities Corp. 2002-GE1, Class A, PO, 0.000%, 7/26/2024	61,138
262,244 (1)	Salomon Brothers Mortgage Sec. VII 1999-4, Class IO, 2.547%, 12/25/2027	10,983
2,810,713	Structured Asset Securities Corp. 2005-17, Class 5A1, 5.500%, 10/25/2035	2,222,529
1,146,398	Washington Mutual 2006-AR1, Class 2A1B, 2.703%, 1/25/2046	340,630
2,081,796	Washington Mutual 2006-AR15, Class 1A, 2.473%, 11/25/2046	652,681
2,715,090	Wells Fargo Mortgage Backed Securities Trust 2005-12, Class 1A1, 5.500%, 11/25/2035	2,146,917
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS	73,308,607
	ADJUSTABLE-RATE MORTGAGES--9.6%	
1,239,834	Federal Home Loan Mortgage Corp. ARM, 4.621%, 5/1/2038	1,277,584
5,299,314	Federal Home Loan Mortgage Corp. ARM, 5.485%, 3/1/2037	5,471,529
3,617,173	Federal National Mortgage Association ARM, 4.071%, 7/1/2036	3,737,479
1,899,249	Federal National Mortgage Association ARM, 4.665%, 8/1/2035	1,965,520
3,511,119	Federal National Mortgage Association ARM, 4.786%, 6/1/2038	3,613,383
1,318,832	Federal National Mortgage Association ARM, 4.854%, 6/1/2038	1,358,947
3,643,822	Federal National Mortgage Association ARM, 4.903%, 4/1/2038	3,766,704
4,924,161	Federal National Mortgage Association ARM, 5.621%, 4/1/2036	5,137,561
6,413,121	Federal National Mortgage Association ARM, 5.669%, 4/1/2037	6,647,190
	TOTAL ADJUSTABLE-RATE MORTGAGES	32,975,897
	MUTUAL FUND--4.4%	
15,365,810 (2)	Government Obligations Fund, Institutional Shares, 0.39%	15,365,810
	REPURCHASE AGREEMENTS--2.1%	
4,979,000 (3)	Banc of America Securities LLC, 0.30%, dated 3/12/2009, due 4/13/2009	4,979,000
2,317,000 (3)	Barclays Capital, Inc., 0.30%, dated 3/18/2009, due 4/20/2009	2,317,000
	TOTAL REPURCHASE AGREEMENTS	7,296,000
	TOTAL INVESTMENTS	\$ 405,782,682

(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 March 31, 2009, these restricted securities amounted to \$72,451, which represented 0.02% of total net assets.

(2) 7-Day net yield.

(3) Although the repurchase date is more than seven days after the date of purchase, the Fund has the right to terminate the repurchase agreement at any time with seven-days' notice.

Note: The categories of investments are shown as a percentage of net assets (\$344,759,966) at the close of business on March 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:

ARM --Adjustable Rate Mortgage
IO --Interest Only
PO --Principal Only
REMIC --Real Estate Mortgage Investment Conduit

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
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