

FEDERATED MUNI AND STOCK ADVANTAGE FUND

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

PORTFOLIO AS OF JUNE 30, 2010
CURRENT NET ASSETS -- \$ 518,997,346

Principal Amount or Shares		Value
	COMMON STOCKS - 36.8%(1)	
	Consumer Discretionary - 4.8%	
\$25,085	Bob Evans Farms, Inc.	\$617,593
247,240	Comcast Corp., Class A	4,294,559
189,545	Cooper Tire & Rubber Co.	3,696,127
123,550	Foot Locker, Inc.	1,559,201
33,270	Garmin Ltd.	970,819
49,730	Genuine Parts Co.	1,961,848
151,155	Home Depot, Inc.	4,242,921
57,165	Leggett and Platt, Inc.	1,146,730
56,935	Meredith Corp.	1,772,387
38,920	Omnicom Group, Inc.	1,334,956
87,120	Regal Entertainment Group	1,136,045
13,365	Time Warner Cable, Inc.	696,049
45,185	Time Warner, Inc.	1,306,298
	TOTAL	24,735,533
	Consumer Staples - 2.3%	
61,970	Archer-Daniels-Midland Co.	1,600,065
19,780	Kimberly-Clark Corp.	1,199,261
27,515	Molson Coors Brewing Co., Class B	1,165,535
25,020	Philip Morris International Inc.	1,146,917
36,425	Procter & Gamble Co.	2,184,772
21,875	Reynolds American, Inc.	1,140,125
67,935	Wal-Mart Stores, Inc.	3,265,636
	TOTAL	11,702,311
	Energy - 5.3%	
105,575	Chevron Corp.	7,164,319
122,345	ConocoPhillips	6,005,916
99,485	ENI S.p.A, ADR	3,636,177
66,135	EnCana Corp.	2,006,536
147,820	Santos Ltd. - ADR	1,571,327
41,560	Ship Finance International Ltd.	743,093
57,200	Tenaris SA, ADR	1,979,692
104,910	Total SA, ADR	4,683,182
	TOTAL	27,790,242
	Financials - 7.0%	
78,675	Ace, Ltd.	4,050,189
27,240	American Express Co.	1,081,428
51,715	American Financial Group Inc., Ohio	1,412,854
77,095	Assurant, Inc.	2,675,196
434,170	Bank of America Corp.	6,239,023

Principal Amount or Shares		Value
7,925	Blackrock, Inc.	1,136,445
49,705	Chubb Corp.	2,485,747
408,555	(2)Citigroup, Inc.	1,536,167
123,550	J.P. Morgan Chase & Co.	4,523,165
60,295	Morgan Stanley	1,399,447
24,685	PNC Financial Services Group	1,394,702
44,855	The Travelers Cos, Inc.	2,209,109
138,620	Wells Fargo & Co.	3,548,672
154,660	XL Capital Ltd., Class A	2,476,107
	TOTAL	36,168,251
	Health Care - 4.1%	
12,055	Abbott Laboratories	563,933
47,550	Bristol-Myers Squibb Co.	1,185,897
126,970	Cardinal Health, Inc.	4,267,462
41,255	Covidien PLC	1,657,626
84,305	Johnson & Johnson	4,979,053
34,425	Lilly (Eli) & Co.	1,153,237
65,350	Merck & Co., Inc.	2,285,289
259,680	(2)PDL BioPharma, Inc.	1,459,402
250,345	Pfizer, Inc.	3,569,920
	TOTAL	21,121,819
	Industrials - 4.5%	
52,715	Cooper Industries PLC	2,319,460
23,195	Deere & Co.	1,291,498
49,985	Dover Corp.	2,088,873
30,445	General Dynamics Corp.	1,782,859
714,610	General Electric Co.	10,304,676
14,800	Honeywell International, Inc.	577,644
28,010	Parker-Hannifin Corp.	1,553,435
43,430	Tyco International Ltd.	1,530,039
35,080	United Parcel Service, Inc.	1,995,701
	TOTAL	23,444,185
	Information Technology - 3.3%	
52,695	International Business Machines Corp.	6,506,779
38,840	Linear Technology Corp.	1,080,140
40,485	Microchip Technology, Inc.	1,123,054
252,885	Microsoft Corp.	5,818,884
191,620	Nokia Oyj, ADR, Class A	1,561,703
35,375	Qualcomm, Inc.	1,161,715
	TOTAL	17,252,275
	Materials - 1.5%	
18,845	BHP Billiton Ltd. - SPON ADR	1,168,202
24,300	PPG Industries, Inc.	1,467,963
60,785	RPM International, Inc.	1,084,404
79,205	Rio Tinto PLC, ADR	3,453,338
21,920	Sonoco Products Co.	668,122
	TOTAL	7,842,029
	Telecommunication Services - 2.3%	
251,515	AT&T, Inc.	6,084,148
37,225	BCE, Inc.	1,089,576
35,045	TELUS Corp.	1,268,629
23,700	Telecom Italia S.p.A, ADR	260,937
159,790	Vodafone Group PLC, ADR	3,302,859
	TOTAL	12,006,149
	Utilities - 1.7%	
88,815	CMS Energy Corp.	1,301,140
63,315	DPL, Inc.	1,513,228
18,725	NICOR, Inc.	758,362
90,600	National Grid PLC	667,403
15,530	National Grid PLC, ADR	571,970
21,455	Northeast Utilities Co.	546,673

Principal Amount or Shares		Value
67,085	PPL Corp.	1,673,771
56,605	Public Service Enterprises Group, Inc.	1,773,435
	TOTAL	8,805,982
	TOTAL COMMON STOCKS	190,868,776
	MUNICIPAL BONDS - 57.7%	
	Alabama - 0.4%	
1,050,000	Courtland, AL IDB, (International Paper Co.), PCR Refunding Bonds (Series 2005A), 5.000%, 06/01/2025	973,770
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	1,348,710
	TOTAL	2,322,480
	Alaska - 0.2%	
1,000,000	Alaska Municipal Bond Bank, Revenue Bonds, 5.250%, (National Public Finance Guarantee Corporation INS), 12/01/2022	1,057,050
	Arizona - 1.5%	
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	5,632,627
2,000,000	Salt River Project, AZ Agricultural Improvement & Power District, Electric System Revenue Bonds (Series 2008A), 5.000%, 01/01/2028	2,143,260
	TOTAL	7,775,887
	California - 5.1%	
570,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds (Series 2004I), 4.95% TOBs (Catholic Healthcare West), Mandatory Tender 7/1/2014	615,965
100,000	California Infrastructure & Economic Development Bank, (Walt Disney Family Museum), Revenue Bonds (Series 2008), 5.000%, 02/01/2023	104,750
400,000	California State Department of Water Resources Power Supply Program, Revenue Bonds (Series 2008H), 5.000%, (Assured Guaranty Municipal Corp. INS), 05/01/2022	436,012
4,265,000	California State, (California State Fiscal Recovery Fund), Refunding Economic Recovery Bonds (Series 2009A), 5.000%, 07/01/2018	4,843,505
3,000,000	California State, UT GO Bonds, 5.000%, 11/01/2022	3,130,380
3,000,000	California State, Various Purpose UT GO Bonds, 6.000%, 04/01/2038	3,184,080
100,000	California Statewide Communities Development Authority, (Daughters of Charity Health System), Revenue Bonds (Series 2005A), 5.250%, 07/01/2035	87,207
100,000	California Statewide Communities Development Authority, (Front Porch at Walnut Village), Revenue Bonds (Series 2007A), 5.125%, 04/01/2037	87,805
300,000	Eastern Municipal Water District of Riverside County, CA, Water & Sewer Revenue Fixed Rate COP (Series 2008H), 5.000%, 07/01/2026	317,214
300,000	Los Angeles, CA Community College District, GO Bonds (2001 Election 2008 Series E-1), 5.000%, 08/01/2033	306,186
1,390,000	Los Angeles, CA USD, UT GO Bonds (Series 2009D), 5.000%, 01/01/2034	1,393,989
200,000	(3)Regents of the University of California Medical Center, LIBOR Floating Rate Index Bonds (Series 2007C-2), (National Public Finance Guarantee Corporation INS), 05/15/2043	113,250
150,000	Regents of University of California, General Revenue Bonds (Series 2008L), 5.000%, 05/15/2025	160,419
5,000,000	Regents of University of California, General Revenue Bonds (Series 2009O), 5.750%, 05/15/2029	5,688,050
50,000	Roseville, CA Natural Gas Financing Authority, Gas Revenue Bonds (Series 2007), 5.000%, (GTD by Merrill Lynch & Co., Inc.), 02/15/2028	45,669
3,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 6.000%, 05/01/2039	3,299,640
1,000,000	Trustees of the California State University, Revenue Bonds (Series A), 5.125%, (AMBAC INS), 11/01/2026	1,033,000
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	1,565,471
	TOTAL	26,412,592
	Colorado - 1.7%	
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	1,555,845

Principal Amount or Shares		Value
710,000	Colorado Health Facilities Authority, (Evangelical Lutheran Good Samaritan Society), Health Facilities Revenue Bonds (Series 2004A), 5.250%, 06/01/2034	679,236
495,000	Colorado Health Facilities Authority, (Evangelical Lutheran Good Samaritan Society), Health Facilities Revenue Bonds (Series 2005), 5.250%, 06/01/2023	503,380
430,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COP (Series 2008), 5.500%, (United States Treasury and Agency PRF 11/1/2018@100), 11/01/2027	519,960
1,160,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COP (Series 2008), 5.500%, 11/01/2027	1,238,149
1,250,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.750%, (United States Treasury PRF 12/1/2013@102), 12/01/2034	1,477,950
1,695,000	Denver (City & County), CO, (Denver, CO City & County Department of Aviation), Airport System Revenue Bonds (Series 2010A), 5.000%, 11/15/2022	1,836,804
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.250%, (United States Treasury PRF 12/1/2014@100), 12/01/2033	1,206,410
	TOTAL	9,017,734
	District of Columbia - 1.2%	
5,000,000	District of Columbia, UT GO Bonds (Series 2004A), 5.000%, (Assured Guaranty Municipal Corp. INS), 06/01/2025	5,227,950
1,000,000	Washington Metropolitan Area Transit Authority, Gross Revenue Transit Bonds (Series 2009A), 5.125%, 07/01/2032	1,061,820
	TOTAL	6,289,770
	Florida - 3.5%	
1,265,000	Broward County, FL Airport System, Airport System Revenue Refunding Bonds (Series 2009O), 5.375%, 10/01/2029	1,319,699
630,000	East Homestead, FL Community Development District, Special Assessment Revenue Bonds (Series 2005), 5.450%, 05/01/2036	546,960
3,000,000	Florida State Education System, Facilities Revenue Bonds (Series 2005A), 5.000%, (National Public Finance Guarantee Corporation INS), 05/01/2027	3,052,950
1,100,000	Miami-Dade County, FL Aviation, Revenue Bonds (Series 2008B), 5.000%, (Assured Guaranty Corp. INS), 10/01/2023	1,193,104
355,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.000%, 05/01/2020	320,661
5,000,000	Orlando, FL Utilities Commission, Utility System Revenue Bonds (Series 2009A), 5.250%, 10/01/2039	5,339,350
3,000,000	Palm Beach County, FL, Public Improvement Revenue Bonds (Series 2008-2), 5.375%, 11/01/2028	3,274,230
1,675,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2006), 5.400%, 05/01/2037	1,275,512
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	1,442,490
480,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.650%, 05/01/2037	446,827
	TOTAL	18,211,783
	Georgia - 2.1%	
5,000,000	Athens-Clarke County, GA Water & Sewerage, Revenue Bonds (Series 2008), 5.625%, 01/01/2028	5,580,750
3,000,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.250%, 11/01/2034	3,281,460
615,000	Atlanta, GA, (Eastside Tax Allocation District), Tax Allocation Bonds (Series 2005B), 5.600%, 01/01/2030	615,000
1,500,000	DeKalb Private Hospital Authority, GA, (Children's Healthcare of Atlanta, Inc.), Revenue Anticipation Certificates (Series 2009), 5.000%, 11/15/2024	1,561,440
	TOTAL	11,038,650
	Guam - 0.1%	
565,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625%, 12/01/2029	577,193
	Hawaii - 1.1%	
4,500,000	Hawaii State Airport System, Revenue Bonds (Series 2010A), 5.000%, 07/01/2039	4,505,265
1,250,000	Hawaii State Department of Budget & Finance, (Hawaiian Electric Co., Inc.), Special Purpose Revenue Bonds (Series 2009), 6.500%, 07/01/2039	1,357,225
	TOTAL	5,862,490

Principal Amount or Shares		Value
	Illinois - 1.3%	
2,615,000	Chicago, IL Housing Authority Capital Program, Refunding Revenue Bonds, 5.000%, (Assured Guaranty Municipal Corp. INS), 07/01/2017	2,878,461
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	1,212,875
415,000	DuPage County, IL, (Naperville Campus LLC), Special Tax Bonds (Series 2006), 5.625%, 03/01/2036	326,095
1,000,000	Illinois Finance Authority, (Friendship Village of Schaumburg), Revenue Bonds (Series 2005A), 5.625%, 02/15/2037	801,220
875,000	Illinois Finance Authority, (Landing at Plymouth Place), Revenue Bonds (Series 2005A), 6.000%, 05/15/2025	771,277
625,000	Illinois Finance Authority, (Landing at Plymouth Place), Revenue Bonds (Series 2005A), 6.000%, 05/15/2037	509,869
	TOTAL	6,499,797
	Indiana - 0.7%	
2,500,000	Indiana Health & Educational Facility Financing Authority, (Baptist Homes of Indiana), Revenue Bonds (Series 2005), 5.250%, 11/15/2035	2,302,775
2,500,000	St. Joseph County, IN Hospital Authority, (Madison Center Obligated Group), Health Facilities Revenue Bonds (Series 2005), 5.375%, 02/15/2034	1,386,750
	TOTAL	3,689,525
	Iowa - 0.3%	
2,035,000	Iowa Finance Authority, (Deerfield Retirement Community, Inc.), Senior Living Facility Revenue Refunding Bonds (Series 2007A), 5.500%, 11/15/2037	1,340,902
	Kansas - 0.5%	
2,605,000	Kansas State Development Finance Authority, (Adventist Health System/Sunbelt Obligated Group), Hospital Revenue Bonds (Series 2009D), 5.000%, 11/15/2029	2,675,960
	Louisiana - 0.2%	
1,000,000	St. John the Baptist Parish, LA, (Marathon Oil Corp.), Environmental Improvement Refunding Revenue Bonds (Series 1998), 5.350%, 12/01/2013	999,460
	Maryland - 0.3%	
925,000	Maryland State Economic Development Corp., (Ports America Chesapeake, Inc.), Revenue Bonds (Series B), 5.750%, 06/01/2035	945,998
500,000	Maryland State IDFA, (Our Lady of Good Counsel High School), EDRBs (Series 2005A), 6.000%, 05/01/2035	479,425
	TOTAL	1,425,423
	Massachusetts - 2.2%	
5,000,000	Massachusetts Bay Transportation Authority General Transportation System, Assessment Bonds (Series 2008A), 5.250%, 07/01/2034	5,374,800
2,600,000	Massachusetts Department of Transportation, Metropolitan Highway System Revenue Bonds (Series 2010B), 5.000%, 01/01/2032	2,653,222
3,195,000	Massachusetts HEFA, (Northeastern University), Revenue Bonds (Series 2010A), 5.000%, 10/01/2025	3,375,933
	TOTAL	11,403,955
	Michigan - 1.0%	
4,370,000	Detroit, MI, UT GO Bonds (Series 2008-A), 5.000%, (Assured Guaranty Corp. INS), 04/01/2024	4,255,244
1,000,000	Michigan State Hospital Finance Authority, (Oakwood Obligated Group), Revenue Bonds, 5.500%, 11/01/2013	1,077,640
	TOTAL	5,332,884
	Missouri - 0.7%	
1,500,000	Missouri Development Finance Board, (Branson, MO), Infrastructure Facilities Revenue Bonds (Series 2004A), 5.250%, 12/01/2019	1,534,005
2,000,000	Missouri State HEFA, (BJC Health System, MO), Health Facilities Revenue Bonds, 5.250%, 05/15/2018	2,148,200
	TOTAL	3,682,205
	Nevada - 1.3%	
3,585,000	Clark County, NV School District, LT GO School Bonds (2007C), 5.000%, 06/15/2025	3,741,270
495,000	Clark County, NV, (Summerlin-Mesa SID No. 151), Special Assessment Revenue Bonds (Series 2005), 5.000%, 08/01/2025	340,144

Principal Amount or Shares		Value
2,000,000	Clark County, NV, IDRBs (Series 2003C), 5.45% TOBs (Southwest Gas Corp.), Mandatory Tender 3/1/2013	2,094,300
245,000	Henderson, NV, (Falls at Lake Las Vegas LID No. T-16), LID No. T-16 LT Obligation Improvement Bonds, 5.100%, 03/01/2022	123,823
580,000	Henderson, NV, (Falls at Lake Las Vegas LID No. T-16), LID No. T-16 LT Obligation Improvement Bonds, 5.125%, 03/01/2025	293,167
	TOTAL	6,592,704
	New Jersey - 0.9%	
1,000,000	New Jersey EDA, (Winchester Gardens at Ward Homestead), First Mortgage Refunding Revenue Bonds (Series 2004A), 4.800%, 11/01/2013	1,035,740
3,050,000	Tobacco Settlement Financing Corp., NJ, Revenue Bonds, 7.000%, (United States Treasury PRF 6/1/2013@100), 06/01/2041	3,589,027
	TOTAL	4,624,767
	New Mexico - 0.5%	
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	2,170,120
500,000	(4)(5)Jicarilla, NM Apache Nation, Revenue Bonds, 5.500%, 09/01/2023	524,865
	TOTAL	2,694,985
	New York - 5.4%	
200,000	Long Island Power Authority, NY, Electric System Revenue Bonds (Series C), 5.000%, 09/01/2022	206,068
4,000,000	(3)New York City, NY IDA, (Yankee Stadium LLC), CPI PILOT Revenue Bonds (Series 2006), (FGIC INS), 3.134%, 03/01/2021	3,007,880
665,000	New York City, NY Municipal Water Finance Authority, Water & Sewer System Revenue Bonds (Series 2009A), 5.750%, 06/15/2040	749,435
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	5,373,050
2,000,000	New York City, NY Transitional Finance Authority, Building Aid Revenue Bonds (Series 2009 S-5), 5.000%, 01/15/2031	2,068,800
920,000	New York City, NY Transitional Finance Authority, Future Tax Secured Bonds (2003 Series C), 5.250%, (United States Treasury PRF 8/1/2012@100), 08/01/2022	1,011,236
2,215,000	New York City, NY, UT GO Bonds (Fiscal 2006 Series E-1), 5.000%, 08/01/2023	2,373,439
5,000,000	New York City, NY, UT GO Bonds (Series 2009E-1), 5.250%, 10/15/2017	5,796,600
500,000	Tobacco Settlement Financing Corp., NY, (New York State), Asset-Backed Revenue Bonds (Series 2003A-1), 5.500%, 06/01/2018	531,255
900,000	Tobacco Settlement Financing Corp., NY, (New York State), Revenue Bonds (Series 2003C-1), 5.500%, 06/01/2018	959,859
500,000	Tobacco Settlement Financing Corp., NY, (New York State), Revenue Bonds (Series 2003C-1), 5.500%, 06/01/2022	539,485
5,000,000	Triborough Bridge & Tunnel Authority, NY, General Revenue Bonds (Series 2009A-2), 5.000%, 11/15/2029	5,348,950
	TOTAL	27,966,057
	North Carolina - 2.9%	
6,500,000	Johnston Memorial Hospital Authority, NC, (Johnston Memorial Hospital), FHA Insured Mortgage Revenue Bonds (Series 2008), 5.250%, (Assured Guaranty Municipal Corp. INS), 10/01/2024	6,916,260
2,750,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds (Series 2009C), 5.000%, 01/01/2026	2,869,955
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	993,460
2,000,000	North Carolina Medical Care Commission, (Pennybyrn at Maryfield), Healthcare Facilities Revenue Bonds (Series 2005A), 5.650%, 10/01/2025	1,674,060
625,000	North Carolina Municipal Power Agency No. 1, Electric Revenue Refunding Bonds (Series 2009A), 5.000%, 01/01/2030	640,663
1,535,000	North Carolina Municipal Power Agency No. 1, Revenue Bonds (Series 2008C), 5.250%, 01/01/2020	1,709,836
	TOTAL	14,804,234
	Ohio - 1.9%	
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	3,137,337

Principal Amount or Shares		Value
1,680,000	Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Bonds (Series 2007A), 6.500%, 06/01/2047	1,318,061
2,545,000	Ohio State Air Quality Development Authority, (FirstEnergy Solutions Corp.), Revenue Bonds (Series 2009A), 5.700%, 08/01/2020	2,724,219
1,000,000	Ohio State Higher Educational Facility Commission, (Mount Union College), Revenue Bonds, 5.250%, 10/01/2026	1,040,960
715,000	Ohio State Higher Educational Facility Commission, (Summa Health System), Hospital Facilities Revenue Bonds (Series 2010), 5.750%, 11/15/2040	700,864
375,000	Toledo-Lucas County, OH Port Authority, (Crocker Park Public Improvement Project), Special Assessment Revenue Bonds, 5.250%, 12/01/2023	349,965
400,000	Toledo-Lucas County, OH Port Authority, (CSX Corp.), Revenue Bonds, 6.450%, 12/15/2021	456,124
	TOTAL	9,727,530
	Pennsylvania - 3.6%	
300,000	Allegheny County, PA Higher Education Building Authority, (Chatham College), Revenue Bonds (Series 2002B), 5.250%, 11/15/2016	300,366
1,300,000	Allegheny County, PA IDA, (United States Steel Corp.), Environmental Improvement Refunding Revenue Bonds (Series 2005), 5.500%, 11/01/2016	1,316,523
1,000,000	Allegheny County, PA IDA, (United States Steel Corp.), Environmental Improvement Revenue Refunding Bonds (Series 2009), 6.500%, 05/01/2017	1,067,860
4,120,000	Montgomery County, PA Higher Education & Health Authority Hospital, (Dickinson College), Revenue Bonds (Series 2006FF1), 5.000%, (CIFG Assurance NA INS), 05/01/2028	4,237,214
1,000,000	Northampton County, PA General Purpose Authority, (St. Lukes Hospital of Bethlehem), Hospital Revenue Bonds (Series 2008A), 5.250%, 08/15/2024	1,015,800
2,500,000	Northampton County, PA General Purpose Authority, (St. Lukes Hospital of Bethlehem), Hospital Revenue Bonds (Series 2008A), 5.500%, 08/15/2035	2,489,700
250,000	Pennsylvania State Higher Education Facilities Authority, (Dickinson College), Revenue Bonds (Series 2003AA1), 5.000%, (Radian Asset Assurance, Inc. INS), 11/01/2026	251,202
500,000	Pennsylvania State Higher Education Facilities Authority, (Messiah College), Revenue Bonds (Series AA), 5.500%, (Radian Asset Assurance, Inc. INS), 11/01/2022	507,405
3,000,000	Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.500%, 12/01/2041	3,162,150
500,000	Philadelphia Authority for Industrial Development, (PresbyHomes Germantown/Morrisville), Senior Living Revenue Bonds (Series 2005A), 5.625%, 07/01/2035	422,985
4,000,000	Philadelphia, PA Water & Wastewater System, Water and Wastewater Revenue Bonds (Series 2009A), 5.250%, 01/01/2032	4,178,400
	TOTAL	18,949,605
	Puerto Rico - 0.6%	
3,000,000	Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue Bonds (First Subordinate Series 2009A), 6.000%, 08/01/2042	3,180,810
	South Carolina - 1.1%	
2,200,000	Georgetown County, SC Environmental Improvements, (International Paper Co.), Refunding Revenue Bonds, 5.700%, 04/01/2014	2,371,996
725,000	Lancaster County, SC, (Sun City Carolina Lakes Improvement District), Assessment Revenue Bonds (Series 2006), 5.450%, 12/01/2037	572,634
2,500,000	South Carolina State Public Service Authority (Santee Cooper), Revenue Obligations (Series 2008A), 5.500%, 01/01/2038	2,715,475
	TOTAL	5,660,105
	South Dakota - 0.8%	
4,020,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.500%, 06/01/2032	4,008,101
	Texas - 7.4%	
1,545,000	Bexar County, HFDC., (Army Retirement Residence Foundation), Refunding Revenue Bonds (Series 2007), 5.000%, 07/01/2033	1,351,860
5,000,000	Dallas, TX Area Rapid Transit, Senior Lien Sales Tax Revenue Bonds, 5.250%, 12/01/2038	5,346,950
1,000,000	Decatur, TX Hospital Authority, (Wise Regional Health System), Hospital Revenue Bonds (Series 2004A), 7.125%, 09/01/2034	1,002,990
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	3,989,368

Principal Amount or Shares		Value
1,000,000	Harris County, TX, Refunding Sr. Lien Toll Road Revenue Bonds, 5.000%, (National Public Finance Guarantee Corporation INS), 08/15/2027	1,054,790
1,250,000	Houston, TX Airport System, Senior Lien Revenue & Refunding Bonds (Series 2009A), 5.000%, 07/01/2019	1,406,812
7,025,000	LaVernia, TX ISD, Refunding School Building UT GO Bonds, 5.000%, (GTD by PSFG), 08/15/2037	7,298,483
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	2,135,320
1,000,000	Lower Colorado River Authority, TX, (LCRA Transmission Services Corp.), Refunding Revenue Bonds (Series 2008), 5.750%, 05/15/2023	1,081,500
1,000,000	Lower Colorado River Authority, TX, Transmission Contract Refunding Revenue Bonds (Series 2003C), 5.250%, (AMBAC INS), 05/15/2018	1,085,690
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	515,840
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	527,935
250,000	Sabine River Authority, TX, (Texas Competitive Electric Holdings Co. LLC), PCR Refunding Bonds (Series 2003B), 6.150%, 08/01/2022	135,190
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	1,685,920
3,880,000	Texas State Department of Housing & Community Affairs, Residential Mortgage Revenue Bonds (Series 2009A), 5.300%, 07/01/2034	3,999,116
5,675,000	Texas State, Water Financial Assistance UT GO Bonds (Series 2004C&D), 5.000%, 08/01/2027	5,947,854
	TOTAL	38,565,618
	Virginia - 1.2%	
4,485,000	Tobacco Settlement Financing Corp., VA, Revenue Bonds, 5.625%, (United States Agency PRF 6/1/2015@100), 06/01/2037	5,295,619
1,170,000	Virginia Peninsula Port Authority, (Brinks Co. (The)), Coal Terminal Revenue Refunding Bonds (Series 2003), 6.000%, 04/01/2033	1,198,232
	TOTAL	6,493,851
	Washington - 2.2%	
1,160,000	Energy Northwest, WA, Wind Project Revenue Bonds, 5.000%, (AMBAC INS), 07/01/2023	1,178,537
3,650,000	Port of Tacoma, WA, LT GO Bonds (Series 2008A), 5.000%, (Assured Guaranty Municipal Corp. INS), 12/01/2030	3,822,316
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	1,055,290
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	5,387,150
	TOTAL	11,443,293
	West Virginia - 0.7%	
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	882,380
2,900,000	Pleasants County, WV County Commission, (Allegheny Energy Supply Company LLC), PCR Revenue Refunding Bonds (Series 2007F), 5.250%, 10/15/2037	2,829,936
	TOTAL	3,712,316
	Wisconsin - 2.5%	
2,265,000	Badger, WI Tobacco Asset Securitization Corp., Asset-Backed Revenue Bonds, 6.125%, (United States Treasury and Agency PRF), 06/01/2027	2,442,101
4,665,000	Wisconsin State General Fund Appropriation, (Wisconsin State), Revenue Bonds (Series 2009A), 5.750%, 05/01/2033	5,064,697
5,000,000	Wisconsin State, UT GO Bonds (Series 2003C), 5.000%, 05/01/2024	5,267,350
	TOTAL	12,774,148
	Wyoming - 0.6%	
2,800,000	Sweetwater County, WY PCRB, (Idaho Power Co.), PCR Refunding Bonds (Series 2006), 5.250%, 07/15/2026	2,960,104
	TOTAL MUNICIPAL BONDS	299,773,968

Principal Amount or Shares		Value
	SHORT-TERM MUNICIPALS - 4.5%(6)	
	Florida - 0.9%	
4,485,000	Pinellas County, FL Health Facility Authority, (Series 2004) Daily VRDNs (Bayfront Obligated Group), (SunTrust Bank LOC), 0.270%, 7/1/2010	4,485,000
	Michigan - 0.6%	
2,000,000	St. Joseph, MI Hospital Finance Authority, (Series 2006) Weekly VRDNs (Lakeland Hospitals at Niles & St. Joseph Obligated Group), (Assured Guaranty Municipal Corp. INS, JPMorgan Chase Bank, N.A. LIQ), 0.350%, 7/1/2010	2,000,000
1,000,000	Michigan Strategic Fund, (Series 2007) Weekly VRDNs (Diocese of Grand Rapids), (Fifth Third Bank, Cincinnati LOC), 0.550%, 7/2/2010	1,000,000
	TOTAL	3,000,000
	New York - 0.8%	
1,950,000	New York City, NY Transitional Finance Authority, New York City Recovery Bonds (2003 Subseries 1-D) Daily VRDNs, (GTD by Landesbank Hessen-Thuringen LIQ), 0.130%, 7/1/2010	1,950,000
2,100,000	New York City, NY Municipal Water Finance Authority, (Senior Revenue Bonds) (Fiscal 2008 Series B-3) Daily VRDNs, (Bank of America N.A. LIQ), 0.160%, 7/1/2010	2,100,000
	TOTAL	4,050,000
	Pennsylvania - 2.2%	
5,150,000	Philadelphia, PA Authority for Industrial Development, (Series 2007A) Daily VRDNs (Fox Chase Cancer Center), (Citizens Bank of Pennsylvania LOC), 0.400%, 7/1/2010	5,150,000
2,500,000	Pennsylvania State Higher Education Facilities Authority, (Series 2007B) Weekly VRDNs (La Salle University), (Citizens Bank of Pennsylvania LOC), 0.370%, 7/7/2010	2,500,000
4,095,000	Lehigh County, PA General Purpose Authority, (Series C of 2008) Daily VRDNs (Lehigh Valley Health Network), (Bank of America N.A. LOC), 0.190%, 7/1/2010	4,095,000
	TOTAL	11,745,000
	TOTAL SHORT-TERM MUNICIPALS	23,280,000
	PURCHASED PUT OPTIONS - 0.1%	
17,500,000	STST EUR PUT/USD CALL Strike Price \$1.191, Expiration Date 11/22/2010	442,750
8,400,000	STST GBP PUT/USD CALL Strike Price \$1.367, Expiration Date 11/22/2010	78,792
	TOTAL PURCHASED PUT OPTIONS	521,542
	TOTAL INVESTMENTS	\$514,444,286

At June 30, 2010, the Fund had the following outstanding written call option contracts:

Security	Expiration Date	Exercise Price	Contracts	Value
GBP CALL/USD PUT	November 2010	\$1.512	8,400,000	\$ (228,060)
EUR CALL/USD PUT	November 2010	\$1.316	17,500,000	\$ (186,375)
(PREMIUMS RECEIVED \$574,344)				\$ (414,435)

- (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 variable rate and floating rate obligations for which the current rate is shown.
- (4) 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 June 30, 2010, these restricted securities amounted to \$524,865, which represented 0.1% of total net assets.
- (5) 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 June 30, 2010, these liquid restricted securities amounted to \$524,865, which represented 0.1% of total net assets.
- (6) 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 (\$518,997,346) at the close of business on June 30, 2010, 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
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
LLC	--Limited Liability Corporation
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
SID	--Special Improvement District
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 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) 6/30/2010