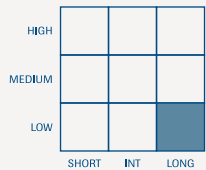


INTERNATIONAL

Fund Description

The fund seeks to provide investors with high current income and has a secondary objective of capital appreciation. The fund pursues its investment objective by investing primarily in emerging market fixed-income securities.

Morningstar Style Box™



Morningstar Category

Emerging Markets Bond

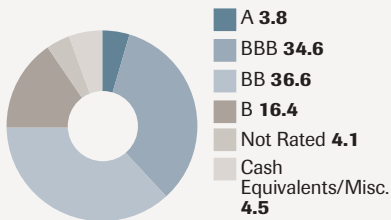
Benchmark

J.P. Morgan Emerging Markets Bond Index

Nasdaq Symbols

Class A Shares (A)	IHIAX
Class B Shares (B)	IHIBX
Class C Shares (C)	IHICX
Class F Shares (F)	IHIFX

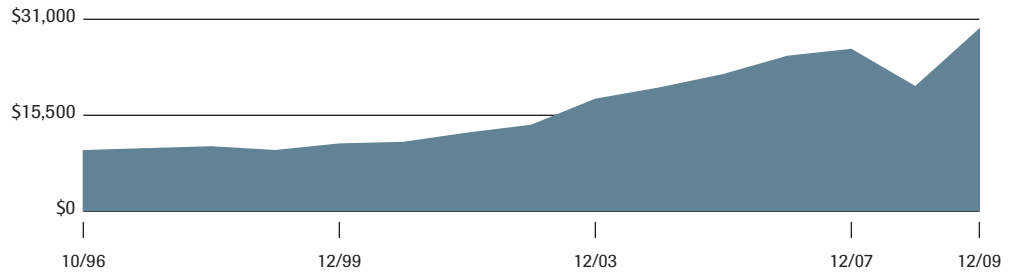
Quality Breakdown (%)



Growth Over Time

If you had invested \$10,000 on 10/31/96 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 12/31/09.

■ Federated International High Income Fund A \$30,242



Average Annual Total Returns (%)

Performance shown is before tax.

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception	Expense Ratio*	
							Before Waivers	After Waivers
A	10/2/96	2.18	46.25	8.12	10.48	8.71	1.83	1.17
B	10/2/96	1.87	45.15	7.25	9.79	8.21	2.53	1.92
C	10/2/96	1.87	45.00	7.27	9.63	7.88	2.53	1.92
F	5/31/07	2.06	46.26	N/A	N/A	4.83	1.78	1.15
Benchmark		1.52	28.18	8.12	10.53	N/A	N/A	N/A
Lipper Emerging Markets Debt Funds Average		1.99	32.49	7.23	11.09	N/A	N/A	N/A

Maximum Offering Price

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception	Expense Ratio*
A	10/2/96	-2.38	39.75	7.12	9.97	8.34	1.83
B	10/2/96	-3.63	39.65	6.96	9.79	8.21	2.53
C	10/2/96	0.87	44.00	7.27	9.63	7.88	2.53
F	5/31/07	0.01	43.87	N/A	N/A	4.11	1.78

Calendar Year Total Returns (%)

Class A Shares/NAV

Year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Return (%)	46.25	-23.05	4.46	13.34	10.89	10.06	30.29	10.06	13.41	2.41
Year	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Return (%)	10.85	-5.84	2.95	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after tax returns, contact us or visit FederatedInvestors.com. Maximum Offering Price figures reflect the maximum sales charges of 4.5% for Class A Shares and 1% for Class F Shares, and the maximum contingent deferred sales charges of 5.5% for Class B Shares, 1% for Class C Shares and 1% for Class F Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

* Expenses include 0.01% of indirect expenses of acquired funds in which the fund invests. Waivers/reimbursements are voluntary. The Adviser has agreed not to terminate these waivers and/or reimbursements until after 01/31/10.

Country Weightings (%)



INTERNATIONAL

Key Investment Team Members

Roberto Sanchez-Dahl, CFA

Fund Statistics

Portfolio Assets	\$122.7 m
Number of Holdings	52
Dividends	Paid Monthly
30-Day Yield	5.94%
Weighted Average Effective Maturity	16.6 Years
Weighted Average Effective Duration	7.6 Years

Top Holdings (%)

Argentina, Government of, <i>Argentina</i>	14.6
Brazil, Government of, <i>Brazil</i>	9.2
Turkey, Government of, <i>Turkey</i>	8.2
Russia, Government of, <i>Russia</i>	6.5
Venezuela, Government of, <i>Venezuela</i>	6.3
Indonesia, Government of, <i>Indonesia</i>	5.0
Peru, Government of, <i>Peru</i>	4.5
Mexico, Government of, <i>Mexico</i>	4.3
Colombia, Government of, <i>Colombia</i>	3.8
Republica Oriental del Uruguay, <i>Uruguay</i>	3.8

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus containing this and other information, contact us or visit FederatedInvestors.com. Please carefully read the prospectus before investing.

Past performance is no guarantee of future results.

The fund's Class F Shares commenced operations on May 31, 2007.

A WORD ABOUT RISK

Mutual funds are subject to risks and fluctuate in value. International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards. Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

High yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment grade securities.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

DEFINITIONS

The holdings percentages are based on net assets at the close of business on 12/31/09 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

The 30-day yield for Class A Shares is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the maximum offering price per share on that date. The figure is compounded and annualized. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 5.44%. Yields for other classes will vary.

Growth Over Time performance is for the fund's Class A Shares. Figures do not reflect the 4.5% maximum sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

Weighted average effective maturity is the average time to maturity of debt securities held in the fund.

Weighted average effective duration is a measure of security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

J.P. Morgan Emerging Markets Bond Index (EMBI) is a total return, unmanaged trade weighted index for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The EMBI Global tracks total return for issuers in 31 countries. Indexes are unmanaged and cannot be invested in directly.

The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.

RATINGS AND RATING AGENCIES

Lipper Averages represent the average total returns reported by all mutual funds designated by Lipper, Inc. as falling into the respective categories indicated and do not reflect sales charges. Data Source: Lipper, A Reuters Company. Copyright 2010© Reuters. All rights reserved. Any copying, republication or redistribution of Lipper content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Morningstar Style Box™ reveals a fund's investment strategy. For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration.

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2010 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

