

Federated

WORLD-CLASS INVESTMENT MANAGER[®]



AUTOMATED CASH MANAGEMENT TRUST

A Portfolio of Money Market Obligations Trust

SEMI-ANNUAL SHAREHOLDER REPORT

January 31, 2009

Institutional Service Shares

Cash II Shares

Class K Shares

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Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee

FINANCIAL HIGHLIGHTS— INSTITUTIONAL SERVICE SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2009	Year Ended July 31,				
		2008	2007	2006	2005 ¹	2004
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income From Investment Operations:						
Net investment income	0.011	0.036	0.047	0.038	0.018	0.005
Less Distributions:						
Distributions from net investment income	(0.011)	(0.036)	(0.047)	(0.038)	(0.018)	(0.005)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return²	1.07%	3.68%	4.84%	3.88%	1.80%	0.54%

Ratios to Average Net Assets:

Net expenses	0.69% ³	0.65%	0.65%	0.64%	0.64%	0.64%
Net investment income	2.11% ³	3.53%	4.73%	3.85%	1.77%	0.54%
Expense waiver/reimbursement ⁴	0.29% ³	0.29%	0.29%	0.29%	0.28%	0.28%

Supplemental Data:

Net assets, end of period (000 omitted)	\$3,080,362	\$3,593,373	\$2,777,935	\$2,096,218	\$1,683,914	\$1,832,151
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- 1 Beginning with the year ended July 31, 2005, the Fund was audited by Ernst & Young LLP. The previous year was audited by another independent registered public accounting firm.
- 2 Based on net asset value. Total returns for periods of less than one year are not annualized.
- 3 Computed on an annualized basis.
- 4 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS—CASH II SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2009	Year Ended July 31,				
		2008	2007	2006	2005 ¹	2004
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income From Investment Operations:						
Net investment income	0.010	0.035	0.046	0.036	0.016	0.004
Less Distributions:						
Distributions from net investment income	(0.010)	(0.035)	(0.046)	(0.036)	(0.016)	(0.004)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return²	0.99%	3.51%	4.67%	3.71%	1.63%	0.37%

Ratios to Average Net Assets:

Net expenses	0.85% ³	0.81%	0.81%	0.81%	0.81%	0.81%
Net investment income	1.95% ³	3.31%	4.57%	3.51%	1.60%	0.37%
Expense waiver/reimbursement ⁴	0.38% ³	0.37%	0.34%	0.37%	0.36%	0.36%

Supplemental Data:

Net assets, end of period (000 omitted)	\$525,016	\$535,330	\$329,066	\$441,444	\$688,969	\$585,275
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- 1 Beginning with the year ended July 31, 2005, the Fund was audited by Ernst & Young LLP. The previous year was audited by another independent registered public accounting firm.
- 2 Based on net asset value. Total returns for periods of less than one year are not annualized.
- 3 Computed on an annualized basis.
- 4 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

FINANCIAL HIGHLIGHTS—CLASS K SHARES

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 1/31/2009	Year Ended 7/31/2008	Period Ended 7/31/2007 ¹
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00
Income From Investment Operations:			
Net investment income	0.008	0.031	0.036
Less Distributions:			
Distributions from net investment income	(0.008)	(0.031)	(0.036)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00
Total Return²	0.82%	3.16%	3.61%
Ratios to Average Net Assets:			
Net expenses	1.20% ³	1.15%	1.15% ³
Net investment income	1.55% ³	2.53%	4.23% ³
Expense waiver/reimbursement ⁴	0.22% ³	0.22%	0.23% ³
Supplemental Data:			
Net assets, end of period (000 omitted)	\$44,372	\$19,167	\$1,384

¹ Reflects operations for the period from September 29, 2006 (start of performance) to July 31, 2007.

² Based on net asset value. Total returns for periods of less than one year are not annualized.

³ Computed on an annualized basis.

⁴ This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

SHAREHOLDER EXPENSE EXAMPLE (UNAUDITED)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or shareholder services fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from August 1, 2008 to January 31, 2009.

ACTUAL EXPENSES

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	Beginning Account Value 8/1/2008	Ending Account Value 1/31/2009	Expenses Paid During Period ¹
Actual:			
Institutional Service Shares	\$1,000	\$1,010.70	\$3.50
Cash II Shares	\$1,000	\$1,009.90	\$4.31
Class K Shares	\$1,000	\$1,008.20	\$6.07
Hypothetical (assuming a 5% return before expenses):			
Institutional Service Shares	\$1,000	\$1,021.73	\$3.52
Cash II Shares	\$1,000	\$1,020.92	\$4.33
Class K Shares	\$1,000	\$1,019.16	\$6.11

¹ Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Institutional Service Shares	0.69%
Cash II Shares	0.85%
Class K Shares	1.20%

PORTFOLIO OF INVESTMENTS SUMMARY TABLES (UNAUDITED)

At January 31, 2009, the Fund's portfolio composition¹ was as follows:

Security Type	Percentage of Total Net Assets
Commercial Paper and Notes	42.0%
Bank Instruments	30.7%
Variable Rate Demand Instruments	19.3%
Repurchase Agreement	7.7%
Other Assets and Liabilities - Net ²	0.3%
TOTAL	100.0%

At January 31, 2009, the Fund's effective maturity³ schedule was as follows:

Securities With an Effective Maturity of:	Percentage of Total Net Assets
1-7 Days	25.3% ⁴
8-30 Days	23.1%
31-90 Days	26.4%
91-180 Days	21.1%
181 Days or more	3.8%
Other Assets and Liabilities - Net ²	0.3%
TOTAL	100.0%

- ¹ See the Fund's Prospectus and Statement of Additional Information for more complete information regarding these security types. With respect to this table, commercial paper and notes includes any fixed-rate security that is not a bank instrument. A variable rate instrument is any security which has an interest rate that resets periodically.
- ² Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- ³ Effective maturity is determined in accordance with the requirements of Rule 2a-7 under the Investment Company Act of 1940, which regulates money market mutual funds.
- ⁴ Overnight securities comprised of 10.2% of the Fund's portfolio.

PORTFOLIO OF INVESTMENTS

January 31, 2009 (unaudited)

Principal Amount		Value
	ASSET-BACKED SECURITIES—0.6%	
	Finance - Automotive—0.5%	
\$ 8,818,291	Honda Auto Receivables Owner Trust 2008-2, Class A1, 3.135%, 12/21/2009	\$ 8,818,291
1,019,285	^{1,2} Huntington Auto Trust 2008-1, Class A1, 2.821%, 6/15/2009	1,019,285
4,253,985	Nissan Auto Receivables Owner Trust 2008-C, Class A1, 3.037%, 12/15/2009	4,253,985
4,129,069	Wachovia Auto Owner Trust 2008-A, Class A1, 2.931%, 6/22/2009	4,129,069
1,924,492	World Omni Automobile Receivables Trust 2008-B, Class A1, 2.998%, 8/17/2009	1,924,492
	TOTAL	20,145,122
	Finance - Equipment—0.1%	
3,798,330	CIT Equipment Collateral 2008-VT1, Class A1, 2.826%, 5/20/2009	3,798,330
	TOTAL ASSET-BACKED SECURITIES	23,943,452
	CERTIFICATES OF DEPOSIT—29.2%	
	Financial - Banking—29.2%	
25,000,000	Allied Irish Banks PLC, 2.500%, 2/24/2009	25,000,000
75,000,000	BNP Paribas, S.A., 0.700% - 1.000%, 4/20/2009 - 5/4/2009	75,000,000
30,000,000	Banco Santander, S.A., 2.900%, 5/22/2009	30,000,000
5,000,000	Bank of Montreal, 3.650%, 6/15/2009	5,000,000
145,000,000	Barclays Bank PLC, 1.950% - 3.700%, 2/24/2009 - 6/18/2009	145,000,000
80,000,000	Calyon, Paris, 0.800% - 3.150%, 3/9/2009 - 4/23/2009	80,000,000
85,000,000	Canadian Imperial Bank of Commerce, 2.550% - 3.150%, 2/11/2009 - 6/4/2009	85,000,000
25,000,000	Credit Agricole, S.A., 3.350%, 9/14/2009	25,000,000
100,000,000	Credit Suisse, Zurich, 1.250% - 2.650%, 5/20/2009 - 7/21/2009	100,000,000
25,000,000	Fifth Third Bank, Cincinnati, 3.200%, 2/23/2009	25,000,000
180,000,000	Lloyds TSB Bank PLC, London, 1.500% - 1.880%, 3/12/2009 - 7/7/2009	180,000,000
100,000,000	Mizuho Corporate Bank Ltd., 2.250% - 2.300%, 2/13/2009 - 3/9/2009	100,000,000
25,000,000	Royal Bank of Scotland PLC, Edinburgh, 3.140%, 3/12/2009	25,000,000
40,000,000	Societe Generale, Paris, 2.500%, 5/20/2009	40,000,000

Principal Amount		Value
	CERTIFICATES OF DEPOSIT—continued	
	Financial - Banking—continued	
\$ 30,000,000	SunTrust Bank, 3.170%, 2/24/2009	\$ 30,000,000
50,000,000	Svenska Handelsbanken, Stockholm, 2.100%, 3/10/2009	50,000,511
45,000,000	Toronto Dominion Bank, 1.170% - 2.500%, 6/2/2009 - 8/31/2009	45,000,000
	TOTAL CERTIFICATES OF DEPOSIT	1,065,000,511
	COLLATERALIZED LOAN AGREEMENTS—2.5%	
	Finance - Banking—2.5%	
40,000,000	BNP Paribas Securities Corp., 1.014%, 2/2/2009	40,000,000
50,000,000	Greenwich Capital Markets, Inc., 0.824%, 2/2/2009	50,000,000
	TOTAL COLLATERALIZED LOAN AGREEMENTS	90,000,000
	COMMERCIAL PAPER—37.7% ³	
	Finance - Automotive—1.3%	
48,000,000	FCAR Auto Loan Trust, (A1+/P1 Series), 2.516% - 3.633%, 4/6/2009 - 5/1/2009	47,699,039
	Finance - Banking—17.9%	
85,000,000	Banco Santander, S.A., 2.470% - 2.943%, 3/5/2009 - 5/18/2009	84,496,833
92,000,000	^{1,2} Bank of Ireland PLC, 2.313% - 3.161%, 2/6/2009 - 2/23/2009	91,899,461
13,500,000	Danske Bank A/S, 1.056%, 7/20/2009	13,433,456
81,000,000	^{1,2} Fountain Square Commercial Funding Corp., 2.769% - 3.023%, 2/5/2009 - 3/2/2009	80,952,451
50,000,000	^{1,2} Gotham Funding Corp., 0.300%, 2/9/2009	49,996,667
25,000,000	Greenwich Capital Holdings, Inc., (GTD by Royal Bank of Scotland PLC, Edinburgh), 3.151%, 2/20/2009	24,959,097
40,000,000	ING (U.S.) Funding LLC, 1.083%, 4/27/2009	39,898,000
52,300,000	^{1,2} Picaros Funding LLC, (GTD by KBC Bank NV), 2.516% - 2.775%, 2/17/2009 - 3/5/2009	52,238,822
40,000,000	Societe Generale North America, Inc., (GTD by Societe Generale, Paris), 0.651%, 4/20/2009	39,943,667
35,000,000	^{1,2} Surrey Funding Corporation, 0.550%, 2/27/2009	34,986,097
80,000,000	Toronto Dominion Holdings (USA), Inc., (GTD by Toronto Dominion Bank), 2.516%, 5/8/2009	79,469,867
60,000,000	^{1,2} Variable Funding Capital Corp., 0.250% - 0.550%, 2/9/2009 - 2/26/2009	59,985,243
	TOTAL	652,259,661

Principal Amount		Value
	COMMERCIAL PAPER—continued ³	
	Finance - Commercial—7.0%	
\$ 176,636,000	^{1,2} Fairway Finance Co. LLC, 0.350% - 1.606%, 2/6/2009 - 4/9/2009	\$ 176,538,421
30,000,000	General Electric Capital Services, 1.707%, 2/23/2009	29,968,833
50,000,000	^{1,2} Tulip Funding Corp., 0.400%, 2/13/2009	49,993,334
	TOTAL	256,500,588
	Finance - Retail—10.8%	
35,000,000	^{1,2} Alpine Securitization Corp., 0.370%, 4/13/2009	34,974,460
83,500,000	^{1,2} Amsterdam Funding Corp., 1.709%, 2/27/2009	83,397,481
139,352,000	^{1,2} Barton Capital LLC, 0.400% - 0.601%, 4/2/2009 - 6/2/2009	139,162,782
48,015,000	^{1,2} Enterprise Funding Co. LLC, 1.504%, 2/2/2009	48,012,999
25,000,000	^{1,2} Salisbury Receivables Company LLC, 2.213%, 2/6/2009	24,992,361
40,000,000	^{1,2} Sheffield Receivables Corp., 1.606%, 2/10/2009	39,984,000
25,000,000	^{1,2} Yorktown Capital LLC, 0.420%, 4/14/2009	24,979,000
	TOTAL	395,503,083
	Insurance—0.7%	
25,000,000	Aegon NV, 1.002%, 4/14/2009	24,950,000
	TOTAL COMMERCIAL PAPER	1,376,912,371
	CORPORATE NOTE—0.5%	
	Finance - Banking—0.5%	
20,000,000	Wells Fargo & Co., 3.552%, 5/1/2009	20,537,396
	GOVERNMENT AGENCY—0.7%	
	Government Agency—0.7%	
25,000,000	Federal Home Loan Bank System, 0.780%, 1/27/2010	25,000,000
	NOTES - VARIABLE—19.3% ⁴	
	Finance - Banking—14.1%	
130,000	American Concrete Pumping LLC, (Series 2004), (Regions Bank, Alabama LOC), 2.410%, 2/5/2009	130,000
9,770,000	American Municipal Power-Ohio, Inc., (Series 2008A), (Key Bank, N.A. LOC), 1.900%, 2/5/2009	9,770,000
7,620,000	American Municipal Power-Ohio, Inc., (Series 2008B), (Key Bank, N.A. LOC), 1.900%, 2/5/2009	7,620,000
20,000,000	Australia & New Zealand Banking Group, Melbourne, 2.409%, 3/10/2009	20,000,000
14,000,000	^{1,2} Australia & New Zealand Banking Group, Melbourne, 2.601%, 3/5/2009	14,000,000
25,000,000	^{1,2} Bank of Montreal, 0.936%, 2/5/2009	25,000,000

Principal Amount		Value
	NOTES - VARIABLE—continued ⁴	
	Finance - Banking—continued	
\$ 60,000,000	Bank of Montreal, 2.268% - 2.513%, 2/17/2009 - 3/18/2009	\$ 60,000,000
4,350,000	CNOS Building LLC, (U.S. Bank, N.A. LOC), 0.850%, 2/4/2009	4,350,000
20,000,000	¹ Calamos Global Dynamic Income Fund, (Wachovia Bank, N.A. LOC), 2.703%, 3/2/2009	20,000,000
8,235,000	California Statewide Communities Development Authority, (Series 2005-B), (Union Bank of California, N.A. LOC), 1.950%, 2/5/2009	8,235,000
40,000,000	Calyon, Paris, 2.414%, 3/11/2009	40,000,000
273,000	Capital One Funding Corp., (Series 1999-B), (JPMorgan Chase Bank, N.A. LOC), 1.050%, 2/5/2009	273,000
462,000	Capital One Funding Corp., (Series 1995-F), (JPMorgan Chase Bank, N.A. LOC), 1.350%, 2/5/2009	462,000
1,378,000	Capital One Funding Corp., (Series 1996-C), (JPMorgan Chase Bank, N.A. LOC), 1.350%, 2/5/2009	1,378,000
9,735,000	Chatham Capital Corp., (Series 2003), (Fifth Third Bank, Cincinnati LOC), 2.500%, 2/5/2009	9,735,000
18,120,000	Covington, KY Industrial Building Revenue Bonds, (Series 2005-A), (Wachovia Bank, N.A. LOC), 2.500%, 2/5/2009	18,120,000
15,000,000	Credit Agricole, S.A., 1.775%, 3/23/2009	15,000,000
7,190,000	Elsinore Properties LP, (Series 1998), (Fifth Third Bank, Cincinnati LOC), 3.350%, 2/5/2009	7,190,000
4,875,000	Grand Chute, WI, (U.S. Bank, N.A. LOC), 0.850%, 2/4/2009	4,875,000
4,265,000	Greene County Development Authority, Reynolds Lodge, LLC (Series 2000B), (U.S. Bank, N.A. LOC), 1.100%, 2/4/2009	4,265,000
4,435,000	H.C. Equities LP, (Wachovia Bank, N.A. LOC), 1.250%, 2/5/2009	4,435,000
4,600,000	Hamilton County Society for the Prevention of Cruelty to Animals, (Series 2008), (Fifth Third Bank, Cincinnati LOC), 2.500%, 2/5/2009	4,600,000
13,000,000	^{1,2} ING Bank NV, 1.716%, 3/26/2009	13,000,000
1,000,000	Infirmary Health Systems, Inc., (Regions Bank, Alabama LOC), 2.610%, 2/5/2009	1,000,000
5,000,000	^{1,2} Los Angeles, CA, MERLOTS (Series 2000 A) (H&H Theatre), (Wachovia Bank, N.A. LOC), 1.250%, 2/4/2009	5,000,000
10,000,000	Morgan Stanley, 0.586%, 2/3/2009	10,000,000
40,000,000	National Australia Bank Ltd., Melbourne, 2.423%, 3/6/2009	40,000,000
13,340,000	National Coney Island Financial LLC, (Series 2005-A), (Fifth Third Bank, Cincinnati LOC), 2.500%, 2/5/2009	13,340,000
6,000,000	New York State HFA, (Series 2008-B), (Landesbank Hessen-Thuringen LOC), 1.100%, 2/4/2009	6,000,000

Principal Amount		Value
	NOTES - VARIABLE—continued ⁴	
	Finance - Banking—continued	
\$ 13,210,000	Ogden City Redevelopment Agency, (Series 2005 C-1), (Bank of New York Mellon Corp. LOC), 1.700%, 2/3/2009	\$ 13,210,000
2,000,000	Precision Packaging LLC, (Series 1997), (Compass Bank, Birmingham LOC), 1.150%, 2/5/2009	2,000,000
35,000,000	Royal Bank of Scotland PLC, Edinburgh, 0.740% - 0.745%, 2/2/2009	35,000,000
2,600,000	South Pittsburg, TN IDB, Lodge Manufacturing Co. Project, (Series 1999), (SunTrust Bank LOC), 1.100%, 2/4/2009	2,600,000
30,000,000	Svenska Handelsbanken, Stockholm, 2.568%, 2/20/2009	30,000,000
10,000,000	^{1,2} Union Hamilton Special Purpose Funding LLC, 2005-2, (Series 2009-1), (Wells Fargo & Co. LOC), 0.603%, 2/23/2009	10,000,000
43,000,000	Wachovia Bank, N.A., 1.825%, 4/6/2009	43,000,000
12,900,000	West Memphis IDR, S-B Power Tool Project, (Series 2000 A), (JPMorgan Chase Bank, N.A. LOC), 1.050%, 2/5/2009	12,900,000
	TOTAL	516,488,000
	Electrical Equipment—0.4%	
14,260,172	Northwest Airlines, Inc., (GTD by General Electric Co.), 2.310%, 2/2/2009	14,260,173
	Finance - Commercial—0.7%	
25,000,000	General Electric Capital Corp., 0.446%, 2/9/2009	25,000,000
	Government Agency—0.4%	
280,000	Alabama HFA MFH, Turtle Lake Project (Series 2000-B), (FNMA LOC), 1.250%, 2/5/2009	280,000
10,000,000	Capital Trust Agency, FL, (FNMA LOC), 1.410%, 2/5/2009	10,000,000
3,005,000	Kentucky EDFA, Henderson County Health Care Corp., (FHLB of Cincinnati LOC), 3.130%, 2/5/2009	3,005,000
	TOTAL	13,285,000
	Insurance—2.9%	
5,000,000	Hartford Life Global Funding Trust, 0.363%, 2/17/2009	5,000,000
10,000,000	ING USA Annuity and Life Insurance Co., 2.739%, 3/10/2009	10,000,000
70,000,000	Monumental Life Insurance Co., 0.918% - 2.623%, 2/1/2009 - 3/1/2009	70,000,000
20,000,000	Security Life of Denver Insurance Co., 4.388%, 2/10/2009	20,000,000
	TOTAL	105,000,000

Principal Amount		Value
	NOTES - VARIABLE—continued ⁴	
	Oil & Oil Finance—0.8%	
\$ 30,000,000	BP Capital Markets PLC, (GTD by BP PLC), 2.284%, 3/11/2009	\$ 30,000,000
	TOTAL NOTES - VARIABLE	704,033,173
	TIME DEPOSIT—1.5%	
	Finance - Banking—1.5%	
55,000,000	Toronto Dominion Bank, 0.313%, 2/2/2009	55,000,000
	REPURCHASE AGREEMENT—7.7%	
280,102,000	Interest in \$4,500,000,000 joint repurchase agreement 0.29%, dated 1/30/2009 under which Goldman Sachs & Co. will repurchase securities provided as collateral for \$4,500,108,750 on 2/2/2009. The securities provided as collateral at the end of the period were U.S. Government Agency securities with various maturities to 10/1/2048 and the market value of those underlying securities was \$4,590,119,101.	280,102,000
	TOTAL INVESTMENTS—99.7% (AT AMORTIZED COST)⁵	3,640,528,903
	OTHER ASSETS AND LIABILITIES - NET—0.3%⁶	9,221,964
	TOTAL NET ASSETS—100%	\$ 3,649,750,867

- 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 January 31, 2009, these restricted securities amounted to \$1,080,112,864, which represented 29.6% 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 Trustees (the "Trustees"). At January 31, 2009, these liquid restricted securities amounted to \$1,060,112,864, which represented 29.0% of total net assets.
- 3 Discount rate at time of purchase for discount issues, or the coupon for interest-bearing issues.
- 4 Floating rate notes with current rate and next reset date shown.
- 5 Also represents cost for federal tax purposes.
- 6 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at January 31, 2009.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

- Level 1—quoted prices in active markets for identical securities
- Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of January 31, 2009, in valuing the Fund's assets carried at fair value:

Valuation Inputs	Investments in Securities
Level 1—Quoted Prices and Investments in Mutual Funds	\$ —
Level 2—Other Significant Observable Inputs	3,640,528,903
Level 3—Significant Unobservable Inputs	—
TOTAL	\$3,640,528,903

The following acronyms are used throughout this portfolio:

EDFA	—Economic Development Financing Authority
FHLB	—Federal Home Loan Bank
FNMA	—Federal National Mortgage Association
GTD	—Guaranteed
HFA	—Housing Finance Authority
IDB	—Industrial Development Bond
IDRB	—Industrial Development Revenue Bond
LOC	—Letter of Credit
MERLOTS	—Municipal Exempt Receipts - Liquidity Optional Tender Series
MFH	—Multi-Family Housing

See Notes which are an integral part of the Financial Statements

STATEMENT OF ASSETS AND LIABILITIES

January 31, 2009 (unaudited)

Assets:	
Total investments in securities, at amortized cost and value	\$3,640,528,903
Income receivable	7,749,696
Receivable for shares sold	7,004,367
TOTAL ASSETS	3,655,282,966
Liabilities:	
Payable for shares redeemed	\$4,043,637
Income distribution payable	201,745
Bank overdraft	279,008
Payable for Directors'/Trustees' fees	585
Payable for distribution services fee (Note 4)	86,479
Payable for shareholder services fee (Note 4)	762,179
Accrued expenses	158,466
TOTAL LIABILITIES	5,532,099
Net assets for 3,649,741,052 shares outstanding	\$3,649,750,867
Net Assets Consist of:	
Paid-in capital	\$3,649,751,928
Distributions in excess of net investment income	(1,061)
TOTAL NET ASSETS	\$3,649,750,867
Net Asset Value, Offering Price and Redemption Proceeds Per Share	
Institutional Service Shares:	
\$3,080,362,389 ÷ 3,080,305,969 shares outstanding, no par value, unlimited shares authorized	\$1.00
Cash II Shares:	
\$525,016,123 ÷ 525,060,134 shares outstanding, no par value, unlimited shares authorized	\$1.00
Class K Shares:	
\$44,372,355 ÷ 44,374,949 shares outstanding, no par value, unlimited shares authorized	\$1.00

See Notes which are an integral part of the Financial Statements

STATEMENT OF OPERATIONS

Six Months Ended January 31, 2009 (unaudited)

Investment Income:	
Interest	\$54,115,828
Expenses:	
Investment adviser fee (Note 4)	\$ 9,668,167
Administrative personnel and services fee (Note 4)	1,509,583
Custodian fees	85,001
Transfer and dividend disbursing agent fees and expenses— Institutional Service Shares	1,660,930
Transfer and dividend disbursing agent fees and expenses— Cash II Shares	259,795
Transfer and dividend disbursing agent fees and expenses— Class K Shares	40,445
Directors'/Trustees' fees	16,542
Auditing fees	9,982
Legal fees	4,428
Portfolio accounting fees	94,730
Distribution services fee—Cash II Shares (Note 4)	641,525
Distribution services fee—Class K Shares (Note 4)	73,681
Shareholder services fee—Institutional Service Shares (Note 4)	4,022,187
Shareholder services fee—Cash II Shares (Note 4)	587,932
Account administration fee—Institutional Service Shares	117,220
Account administration fee—Cash II Shares	53,593
Share registration costs	56,223
Printing and postage	140,025
Insurance premiums	7,401
Miscellaneous	564,170
TOTAL EXPENSES	19,613,560
Waivers and Reimbursements (Note 4):	
Waiver of investment adviser fee	\$(4,118,846)
Waiver of administrative personnel and services fee	(38,088)
Waiver of distribution services fee—Cash II Shares	(230,949)
Reimbursement of transfer and dividend disbursing agent fees and expenses—Institutional Service Shares	(1,271,427)
Reimbursement of transfer and dividend disbursing agent fees and expenses—Cash II Shares	(199,382)
TOTAL WAIVERS AND REIMBURSEMENTS	(5,858,692)
Net expenses	13,754,868
Net investment income	\$40,360,960

See Notes which are an integral part of the Financial Statements

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended (unaudited) 1/31/2009	Year Ended 7/31/2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 40,360,960	\$ 133,610,522
Distributions to Shareholders:		
Distributions from net investment income		
Institutional Service Shares	(35,112,309)	(117,996,286)
Cash II Shares	(5,005,612)	(15,420,000)
Class K Shares	(228,911)	(203,379)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(40,346,832)	(133,619,665)
Share Transactions:		
Proceeds from sale of shares	4,867,856,570	10,062,385,683
Net asset value of shares issued to shareholders in payment of distributions declared	38,557,393	128,717,402
Cost of shares redeemed	(5,404,547,479)	(9,151,608,602)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(498,133,516)	1,039,494,483
Change in net assets	(498,119,388)	1,039,485,340
Net Assets:		
Beginning of period	4,147,870,255	3,108,384,915
End of period (including distributions in excess of net investment income of \$(1,061) and \$(15,189), respectively)	\$ 3,649,750,867	\$ 4,147,870,255

See Notes which are an integral part of the Financial Statements

NOTES TO FINANCIAL STATEMENTS

January 31, 2009 (unaudited)

1. ORGANIZATION

Money Market Obligations Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of 39 portfolios. The financial statements included herein are only those of Automated Cash Management Trust (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers three classes of shares: Institutional Service Shares, Cash II Shares and Class K Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is to provide stability of principal and current income consistent with stability of principal.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

Investment Valuation

Securities are valued at amortized cost. Under the amortized cost valuation method, an investment is valued initially at its cost as determined in accordance with GAAP. The Fund then adjusts the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate market value, the fair value of the portfolio securities will be determined under procedures established by and under the general supervision of the Board of Trustees.

Repurchase Agreements

It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund's custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a "securities entitlement" and exercises "control" as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

With respect to agreements to repurchase U.S. government securities and cash items, the Fund treats the repurchase agreement as an investment in the underlying securities and not as an obligation of the other party to the repurchase agreement. Other repurchase agreements are treated as obligations of the other party secured by the underlying securities. Nevertheless, the insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income are declared daily and paid monthly. Investment income and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that each class may bear distribution services fees, shareholder services fees, account administration fees and certain transfer and dividend disbursing agent fees unique to those classes. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses.

Premium and Discount Amortization

All premiums and discounts are amortized/accreted.

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. The Fund complies with the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes." As of and during the six months ended January 31, 2009, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of January 31, 2009, tax years 2005 through 2008 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

When-Issued and Delayed Delivery Transactions

The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Restricted Securities

Restricted securities are securities 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) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. Restricted securities are valued at amortized cost in accordance with Rule 2a-7 under the Act.

Additional information on restricted securities, excluding securities purchased under Rule 144A, if applicable, that have been deemed liquid by the Trustees, held at January 31, 2009, is as follows:

Security	Acquisition Date	Acquisition Cost	Market Value
Calamos Global Dynamic Income Fund. (Wachovia Bank, N.A. LOC), 2.703%, 3/2/2009	12/1/2008	\$20,000,000	\$20,000,000

Temporary Guarantee Program

The Fund is participating in the Temporary Guarantee Program for Money Market Funds (the "Program") offered by the U.S. Treasury Department (the "Treasury"). The Fund's coverage under the Program is limited to investors who were shareholders of the Fund as of the close of business on September 19, 2008 (Eligible Shareholders) up to the Eligible Shareholder's investment balance as of September 19, 2008 (Eligible Holdings). As the Program is currently structured, if a shareholder was not a shareholder in the Fund on September 19th and subsequently purchases shares of the Fund, such shareholder generally will not be an Eligible Shareholder of the Fund. Fund shares acquired by an Eligible Shareholder after September 19, 2008 generally are not eligible for coverage under the Program to the extent that an Eligible Shareholder's balance in that Fund exceeds the amount of the Eligible Shareholder's Eligible Holdings. The Treasury's obligation under the Program is triggered only if the Fund's net asset value (NAV) per share falls below \$0.995, and remains below \$0.995 until the Fund is liquidated. Pursuant to the Guarantee Agreement that a Fund was required to enter into in order to participate in the Program, a Fund generally is required to liquidate within 30 days of the date on which its NAV fell below \$0.995. The Treasury will make payments under the Program after the Fund has liquidated and otherwise complied with various technical requirements imposed by the Treasury. The distribution of liquidation proceeds to shareholders would be delayed beyond the normal period for payment of proceeds on a normal redemption of shares. The Program would cover Eligible Shareholders in the amount necessary to bring the NAV of their holdings (to a maximum based on their Eligible Holdings) up to \$1.00 per share. As of the date of this Report, the Program has approximately \$50 billion available to support all participating money market funds. For the initial three months of the Program, which expired on December 18, 2008, the fee incurred by the Fund was 0.01% of the amount of its net assets as of September 19, 2008. For the period December 19, 2008 to April 30, 2009, the fee incurred by the Fund will be 0.015% of the amount of its net assets as of September 19, 2008 (accordingly, the Fund's gross expenses will increase by these amounts). This 0.01% fee for the initial three months of the Program and 0.015% for the period December 19, 2008 to April 30, 2009 would equate to approximately 0.04% of Fund expenses on an annualized basis, which amount may vary depending upon asset levels. This fee is

recognized ratably over the period of participation in the Program and is included in miscellaneous expenses on the Fund's Statement of Operations. Given that asset levels may vary, the yield impact of these fees may vary over time. The Treasury, at their sole discretion, may extend the Program to no later than September 18, 2009. If the Program is extended beyond April 30, 2009, continued participation will require payment of additional fees, which may be more or less than those imposed in the prior periods. It is currently anticipated that the Fund will continue to participate if the Program is extended; however, there is no assurance that the Fund will do so.

Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimated.

3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

Institutional Service Shares:	Six Months Ended 1/31/2009		Year Ended 7/31/2008	
	Shares	Amount	Shares	Amount
Shares sold	4,143,393,902	\$ 4,143,393,902	8,495,829,708	\$ 8,495,829,708
Shares issued to shareholders in payment of distributions declared	33,677,396	33,677,396	113,518,050	113,518,050
Shares redeemed	(4,690,105,211)	(4,690,105,211)	(7,793,894,295)	(7,793,894,295)
NET CHANGE RESULTING FROM INSTITUTIONAL SERVICE SHARE TRANSACTIONS	(513,033,913)	\$ (513,033,913)	815,453,463	\$ 815,453,463

Cash II Shares:	Six Months Ended 1/31/2009		Year Ended 7/31/2008	
	Shares	Amount	Shares	Amount
Shares sold	677,031,995	\$ 677,031,995	1,518,910,584	\$ 1,518,910,584
Shares issued to shareholders in payment of distributions declared	4,651,278	4,651,278	14,996,874	14,996,874
Shares redeemed	(691,988,538)	(691,988,538)	(1,327,651,580)	(1,327,651,580)
NET CHANGE RESULTING FROM CASH II SHARE TRANSACTIONS	(10,305,265)	\$ (10,305,265)	206,255,878	\$ 206,255,878

Class K Shares:	Six Months Ended 1/31/2009		Year Ended 7/31/2008	
	Shares	Amount	Shares	Amount
Shares sold	47,430,673	\$ 47,430,673	47,645,391	\$ 47,645,391
Shares issued to shareholders in payment of distributions declared	228,719	228,719	202,478	202,478
Shares redeemed	(22,453,730)	(22,453,730)	(30,062,727)	(30,062,727)
NET CHANGE RESULTING FROM CLASS K SHARE TRANSACTIONS	25,205,662	\$ 25,205,662	17,785,142	\$ 17,785,142
NET CHANGE RESULTING FROM SHARE TRANSACTIONS	(498,133,516)	\$ (498,133,516)	1,039,494,483	\$ 1,039,494,483

4. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

Federated Investment Management Company is the Fund's investment adviser (the "Adviser"). The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.50% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive any portion of its fee. The Adviser can modify or terminate this voluntary waiver at any time at its sole discretion. For the six months ended January 31, 2009, the Adviser voluntarily waived \$4,118,846 of its fee. In addition, an affiliate of the Adviser reimbursed \$1,470,809 of transfer and dividend disbursing agent fees and expenses.

Administrative Fee

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

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

The administrative fee received during any fiscal year shall be at least \$150,000 per portfolio and \$40,000 per each additional class of Shares. FAS may voluntarily choose to waive any portion of its fee. FAS can modify or terminate this voluntary waiver at any time at its sole discretion. For the six months ended January 31, 2009, the net fee paid to FAS was 0.076% of average daily net assets of the Fund. FAS waived \$38,088 of its fee.

Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Class II Shares and Class K Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

Share Class Name	Percentage of Average Daily Net Assets of Class
Cash II Shares	0.25%
Class K Shares	0.50%

FSC may voluntarily choose to waive any portion of its fee. FSC can modify or terminate this voluntary waiver at any time at its sole discretion. For the six months ended January 31, 2009, FSC voluntarily waived \$230,949 of its fee. When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended January 31, 2009, FSC did not retain any fees paid by the Fund.

Shareholder Services Fee

The Fund may pay fees (Service Fees) up to 0.25% of the average daily net assets of the Institutional Service Shares and Cash II Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Financial intermediaries may include a company affiliated with management of Federated Investors, Inc. A financial intermediary affiliated with management of Federated Investors, Inc. received \$66,926 of Service Fees for the six months ended January 31, 2009. FSSC may voluntarily reimburse the Fund for shareholder services fees. This voluntary reimbursement can be modified or terminated at any time. For the six months ended January 31, 2009, FSSC did not receive any fees paid by the Fund.

General

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of the above companies.

5. LINE OF CREDIT

The Fund participates in a \$100,000,000 unsecured, uncommitted revolving line of credit (LOC) agreement with PNC Bank. The LOC was made available for extraordinary or emergency purposes, primarily for financing redemption payments. Borrowings are charged interest at a rate of 0.65% over the federal funds rate. As of January 31, 2009, there were no outstanding loans. During the six months ended January 31, 2009, the Fund did not utilize the LOC.

6. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (SEC), the Fund, along with other funds advised by subsidiaries of Federated Investors, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the funds to borrow from other participating affiliated funds. As of January 31, 2009, there were no outstanding loans. During the six months ended January 31, 2009, the program was not utilized.

7. LEGAL PROCEEDINGS

Since October 2003, Federated Investors, Inc. and related entities (collectively, "Federated") and various Federated funds ("Federated Funds") have been named as defendants in several class action lawsuits now pending in the United States District Court for the District of Maryland. The lawsuits were purportedly filed on behalf of people who purchased, owned and/or redeemed shares of Federated-sponsored mutual funds during specified periods beginning November 1, 1998. The suits are generally similar in alleging that Federated engaged in illegal and improper trading practices including market timing and late trading in concert with certain institutional traders, which allegedly caused financial injury to the mutual fund shareholders. These lawsuits began to be filed shortly after Federated's first public announcement that it had received requests for information on shareholder trading activities in the Federated Funds from the SEC, the Office of the New York State Attorney General ("NYAG") and other authorities. In that regard, on November 28, 2005, Federated announced that it had reached final settlements with the SEC and the NYAG with respect to those matters. As Federated previously reported in 2004, it has already paid approximately \$8.0 million to certain funds as determined by an independent consultant. As part of these settlements, Federated agreed to pay for the benefit of fund shareholders additional disgorgement and a civil money penalty in the aggregate amount of an additional \$72 million. Federated entities have also been named as defendants in several additional lawsuits that are now pending in the United States District Court for the Western District of Pennsylvania, alleging, among other things, excessive advisory and Rule 12b-1 fees. The Board of the Federated Funds retained the law firm of Dickstein Shapiro LLP to represent the Federated Funds in these lawsuits. Federated and the Federated Funds and their respective counsel have been defending this litigation and none of the Federated Funds remains a defendant in any of the lawsuits (though some could potentially receive any recoveries as nominal defendants). Additional lawsuits based upon similar allegations may be filed in the future. The potential impact of these lawsuits, all of which seek unquantified damages, attorneys' fees and expenses, and future potential similar suits is uncertain. Although we do not believe that these lawsuits will have a material adverse effect on the Federated Funds, there can be no assurance that these suits, the ongoing adverse publicity and/or other developments resulting from the regulatory investigations will not result in increased Federated Fund redemptions, reduced sales of Federated Fund shares or other adverse consequences for the Federated Funds.

EVALUATION AND APPROVAL OF ADVISORY CONTRACT—MAY 2008

AUTOMATED CASH MANAGEMENT TRUST (THE "FUND")

The Fund's Board reviewed the Fund's investment advisory contract at meetings held in May 2008. The Board's decision regarding the contract reflects the exercise of its business judgment on whether to continue the existing arrangements.

In this connection, the Federated funds' Board had previously appointed a Senior Officer, whose duties include specified responsibilities relating to the process by which advisory fees are to be charged to a Federated fund. The Senior Officer has the authority to retain consultants, experts, or staff as may be reasonably necessary to assist in the performance of his duties, reports directly to the Board, and may be terminated only with the approval of a majority of the independent members of the Board. The Senior Officer prepared and furnished to the Board an independent, written evaluation that covered topics discussed below. The Board considered that evaluation, along with other information, in deciding to approve the advisory contract.

During its review of the contract, the Board considered compensation and benefits received by the Adviser. This included the fees received for services provided to the Fund by other entities in the Federated organization and research services received by the Adviser from brokers that execute Federated fund trades, as well as advisory fees. The Board is also familiar with and considered judicial decisions concerning allegedly excessive investment advisory fees, which have indicated that the following factors may be relevant to an Adviser's fiduciary duty with respect to its receipt of compensation from a fund: the nature and quality of the services provided by the Adviser, including the performance of the fund; the Adviser's cost of providing the services; the extent to which the Adviser may realize "economies of scale" as a fund grows larger; any indirect benefits that may accrue to the Adviser and its affiliates as a result of the Adviser's relationship with a fund; performance and expenses of comparable funds; and the extent to which the independent Board members are fully informed about all facts the Board deems relevant bearing on the Adviser's services and fees. The Board further considered management fees (including any components thereof) charged to institutional and other clients of the Adviser for what might be viewed as like services, and the cost to the Adviser and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit and profit margins of the Adviser and its affiliates for supplying such services. The Board was aware of these factors and was guided by them in its review of the Fund's advisory contract to the extent it considered them to be appropriate and relevant, as discussed further below.

The Board considered and weighed these circumstances in light of its substantial accumulated experience in governing the Fund and working with Federated on matters relating to the Federated funds, and was assisted in its deliberations by independent legal counsel. Throughout the year, the Board has requested and received substantial and detailed information about the Fund and the Federated organization that was in addition to the extensive materials that comprise and accompany the Senior Officer's evaluation. Federated provided much of this information at each regular meeting of the Board, and furnished additional reports in connection with the particular meeting at which the Board's formal review of the advisory contract occurred. Between regularly scheduled meetings, the Board also received information on particular matters as the need arose. Thus, the Board's consideration of the advisory contract included review of the Senior Officer's evaluation, accompanying data and additional reports covering such matters as: the Adviser's investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund's short- and long-term performance (in absolute terms, both on a gross basis and net of expenses, as well as in relationship to its particular investment program and certain competitor or "peer group" funds and/or other benchmarks, as appropriate), and comments on the reasons for performance; the Fund's investment objectives; the Fund's expenses (including the advisory fee itself and the overall expense structure of the Fund, both in absolute terms and relative to similar and/or competing funds, with due regard for contractual or voluntary expense limitations); the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates. The Board also considered the preferences and expectations of Fund shareholders and their relative sophistication; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund's relationship to the Federated family of funds which include a comprehensive array of funds with different investment objectives, policies and strategies which are available for exchange without the incurring of additional sales charges; compliance and audit reports concerning the Federated funds and the Federated companies that service them (including communications from regulatory agencies), as well as Federated's responses to any issues raised therein; and relevant developments in the mutual fund industry and how the Federated funds and/or Federated are responding to them. The Board's evaluation process is evolutionary. The criteria considered and the emphasis placed on relevant criteria change in recognition of changing circumstances in the mutual fund marketplace.

With respect to the Fund's performance and expenses in particular, the Board has found the use of comparisons to other mutual funds with comparable investment programs to be particularly useful, given the high degree of competition in the mutual fund business. The Board focused on comparisons with other similar mutual funds more heavily than non-mutual fund products or services because, simply put, they are more relevant. For example, other mutual funds are the products most like the Fund, they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle in fact chosen and maintained by the Fund's investors. The range of their fees and expenses therefore appears to be a generally reliable indication of what consumers have found to be reasonable in the precise marketplace in which the Fund competes. The Fund's ability to deliver competitive performance when compared to its peer group was a useful indicator of how the Adviser is executing the Fund's investment program, which in turn assisted the Board in reaching a conclusion that the nature, extent, and quality of the Adviser's investment management services were such as to warrant continuation of the advisory contract. In this regard, the Senior Officer has reviewed Federated's fees for providing advisory services to products outside the Federated family of funds (e.g., institutional and separate accounts). He concluded that mutual funds and institutional accounts are inherently different products. Those differences include, but are not limited to, different types of targeted investors; being subject to different laws and regulations; different legal structures; different average account sizes; different associated costs; and different portfolio management techniques made necessary by different cash flows. The Senior Officer did not consider these fee schedules to be significant in determining the appropriateness of mutual fund advisory contracts.

The Senior Officer reviewed reports compiled by Federated, using data supplied by independent fund ranking organizations, regarding the performance of, and fees charged by, other mutual funds, noting his view that comparisons to fund peer groups are highly important in judging the reasonableness of proposed fees.

The Fund's performance fell below the median of the relevant peer group during the year ending December 31, 2007. The Board discussed the Fund's performance with the Adviser and recognized the efforts being undertaken by the Adviser. The Board will continue to monitor these efforts and the performance of the Fund.

The Board also received financial information about Federated, including reports on the compensation and benefits Federated derived from its relationships with the Federated funds. These reports covered not only the fees under the advisory contracts, but also fees received by Federated's subsidiaries for providing other services to the Federated funds under separate contracts (e.g., for serving as the Federated funds' administrator). The reports also discussed any indirect benefit Federated may derive from its receipt of research services from brokers who execute Federated fund trades. In addition, the Board considered the fact that, in order for a fund to be competitive in the marketplace, Federated and its affiliates frequently waived fees and/or reimbursed expenses and have disclosed to fund investors and/or indicated to the Board their intention to do so in the future, where appropriate.

Federated furnished reports, requested by the Senior Officer, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the Senior Officer. The Senior Officer noted that, although they may apply consistent allocation processes, the inherent difficulties in allocating costs (and the unavoidable arbitrary aspects of that exercise) and the lack of consensus on how to allocate those costs may render such allocation reports unreliable. The allocation reports were considered in the analysis by the Board but were determined to be of limited use.

The Board and the Senior Officer also reviewed a report compiled by Federated comparing profitability information for Federated to other publicly held fund management companies. In this regard, the Senior Officer noted the limited availability of such information, but nonetheless concluded that Federated's profit margins did not appear to be excessive and the Board agreed.

The Senior Officer's evaluation also discussed the notion of possible realization of "economies of scale" as a fund grows larger. The Board considered in this regard that the Adviser has made significant and long-term investments in areas that support all of the Federated funds, such as personnel and processes for the portfolio management, compliance, and risk management functions; and systems technology; and that the benefits of these efforts (as well as any economies, should they exist) were likely to be enjoyed by the fund complex as a whole. Finally, the Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which (as discussed in the Senior Officer's evaluation) is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with "breakpoints" that serve to reduce the fee as the fund attains a certain size. The Senior Officer did not recommend institution of breakpoints in pricing Federated's fund advisory services at this time.

It was noted in the materials for the Board meeting that for the Fund's most recently completed fiscal year, the Fund's investment advisory fee, after waivers and expense reimbursements, if any, was above the median of the relevant peer group. The Board reviewed the fees and other expenses of the Fund with the Adviser and was satisfied that the overall expense structure of the Fund remained competitive. The Board will continue to monitor advisory fees and other expenses borne by the Fund.

The Senior Officer's evaluation noted his belief that the information and observations contained in his evaluation supported a finding that the proposed management fees are reasonable, and that Federated appeared to provide appropriate administrative services to the Fund for the fees paid. Under these circumstances, no changes were recommended to, and no objection was raised to, the continuation of the Fund's advisory contract. The Board concluded that the nature, quality and scope of services provided the Fund by the Adviser and its affiliates were satisfactory.

In its decision to continue an existing investment advisory contract, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew an advisory contract. In particular, the Board recognized that most shareholders have invested in the Fund on the strength of the Adviser's industry standing and reputation and with the expectation that the Adviser will have a continuing role in providing advisory services to the Fund. Thus, the Board's approval of the advisory contract reflected the fact that it is the shareholders who have effectively selected the Adviser by virtue of having invested in the Fund.

The Board based its decision to approve the advisory contract on the totality of the circumstances and relevant factors and with a view to past and future long-term considerations. Not all of the factors and considerations identified above were necessarily relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were relevant, the Board's decision to approve the contract reflects its determination that Federated's performance and actions provided a satisfactory basis to support the decision to continue the existing arrangements.

VOTING PROXIES ON FUND PORTFOLIO SECURITIES

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available from Federated's website at FederatedInvestors.com. To access this information from the "Products" section of the website, click on the "Prospectuses and Regulatory Reports" link under "Related Information," then select the appropriate link opposite the name of the Fund; or select the name of the Fund and from the Fund's page, click on the "Prospectuses and Regulatory Reports" link. Form N-PX filings are also available at the SEC's website at www.sec.gov.

QUARTERLY PORTFOLIO SCHEDULE

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q." These filings are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. (Call 1-800-SEC-0330 for information on the operation of the Public Reference Room.) You may also access this information from the "Products" section of Federated's website at FederatedInvestors.com by clicking on "Portfolio Holdings" under "Related Information," then selecting the appropriate link opposite the name of the Fund; and from the Fund's page, click on the "Portfolio Holdings" link.

Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal. Although money market funds seek to maintain a stable net asset value of \$1.00 per share, there is no assurance that they will be able to do so.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its/their Prospectus and Statement of Additional Information, and supplements to each, as well as Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-341-7400.

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

Federated Securities Corp., Distributor

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