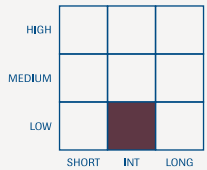


HIGH YIELD

Fund Description

The fund seeks to provide investors with high current income. To pursue its objective, the fund invests in higher yielding, lower-rated corporate bonds.

Morningstar Style Box™



Morningstar Category

High Yield Bond

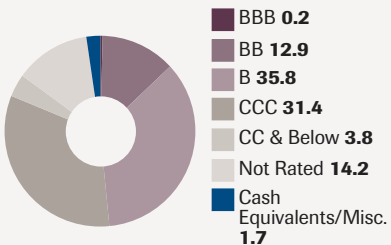
Benchmark

Barclay's Capital High Yield 2% Issuer Const Index

Nasdaq Symbols

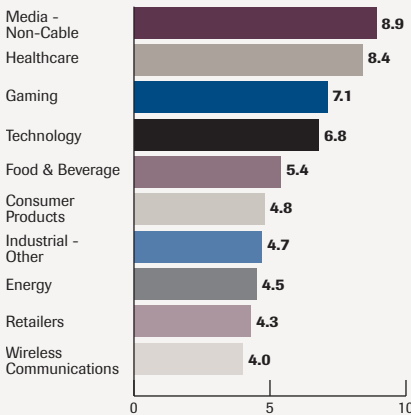
FHYTX

Quality Breakdown (%)



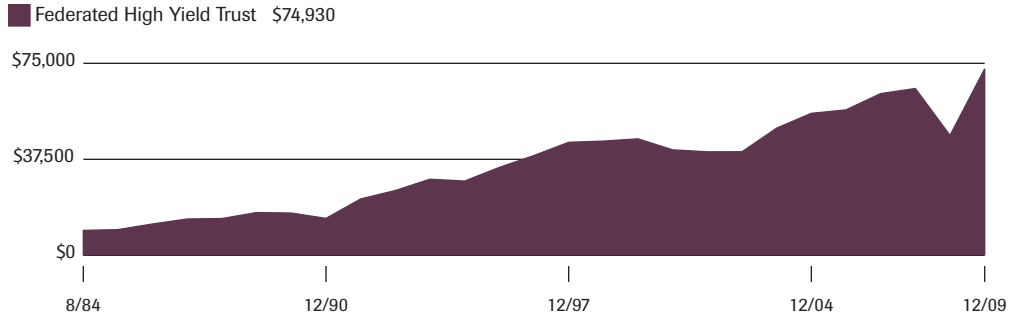
Sector Weightings (%)

Top Index Classifications



Growth Over Time

If you had invested \$10,000 on 8/31/84 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 12/31/09.



Average Annual Total Returns (%)

Performance shown is before tax.

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	15 Year	20 Year	Since Inception	Expense Ratio*	
									Before Waivers	After Waivers
	8/23/84	6.46	55.52	5.60	4.82	6.33	7.70	8.27	1.35	1.02
Benchmark		6.18	58.76	6.49	6.87	7.68	N/A	N/A	N/A	N/A
Lipper High Current Yield Funds Average		5.61	46.41	4.36	4.80	5.90	7.04	N/A	N/A	N/A
Maximum Offering Price										
	8/23/84	6.46	55.52	5.60	4.82	6.33	7.70	8.27	1.35	1.02

Calendar Year Total Returns (%)

NAV

2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
55.52	-28.12	3.15	11.20	2.43	11.63	22.81	0.06	-1.85	-9.47
1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
2.00	1.06	13.25	13.49	18.39	-2.41	17.37	15.02	52.53	-12.57

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. If shares are redeemed or exchanged within 90 days of purchase, a 2% redemption fee will be charged. The redemption fee will be paid to the fund and is reflected in the offering price total returns.

* Expenses include 0.03% 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 04/30/10.

HIGH YIELD

Key Investment Team Members

Mark E. Durbiano, CFA

Fund Statistics

Portfolio Assets	\$201.4 m
Number of Holdings	589
Dividends	Paid Monthly
30-Day Yield	7.13%
Weighted Average Effective Maturity	3.8 Years
Weighted Average Effective Duration	2.8 Years

Top Holdings (%)

Federated Max-Cap Fund	2.6
Ford Motor Co.	2.1
HCA, Inc.	2.1
Sprint Nextel Corp.	2.0
Intelsat Jackson Ltd.	1.8
GMAC LLC	1.7
Jostens Holding Corp.	1.7
MGM Mirage, Inc.	1.4
West Corp.	1.2
SunGard Data Systems, Inc.	1.1

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.

A WORD ABOUT RISK

Mutual funds are subject to risks and fluctuate in value. 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. Holdings are high yield debt securities.

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 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 6.85%.

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.

Index classifications are based upon, and individual portfolio securities are assigned to, the classification and sub-classification categories of the Barclays Capital High Yield 2% Issuer Constrained Index (LHY2%ICI). Individual portfolio securities that are not included in the LHY2%ICI are assigned to an index classification category at the discretion of the fund's advisor.

Barclays Capital High Yield 2% Issuer Constrained Index is the 2% Issuer Cap component of the U.S. Corporate High Yield Bond Index. Barclays Capital U.S. Corporate High Yield Bond Index is an unmanaged index that includes all fixed income securities having a maximum quality rating of Ba1, a minimum amount outstanding of \$150 million, and at least 1 year to maturity. 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.

