

**FEDERATED MUNI AND STOCK ADVANTAGE  
FUND**

**Federated**

WORLD-CLASS INVESTMENT MANAGER<sup>®</sup>

**PORTFOLIO AS OF DECEMBER 31, 2009  
CURRENT NET ASSETS -- \$ 562,784,578**

Principal Amount or Shares		Value
	<b>COMMON STOCKS - 42.5%(1)</b>	
	<b>Consumer Discretionary - 3.1%</b>	
\$217,725	Comcast Corp., Class A	\$3,670,844
62,210	Cooper Tire & Rubber Co.	1,247,311
40,595	Corus Entertainment Inc., Class B	763,186
44,300	Family Dollar Stores, Inc.	1,232,869
15,625	Genuine Parts Co.	593,125
127,050	Home Depot, Inc.	3,675,557
65,430	Leggett and Platt, Inc.	1,334,772
27,205	Meredith Corp.	839,274
18,720	Nike, Inc., Class B	1,236,830
18,305	Penney (J.C.) Co., Inc.	487,096
62,510	Time Warner, Inc.	1,821,541
1,390	Washington Post Co., Class B	611,044
	<b>TOTAL</b>	<b>17,513,449</b>
	<b>Consumer Staples - 3.3%</b>	
106,410	Archer-Daniels-Midland Co.	3,331,697
19,780	Kimberly-Clark Corp.	1,260,184
46,119	Mead Johnson Nutrition Co.	2,015,400
27,515	Molson Coors Brewing Co., Class B	1,242,577
12,055	PepsiCo, Inc.	732,944
80,495	Procter & Gamble Co.	4,880,412
91,635	Wal-Mart Stores, Inc.	4,897,891
	<b>TOTAL</b>	<b>18,361,105</b>
	<b>Energy - 6.4%</b>	
57,960	BP PLC, ADR	3,359,941
25,530	(2)Cenovus Energy Inc.	643,356
81,725	Chevron Corp.	6,292,008
118,105	ConocoPhillips	6,031,622
24,055	ENI S.p.A, ADR	1,217,423
19,500	EnCana Corp.	631,605
90,035	Exxon Mobil Corp.	6,139,487
15,255	Occidental Petroleum Corp.	1,240,994
10,170	Royal Dutch Shell PLC	611,319
25,520	(2)Santos Ltd., ADR	1,282,380
34,705	Sasol Ltd., ADR	1,386,118
17,285	Technip SA	1,214,271
29,035	Tenaris SA, ADR	1,238,343
70,630	Total SA, ADR	4,523,145
	<b>TOTAL</b>	<b>35,812,012</b>

Principal Amount or Shares		Value
	<b>Financials - 8.7%</b>	
87,585	Ace, Ltd.	4,414,284
43,005	Aflac, Inc.	1,988,981
30,450	American Express Co.	1,233,834
75,795	American Financial Group Inc., Ohio	1,891,085
51,150	Aspen Insurance Holdings Ltd.	1,301,768
99,565	Assurant, Inc.	2,935,176
40,750	Axis Capital Holdings Ltd.	1,157,708
479,600	Bank of America Corp.	7,222,776
76,510	Chubb Corp.	3,762,762
13,565	Everest Re Group Ltd.	1,162,249
124,675	J.P. Morgan Chase & Co.	5,195,207
70,290	MetLife, Inc.	2,484,751
92,020	Morgan Stanley	2,723,792
21,150	NYSE Euronext	535,095
16,345	PartnerRe Ltd.	1,220,318
96,855	The Travelers Cos, Inc.	4,829,190
45,440	Validus Holdings Ltd.	1,224,154
106,615	Wells Fargo & Co.	2,877,539
34,425	XL Capital Ltd., Class A	631,010
	<b>TOTAL</b>	<b>48,791,679</b>
	<b>Health Care - 4.9%</b>	
12,055	Abbott Laboratories	650,849
10,885	Baxter International, Inc.	638,732
24,945	Bayer AG, ADR	1,990,611
62,495	Bristol-Myers Squibb Co.	1,577,999
127,145	Johnson & Johnson	8,189,409
34,425	Lilly (Eli) & Co.	1,229,317
16,065	Medtronic, Inc.	706,539
114,475	Merck & Co., Inc.	4,182,916
230,065	PDL BioPharma, Inc.	1,578,246
373,915	Pfizer, Inc.	6,801,514
	<b>TOTAL</b>	<b>27,546,132</b>
	<b>Industrials - 5.0%</b>	
25,215	CSX Corp.	1,222,675
29,815	Cooper Industries PLC	1,271,312
35,725	Dover Corp.	1,486,517
30,445	General Dynamics Corp.	2,075,436
685,065	General Electric Co.	10,365,033
31,255	Honeywell International, Inc.	1,225,196
60,040	ITT Corp.	2,986,390
11,485	Parker-Hannifin Corp.	618,812
15,270	Ryder Systems, Inc.	628,666
79,770	Tyco International Ltd.	2,846,194
9,715	Union Pacific Corp.	620,788
10,910	United Parcel Service, Inc.	625,907
31,225	United Technologies Corp.	2,167,327
	<b>TOTAL</b>	<b>28,140,253</b>
	<b>Information Technology - 5.1%</b>	
58,180	Harris Corp.	2,766,459
98,055	Intel Corp.	2,000,322
56,410	International Business Machines Corp.	7,384,069
58,585	Linear Technology Corp.	1,789,186
92,500	Microchip Technology, Inc.	2,688,050
138,300	Microsoft Corp.	4,216,767
91,495	National Semiconductor Corp.	1,405,363
85,580	(2)Siliconware Precision Industries Company - ADR	599,916
121,925	Texas Instruments, Inc.	3,177,365
240,325	Xerox Corp.	2,033,150

Principal Amount or Shares		Value
27,450	Xilinx, Inc.	687,897
	<b>TOTAL</b>	<b>28,748,544</b>
	<b>Materials - 1.6%</b>	
7,515	Air Products & Chemicals, Inc.	609,166
36,585	Du Pont (E.I.) de Nemours & Co.	1,231,817
31,320	PPG Industries, Inc.	1,833,473
20,085	Rio Tinto PLC, ADR	4,326,108
23,680	Sensient Technologies Corp.	622,784
21,920	Sonoco Products Co.	641,160
	<b>TOTAL</b>	<b>9,264,508</b>
	<b>Telecommunication Services - 3.1%</b>	
262,435	AT&T, Inc.	7,356,053
131,800	BCE, Inc.	3,638,998
22,670	CenturyTel, Inc.	820,881
24,550	France Telecommunications, ADR	619,642
188,325	Qwest Communications International, Inc.	792,848
40,600	TELUS Corp.	1,264,690
133,525	Vodafone Group PLC, ADR	3,083,092
	<b>TOTAL</b>	<b>17,576,204</b>
	<b>Utilities - 1.3%</b>	
88,815	CMS Energy Corp.	1,390,843
50,265	Exelon Corp.	2,456,451
18,595	NSTAR	684,296
19,420	PPL Corp.	627,460
73,250	Public Service Enterprises Group, Inc.	2,435,562
	<b>TOTAL</b>	<b>7,594,612</b>
	<b>TOTAL COMMON STOCKS</b>	<b>239,348,498</b>
	<b>MUNICIPAL BONDS - 55.4%</b>	
	<b>Alabama - 0.4%</b>	
1,050,000	Courtland, AL IDB, (International Paper Co.), PCR Refunding Bonds (Series 2005A), 5.000%, 06/01/2025	933,555
1,370,000	Montgomery, AL BMC Special Care Facilities Finance Authority, (Health Care Authority for Baptist Health, AL), Revenue Refunding Bonds (Series 2004-C), 5.125%, 11/15/2024	1,341,312
	<b>TOTAL</b>	<b>2,274,867</b>
	<b>Alaska - 0.2%</b>	
1,000,000	Alaska Municipal Bond Bank, Revenue Bonds, 5.250%, (National Public Finance Guarantee Corporation INS), 12/01/2022	1,043,470
	<b>Arizona - 2.2%</b>	
4,315,000	Phoenix, AZ Civic Improvement Corp. - Airport System, Senior Lien Airport Revenue Refunding Bonds (Series 2008C), 5.000%, 07/01/2022	4,572,304
5,525,000	Phoenix, AZ Civic Improvement Corp. - Excise Tax, Excise Tax Revenue Bonds, 5.000%, (FGIC INS, National Public Finance Guarantee Corporation INS), 07/01/2030	5,628,649
2,000,000	Salt River Project, AZ Agricultural Improvement & Power District, Electric System Revenue Bonds (Series 2008A), 5.000%, 01/01/2028	2,155,640
	<b>TOTAL</b>	<b>12,356,593</b>
	<b>Arkansas - 0.2%</b>	
1,000,000	Independence County, AR, (Entergy Arkansas, Inc.), PCR Refunding Bonds (Series 2005), 5.000%, 01/01/2021	981,760
	<b>California - 5.8%</b>	
150,000	Bay Area Toll Authority, CA, San Francisco Bay Area Toll Bridge Revenue Bonds (Series 2007F), 5.000%, 04/01/2024	159,012
570,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds (Series 2004I), 4.95% TOBs (Catholic Healthcare West), Mandatory Tender 7/1/2014	606,087
100,000	California Infrastructure & Economic Development Bank, (Walt Disney Family Museum), Revenue Bonds (Series 2008), 5.000%, 02/01/2023	103,972
400,000	California State Department of Water Resources Power Supply Program, Revenue Bonds (Series 2008H), 5.000%, (FSA INS), 05/01/2022	426,744
4,265,000	California State, (California State Fiscal Recovery Fund), Refunding Economic Recovery Bonds (Series 2009A), 5.000%, 07/01/2018	4,574,554
300,000	California State, Refunding UT GO Bonds, 5.000%, 12/01/2017	317,514

Principal Amount or Shares		Value
3,000,000	California State, UT GO Bonds, 5.000%, 11/01/2022	3,036,630
315,000	California State, UT GO Bonds, 5.250%, 02/01/2019	327,641
250,000	California State, Various Purpose UT GO Bonds, 5.250%, 11/01/2018	262,995
900,000	California State, Various Purpose UT GO Bonds, 5.000%, 11/01/2021	920,907
3,000,000	California State, Various Purpose UT GO Bonds, 5.250%, 10/01/2020	3,155,700
300,000	California State, Various Purpose UT GO Bonds, 5.250%, 11/01/2019	314,187
1,100,000	California State, Various Purpose UT GO Bonds, 5.500%, 03/01/2026	1,122,385
3,000,000	California State, Various Purpose UT GO Bonds, 6.000%, 04/01/2038	3,065,850
100,000	California Statewide Communities Development Authority, (Daughters of Charity Health System), Revenue Bonds (Series 2005A), 5.250%, 07/01/2035	86,308
100,000	California Statewide Communities Development Authority, (Front Porch at Walnut Village), Revenue Bonds (Series 2007A), 5.125%, 04/01/2037	80,595
300,000	Eastern Municipal Water District of Riverside County, CA, Water & Sewer Revenue Fixed Rate COP (Series 2008H), 5.000%, 07/01/2026	315,255
300,000	Los Angeles, CA Community College District, GO Bonds (2001 Election 2008 Series E-1), 5.000%, 08/01/2033	305,013
1,390,000	Los Angeles, CA USD, UT GO Bonds (Series 2009D), 5.000%, 01/01/2034	1,395,212
200,000	Regents of the University of California Medical Center, LIBOR Floating Rate Index Bonds (Series 2007C-2) 0.923%, (National Public Finance Guarantee Corporation INS), 05/15/2043	129,840
150,000	Regents of University of California, General Revenue Bonds (Series 2008L), 5.000%, 05/15/2025	160,800
5,000,000	Regents of University of California, General Revenue Bonds (Series 2009O), 5.750%, 05/15/2029	5,690,600
50,000	Roseville, CA Natural Gas Financing Authority, Gas Revenue Bonds (Series 2007), 5.000%, 02/15/2028	46,319
3,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 6.000%, 05/01/2039	3,168,630
1,000,000	Trustees of the California State University, Revenue Bonds (Series A), 5.125%, (AMBAC INS), 11/01/2026	1,019,050
1,545,000	Yucaipa Valley Water District, CA, Water System Revenue COP (Series 2004A), 5.250%, (National Public Finance Guarantee Corporation INS), 09/01/2023	1,591,875
	<b>TOTAL</b>	<b>32,383,675</b>
	<b>Colorado - 1.3%</b>	
1,500,000	Colorado Educational & Cultural Facilities Authority, (Peak to Peak Charter School Project), Refunding Revenue Bonds, 5.250%, (Syncora Guarantee, Inc. INS), 08/15/2019	1,538,100
710,000	Colorado Health Facilities Authority, (Evangelical Lutheran Good Samaritan Society), Health Facilities Revenue Bonds (Series 2004A), 5.250%, 06/01/2034	641,329
495,000	Colorado Health Facilities Authority, (Evangelical Lutheran Good Samaritan Society), Health Facilities Revenue Bonds (Series 2005), 5.250%, 06/01/2023	486,565
1,590,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COP (Series 2008), 5.500%, 11/01/2027	1,695,194
1,250,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.750%, (United States Treasury PRF 12/1/2013@102), 12/01/2034	1,496,863
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.250%, (United States Treasury PRF 12/1/2014@100), 12/01/2033	1,213,990
	<b>TOTAL</b>	<b>7,072,041</b>
	<b>Connecticut - 0.2%</b>	
1,100,000	Connecticut State, UT GO Bonds (Series 2009A), 5.000%, 02/15/2029	1,208,031
	<b>District of Columbia - 1.1%</b>	
5,000,000	District of Columbia, UT GO Bonds (Series 2004A), 5.000%, (FSA INS), 06/01/2025	5,227,800
1,000,000	Washington Metropolitan Area Transit Authority, Gross Revenue Transit Bonds (Series 2009A), 5.125%, 07/01/2032	1,057,390
	<b>TOTAL</b>	<b>6,285,190</b>
	<b>Florida - 3.2%</b>	
1,265,000	Broward County, FL Airport System, Airport System Revenue Refunding Bonds (Series 2009O), 5.375%, 10/01/2029	1,300,167
640,000	East Homestead, FL Community Development District, Special Assessment Revenue Bonds (Series 2005), 5.450%, 05/01/2036	474,502

Principal Amount or Shares		Value
3,000,000	Florida State Education System, Facilities Revenue Bonds (Series 2005A), 5.000%, (National Public Finance Guarantee Corporation INS), 05/01/2027	3,046,980
1,100,000	Miami-Dade County, FL Aviation, Revenue Bonds (Series 2008B), 5.000%, (Assured Guaranty Corp. INS), 10/01/2023	1,168,783
380,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.000%, 05/01/2020	326,469
5,000,000	Orlando, FL Utilities Commission, Utility System Revenue Bonds (Series 2009A), 5.250%, 10/01/2039	5,273,100
3,000,000	Palm Beach County, FL, Public Improvement Revenue Bonds (Series 2008-2), 5.375%, 11/01/2028	3,237,060
1,705,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2006), 5.400%, 05/01/2037	1,131,302
1,500,000	Volusia County, FL Education Facility Authority, (Embry-Riddle Aeronautical University, Inc.), Educational Facilities Refunding Revenue Bonds (Series 2005), 5.000%, (Radian Asset Assurance, Inc. INS), 10/15/2025	1,384,155
485,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.650%, 05/01/2037	425,869
	<b>TOTAL</b>	<b>17,768,387</b>
	<b>Georgia - 1.9%</b>	
5,000,000	Athens-Clarke County, GA Water & Sewerage, Revenue Bonds (Series 2008), 5.625%, 01/01/2028	5,597,000
3,000,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.250%, 11/01/2034	3,192,300
615,000	Atlanta, GA, (Eastside Tax Allocation District), Tax Allocation Bonds (Series 2005B), 5.600%, 01/01/2030	550,382
1,500,000	DeKalb Private Hospital Authority, GA, (Children's Healthcare of Atlanta, Inc.), Revenue Anticipation Certificates (Series 2009), 5.000%, 11/15/2024	1,541,100
	<b>TOTAL</b>	<b>10,880,782</b>
	<b>Guam - 0.1%</b>	
565,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625%, 12/01/2029	568,170
	<b>Hawaii - 0.2%</b>	
1,250,000	Hawaii State Department of Budget & Finance, (Hawaiian Electric Co., Inc.), Special Purpose Revenue Bonds (Series 2009), 6.500%, 07/01/2039	1,335,813
	<b>Illinois - 1.3%</b>	
2,615,000	Chicago, IL Housing Authority Capital Program, Refunding Revenue Bonds, 5.000%, (FSA INS), 07/01/2017	2,840,648
1,180,000	Chicago, IL O'Hare International Airport, General Airport Third Lien Revenue Bonds (Series 2005A), 5.250%, (National Public Finance Guarantee Corporation INS), 01/01/2026	1,225,454
1,000,000	Chicago, IL Park District, LT GO Bonds (Series 2004A), 5.000%, (AMBAC INS), 01/01/2026	1,033,740
415,000	DuPage County, IL, (Naperville Campus LLC), Special Tax Bonds (Series 2006), 5.625%, 03/01/2036	299,854
1,000,000	Illinois Finance Authority, (Friendship Village of Schaumburg), Revenue Bonds (Series 2005A), 5.625%, 02/15/2037	797,370
875,000	Illinois Finance Authority, (Landing at Plymouth Place), Revenue Bonds (Series 2005A), 6.000%, 05/15/2025	759,211
625,000	Illinois Finance Authority, (Landing at Plymouth Place), Revenue Bonds (Series 2005A), 6.000%, 05/15/2037	493,800
	<b>TOTAL</b>	<b>7,450,077</b>
	<b>Indiana - 0.7%</b>	
2,500,000	Indiana Health & Educational Facility Financing Authority, (Baptist Homes of Indiana), Revenue Bonds (Series 2005), 5.250%, 11/15/2035	2,155,500
2,500,000	St. Joseph County, IN Hospital Authority, (Madison Center Obligated Group), Health Facilities Revenue Bonds (Series 2005), 5.375%, 02/15/2034	1,981,150
	<b>TOTAL</b>	<b>4,136,650</b>
	<b>Iowa - 0.2%</b>	
2,035,000	Iowa Finance Authority, (Deerfield Retirement Community, Inc.), Senior Living Facility Revenue Refunding Bonds (Series 2007A), 5.500%, 11/15/2037	1,308,525

Principal Amount or Shares		Value
	<b>Kansas - 0.5%</b>	
2,605,000	Kansas State Development Finance Authority, (Adventist Health System/ Sunbelt Obligated Group), Hospital Revenue Bonds (Series 2009D), 5.000%, 11/15/2029	2,559,777
	<b>Louisiana - 0.2%</b>	
1,000,000	St. John the Baptist Parish, LA, (Marathon Oil Corp.), Environmental Improvement Refunding Revenue Bonds (Series 1998), 5.350%, 12/01/2013	990,710
	<b>Maryland - 0.1%</b>	
500,000	Maryland State IDFA, (Our Lady of Good Counsel High School), EDRBs (Series 2005A), 6.000%, 05/01/2035	438,880
	<b>Massachusetts - 1.7%</b>	
4,000,000	Commonwealth of Massachusetts, UT GO Bonds (Series 2009A), 5.000%, 03/01/2034	4,234,920
5,000,000	Massachusetts Bay Transportation Authority General Transportation System, Assessment Bonds (Series 2008A), 5.250%, 07/01/2034	5,401,750
	<b>TOTAL</b>	<b>9,636,670</b>
	<b>Michigan - 2.0%</b>	
5,000,000	Detroit, MI City School District, UT GO Bonds (Series 2005A), 5.000%, (FSA INS), 05/01/2017	5,161,800
4,370,000	Detroit, MI, UT GO Bonds (Series 2008-A), 5.000%, (Assured Guaranty Corp. INS), 04/01/2024	4,151,588
1,000,000	Michigan State Hospital Finance Authority, (Oakwood Obligated Group), Revenue Bonds, 5.500%, 11/01/2013	1,051,060
1,000,000	Riverview, MI Community School District, Refunding UT GO Bonds, 5.000%, (GTD by Q-SBLF), 05/01/2021	1,052,120
	<b>TOTAL</b>	<b>11,416,568</b>
	<b>Mississippi - 0.2%</b>	
900,000	Mississippi Hospital Equipment & Facilities Authority, (Southwest Mississippi Regional Medical Center), Refunding & Improvement Revenue Bonds, 5.750%, 04/01/2023	868,392
	<b>Missouri - 0.6%</b>	
1,500,000	Missouri Development Finance Board, (Branson, MO), Infrastructure Facilities Revenue Bonds (Series 2004A), 5.250%, 12/01/2019	1,520,565
2,000,000	Missouri State HEFA, (BJC Health System, MO), Health Facilities Revenue Bonds, 5.250%, 05/15/2018	2,088,960
	<b>TOTAL</b>	<b>3,609,525</b>
	<b>Nevada - 1.1%</b>	
3,585,000	Clark County, NV School District, LT GO School Bonds (2007C), 5.000%, 06/15/2025	3,728,006
500,000	Clark County, NV, (Summerlin-Mesa SID No. 151), Special Assessment Revenue Bonds (Series 2005), 5.000%, 08/01/2025	331,600
2,000,000	Clark County, NV, IDRBs (Series 2003C), 5.45% TOBs (Southwest Gas Corp.), Mandatory Tender 3/1/2013	2,044,100
245,000	Henderson, NV, (Falls at Lake Las Vegas LID No. T-16), Local Improvement District No. T-16 LT Obligation Improvement Bonds, 5.100%, 03/01/2022	110,365
580,000	Henderson, NV, (Falls at Lake Las Vegas LID No. T-16), Local Improvement District No. T-16 LT Obligation Improvement Bonds, 5.125%, 03/01/2025	260,391
	<b>TOTAL</b>	<b>6,474,462</b>
	<b>New Jersey - 0.8%</b>	
1,000,000	New Jersey EDA, (Winchester Gardens at Ward Homestead), First Mortgage Refunding Revenue Bonds (Series 2004A), 4.800%, 11/01/2013	1,021,450
3,050,000	Tobacco Settlement Financing Corp., NJ, Revenue Bonds, 7.000%, (United States Treasury PRF 6/1/2013@100), 06/01/2041	3,638,132
	<b>TOTAL</b>	<b>4,659,582</b>
	<b>New Mexico - 0.5%</b>	
2,000,000	Albuquerque Bernalillo County, NM Water Utility Authority, Joint Water & Sewer System Improvement Revenue Bonds (Series 2009A-1), 5.250%, 07/01/2034	2,156,620
500,000	(3)(4)Jicarilla, NM Apache Nation, Revenue Bonds, 5.500%, 09/01/2023	522,720
	<b>TOTAL</b>	<b>2,679,340</b>
	<b>New York - 5.7%</b>	
500,000	Dutchess County, NY IDA, (St. Francis Hospital and Health Centers), Civic Facility Revenue Bonds (Series 2004B), 7.500%, 03/01/2029	489,010
200,000	Long Island Power Authority, NY, Electric System Revenue Bonds (Series C), 5.000%, 09/01/2022	205,626

Principal Amount or Shares		Value
4,000,000	New York City, NY IDA, (Yankee Stadium LLC), CPI PILOT Revenue Bonds (Series 2006) 0.637%, (FGIC INS), 03/01/2021	2,852,640
665,000	New York City, NY Municipal Water Finance Authority, Water & Sewer System Revenue Bonds (Series 2009A), 5.750%, 06/15/2040	742,472
5,000,000	New York City, NY Municipal Water Finance Authority, Water & Sewer System Second General Resolution Revenue Bonds (Series Fiscal 2009EE), 5.250%, 06/15/2040	5,319,800
2,000,000	New York City, NY Transitional Finance Authority, Building Aid Revenue Bonds (Series 2009 S-5), 5.000%, 01/15/2031	2,073,560
1,000,000	New York City, NY Transitional Finance Authority, Future Tax Secured Bonds (2003 Series C), 5.250%, (AMBAC INS), 08/01/2022	1,068,540
40,000	New York City, NY, UT GO Bonds (Fiscal 2003 Series J), 5.500%, 06/01/2023	41,832
350,000	New York City, NY, UT GO Bonds (Fiscal 2004 Series D), 5.250%, 10/15/2020	366,937
800,000	New York City, NY, UT GO Bonds (Fiscal 2004 Series I), 5.000%, 08/01/2019	852,440
2,215,000	New York City, NY, UT GO Bonds (Fiscal 2006 Series E-1), 5.000%, 08/01/2023	2,316,890
5,000,000	New York City, NY, UT GO Bonds (Series 2009E-1), 5.250%, 10/15/2017	5,671,600
2,500,000	New York State Thruway Authority, (New York State Personal Income Tax Revenue Bond Fund), Revenue Bonds (Series 2007A), 5.250%, 03/15/2026	2,734,800
500,000	Tobacco Settlement Financing Corp., NY, (New York State), Asset-Backed Revenue Bonds (Series 2003A-1), 5.500%, 06/01/2018	528,690
900,000	Tobacco Settlement Financing Corp., NY, (New York State), Revenue Bonds (Series 2003C-1), 5.500%, 06/01/2018	951,642
500,000	Tobacco Settlement Financing Corp., NY, (New York State), Revenue Bonds (Series 2003C-1), 5.500%, 06/01/2022	529,970
5,000,000	Triborough Bridge & Tunnel Authority, NY, General Revenue Bonds (Series 2009A-2), 5.000%, 11/15/2029	5,312,500
	<b>TOTAL</b>	<b>32,058,949</b>
	<b>North Carolina - 2.4%</b>	
6,500,000	Johnston Memorial Hospital Authority, NC, (Johnston Memorial Hospital ), FHA Insured Mortgage Revenue Bonds (Series 2008), 5.250%, (FSA INS), 10/01/2024	6,836,960
1,750,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds (Series 2009C), 5.000%, 01/01/2026	1,781,745
1,000,000	North Carolina Medical Care Commission, (Arc of North Carolina Projects), Health Care Housing Revenue Bonds (Series 2004A), 5.800%, 10/01/2034	959,360
2,000,000	North Carolina Medical Care Commission, (Pennybyrn at Maryfield), Healthcare Facilities Revenue Bonds (Series 2005A), 5.650%, 10/01/2025	1,524,820
625,000	North Carolina Municipal Power Agency No. 1, Electric Revenue Refunding Bonds (Series 2009A), 5.000%, 01/01/2030	638,169
1,535,000	North Carolina Municipal Power Agency No. 1, Revenue Bonds (Series 2008C), 5.250%, 01/01/2020	1,676,235
	<b>TOTAL</b>	<b>13,417,289</b>
	<b>Ohio - 2.4%</b>	
2,850,000	American Municipal Power-Ohio, Inc., (American Municipal Power, Prairie State Energy Campus Project), Revenue Bonds (Series 2008A), 5.000%, 02/15/2016	3,068,680
3,680,000	Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Bonds (Series 2007A), 6.500%, 06/01/2047	3,048,512
2,545,000	Ohio State Air Quality Development Authority, (FirstEnergy Solutions Corp.), 5.700%, 08/01/2020	2,645,349
1,000,000	Ohio State Air Quality Development Authority, Environmental Improvement Refunding Revenue Bonds (Series 1995), 5.00% TOBs (Marathon Oil Corp.), Mandatory Tender 11/1/2011	1,049,410
1,000,000	Ohio State Higher Educational Facility Commission, (Mount Union College), Revenue Bonds, 5.250%, 10/01/2026	1,036,690
2,000,000	Ohio State University, General Receipts Bonds (2008A), 5.000%, 12/01/2028	2,133,240
375,000	Toledo-Lucas County, OH Port Authority, (Crocker Park Public Improvement Project), Special Assessment Revenue Bonds, 5.250%, 12/01/2023	335,318
400,000	Toledo-Lucas County, OH Port Authority, (CSX Corp.), Revenue Bonds, 6.450%, 12/15/2021	450,944
	<b>TOTAL</b>	<b>13,768,143</b>

Principal Amount or Shares		Value
	<b>Pennsylvania - 2.3%</b>	
300,000	Allegheny County, PA Higher Education Building Authority, (Chatham College), Revenue Bonds (Series 2002B), 5.250%, 11/15/2016	300,231
1,300,000	Allegheny County, PA IDA, (United States Steel Corp.), Environmental Improvement Refunding Revenue Bonds (Series 2005), 5.500%, 11/01/2016	1,273,129
1,000,000	Allegheny County, PA IDA, (United States Steel Corp.), Environmental Improvement Revenue Refunding Bonds (Series 2009), 6.500%, 05/01/2017	1,021,780
250,000	Pennsylvania State Higher Education Facilities Authority, (Dickinson College), Revenue Bonds (Series 2003AA1), 5.000%, (Radian Asset Assurance, Inc. INS), 11/01/2026	235,065
500,000	Pennsylvania State Higher Education Facilities Authority, (Messiah College), Revenue Bonds (Series AA), 5.500%, (Radian Asset Assurance, Inc. INS), 11/01/2022	503,905
500,000	Pennsylvania State Higher Education Facilities Authority, (UPMC Health System), Health System Revenue Bonds (Series A), 6.250%, 01/15/2018	520,000
1,000,000	Pennsylvania State Higher Education Facilities Authority, (UPMC Health System), Revenue Bonds (Series 2001A), 6.000%, 01/15/2022	1,032,420
500,000	Pennsylvania State Higher Education Facilities Authority, (UPMC Health System), Revenue Bonds, (Series A), 6.000%, 01/15/2031	515,950
3,000,000	Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.500%, 12/01/2041	3,111,270
500,000	Philadelphia Authority for Industrial Development, (PresbyHomes Germantown/Morrisville), Senior Living Revenue Bonds (Series 2005A), 5.625%, 07/01/2035	399,350
4,000,000	Philadelphia, PA Water & Wastewater System, Water and Wastewater Revenue Bonds (Series 2009A), 5.250%, 01/01/2032	4,092,120
	<b>TOTAL</b>	<b>13,005,220</b>
	<b>Puerto Rico - 0.6%</b>	
3,000,000	Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue Bonds (First Subordinate Series 2009A), 6.000%, 08/01/2042	3,108,150
	<b>South Carolina - 1.1%</b>	
2,200,000	Georgetown County, SC Environmental Improvements, (International Paper Co.), Refunding Revenue Bonds, 5.700%, 04/01/2014	2,313,960
725,000	Lancaster County, SC, (Sun City Carolina Lakes Improvement District), Assessment Revenue Bonds (Series 2006), 5.450%, 12/01/2037	552,153
60,000	South Carolina Jobs-EDA, (Bon Secours Health System), EDRBs, (Series 2002A), 5.500%, (United States Treasury PRF 11/15/2012@100), 11/15/2023	67,515
325,000	South Carolina Jobs-EDA, (Bon Secours Health System), Health System Revenue Bonds (Series A), 5.625%, (United States Treasury PRF 11/15/2012@100), 11/15/2030	366,857
2,500,000	South Carolina State Public Service Authority (Santee Cooper), Revenue Obligations (Series 2008A), 5.500%, 01/01/2038	2,710,300
	<b>TOTAL</b>	<b>6,010,785</b>
	<b>South Dakota - 0.7%</b>	
4,020,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.500%, 06/01/2032	3,936,223
	<b>Texas - 6.8%</b>	
1,545,000	Bexar County, Health Facilities Development Corp., (Army Retirement Residence Foundation), Refunding Revenue Bonds (Series 2007), 5.000%, 07/01/2033	1,248,746
5,000,000	Dallas, TX Area Rapid Transit, Senior Lien Sales Tax Revenue Bonds, 5.250%, 12/01/2038	5,337,100
1,000,000	Decatur, TX Hospital Authority, (Wise Regional Health System), Hospital Revenue Bonds (Series 2004A), 7.125%, 09/01/2034	973,630
3,570,000	Harris County, TX Cultural Education Facilities Finance Corp., (Methodist Hospital, Harris County, TX), Revenue Bonds (Series 2008B), 5.250%, 12/01/2016	3,941,530
1,000,000	Harris County, TX, Refunding Sr. Lien Toll Road Revenue Bonds, 5.000%, (National Public Finance Guarantee Corporation INS), 08/15/2027	1,031,550
1,250,000	Houston, TX Airport System, Senior Lien Revenue & Refunding Bonds (Series 2009A), 5.000%, 07/01/2019	1,352,425
7,025,000	LaVernia, TX ISD, Refunding School Building UT GO Bonds, 5.000%, (GTD by PSFG), 08/15/2037	7,297,219

Principal Amount or Shares		Value
2,000,000	Lower Colorado River Authority, TX, (LCRA Transmission Services Corp.), Refunding Revenue Bonds (Series 2008), 5.250%, (Berkshire Hathaway Assurance Corp. INS), 05/15/2028	2,136,660
1,000,000	Lower Colorado River Authority, TX, (LCRA Transmission Services Corp.), Refunding Revenue Bonds (Series 2008), 5.750%, 05/15/2023	1,072,310
1,000,000	Lower Colorado River Authority, TX, Transmission Contract Refunding Revenue Bonds (Series 2003C), 5.250%, (AMBAC INS), 05/15/2018	1,074,440
500,000	North Central Texas HFDC, (Children's Medical Center of Dallas), Hospital Revenue Refunding Bonds (Series 2002), 5.250%, (AMBAC INS), 08/15/2022	516,260
500,000	Sabine River Authority, TX, (Southwestern Electric Power Co.), PCR Refunding Bonds (Series 2006), 4.950%, (National Public Finance Guarantee Corporation INS), 03/01/2018	509,690
250,000	Sabine River Authority, TX, (Texas Competitive Electric Holdings Co. LLC), PCR Refunding Bonds (Series 2003B), 6.150%, 08/01/2022	145,237
2,000,000	Tarrant County, TX Cultural Education Facilities Finance Corp., (Air Force Village), Retirement Facility Revenue Bonds (Series 2007), 5.125%, 05/15/2037	1,654,640
3,880,000	Texas State Department of Housing & Community Affairs, Residential Mortgage Revenue Bonds (Series 2009A), 5.300%, 07/01/2034	3,956,475
5,675,000	Texas State, Water Financial Assistance UT GO Bonds (Series 2004C&D), 5.000%, 08/01/2027	5,980,769
	<b>TOTAL</b>	<b>38,228,681</b>
	<b>Virginia - 1.1%</b>	
4,485,000	Tobacco Settlement Financing Corp., VA, Revenue Bonds, 5.625%, (United States Treasury PRF 6/1/2015@100), 06/01/2037	5,278,531
1,170,000	Virginia Peninsula Port Authority, (Brinks Co. (The)), Coal Terminal Revenue Refunding Bonds (Series 2003), 6.000%, 04/01/2033	1,186,918
	<b>TOTAL</b>	<b>6,465,449</b>
	<b>Washington - 2.1%</b>	
1,160,000	Energy Northwest, WA, Wind Project Revenue Bonds, 5.000%, (AMBAC INS), 07/01/2023	1,179,326
3,650,000	Port of Tacoma, WA, LT GO Bonds (Series 2008A), 5.000%, (FSA INS), 12/01/2030	3,802,533
500,000	Skagit County, WA Public Hospital District No. 1, (Skagit Valley Hospital), Refunding Revenue Bonds (Series 2003), 6.000%, 12/01/2018	505,345
1,000,000	Skagit County, WA Public Hospital District No. 1, (Skagit Valley Hospital), UT GO Bonds (Series 2004), 5.500%, (National Public Finance Guarantee Corporation INS), 12/01/2023	1,038,710
5,000,000	Washington State Health Care Facilities Authority, (Highline Medical Center), FHA Insured Mortgage Revenue Bonds (Series 2008), 6.250%, (FHA INS), 08/01/2036	5,194,650
	<b>TOTAL</b>	<b>11,720,564</b>
	<b>West Virginia - 0.6%</b>	
1,000,000	Ohio County, WV County Commission, (Fort Henry Centre Tax Increment Financing District No. 1), Tax Increment Revenue Bonds (Series 2005A), 5.625%, 06/01/2034	836,050
2,900,000	Pleasants County, WV County Commission, (Allegheny Energy Supply Company LLC), PCR Revenue Refunding Bonds (Series 2007F), 5.250%, 10/15/2037	2,662,200
	<b>TOTAL</b>	<b>3,498,250</b>
	<b>Wisconsin - 2.4%</b>	
2,780,000	Badger, WI Tobacco Asset Securitization Corp., Asset-Backed Revenue Bonds, 6.125%, (United States Treasury PRF), 06/01/2027	3,011,574
4,665,000	Wisconsin State General Fund Appropriation, (Wisconsin State), Revenue Bonds (Series 2009A), 5.750%, 05/01/2033	5,038,620
5,000,000	Wisconsin State, UT GO Bonds (Series 2003C), 5.000%, 05/01/2024	5,233,950
	<b>TOTAL</b>	<b>13,284,144</b>
	<b>Wyoming - 0.5%</b>	
2,800,000	Sweetwater County, WY PCRB, (Idaho Power Co.), PCR Refunding Bonds (Series 2006), 5.250%, 07/15/2026	2,884,448
	<b>TOTAL MUNICIPAL BONDS</b>	<b>311,774,232</b>
	<b>SHORT-TERM MUNICIPALS - 2.3%(5)</b>	
	<b>Florida - 0.6%</b>	
3,000,000	Orange County, FL School Board, COP (Series 2008C) Weekly VRDNs, (Bank of America N.A. LOC), 0.230%, 1/7/2010	3,000,000

Principal Amount or Shares		Value
	<b>Massachusetts - 0.3%</b>	
1,800,000	Commonwealth of Massachusetts, Consolidated Loan (Series 2006B) Daily VRDNs, (Bank of America N.A. LIQ), 0.240%, 1/1/2010	1,800,000
	<b>New Hampshire - 0.9%</b>	
5,000,000	New Hampshire Health and Education Facilities Authority, (Series 2007A) Daily VRDNs (Dartmouth College, NH), (JPMorgan Chase Bank, N.A. LIQ), 0.220%, 1/1/2010	5,000,000
	<b>North Carolina - 0.5%</b>	
2,900,000	North Carolina Medical Care Commission, (Series 2008A) Weekly VRDNs (Wake Forest University Health Sciences), (Branch Banking & Trust Co. LOC), 0.210%, 1/7/2010	2,900,000
	<b>TOTAL SHORT-TERM MUNICIPALS</b>	<b>12,700,000</b>
	<b>TOTAL INVESTMENTS</b>	<b>\$563,822,730</b>

- (1) With regard to the Fund's equity holdings, the Fund will invest primarily in common stocks and other securities that are eligible for the reduced federal income tax rate on qualifying dividends.
- (2) Non-income producing security.
- (3) 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 \$522,720, which represented 0.1% of total net assets.
- (4) 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 Trustees. At December 31, 2009, these liquid restricted securities amounted to \$522,720, which represented 0.1% of total net assets.
- (5) Current rate and net reset date shown for Variable Rate Demand Notes.

**Note:** The categories of investments are shown as a percentage of net assets (\$562,784,578) at the close of business on 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:

ADR	--American Depositary Receipt
AMBAC	--American Municipal Bond Assurance Corporation
COP	--Certificates of Participation
EDA	--Economic Development Authority
EDRBs	--Economic Development Revenue Bonds
FGIC	--Financial Guaranty Insurance Company
FHA	--Federal Housing Administration
FSA	--Financial Security Assurance
GO	--General Obligation
GTD	--Guaranteed
HEFA	--Health and Education Facilities Authority
HFDC	--Health Facility Development Corporation
IDA	--Industrial Development Authority
IDB	--Industrial Development Bond
IDFA	--Industrial Development Finance Authority
IDRBs	--Industrial Development Revenue Bonds

INS	--Insured
ISD	--Independent School District
LIBOR	--London Interbank Offered Rate
LID	--Local Improvement District
LIQ	--Liquidity Agreement
LO	--Limited Obligation
LOC	--Letter of Credit
LT	--Limited Tax
PCR	--Pollution Control Revenue
PCRB	--Pollution Control Revenue Bond
PRF	--Prerefunded
PSFG	--Permanent School Fund Guarantee
Q-SBLF	--Qualified State Bond Loan Fund
TOBs	--Tender Option Bonds
USD	--Unified School District
UT	--Unlimited Tax
VRDNs	--Variable Rate Demand Notes

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](http://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  
(32216) 12/31/2009