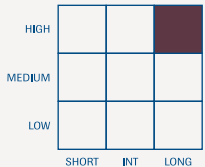


**TREASURY**

**Fund Description**

The fund seeks to provide investors with total return. To pursue its objective, the fund invests in U.S. Treasury and government agency securities.

**Morningstar Style Box™**



**Morningstar Category**

Long Government

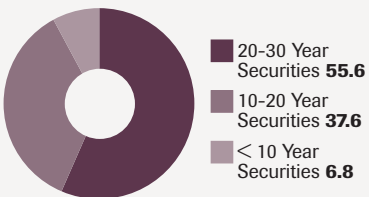
**Benchmark**

Bank of America Merrill Lynch 10+ Year Treasury Index

**Nasdaq Symbols**

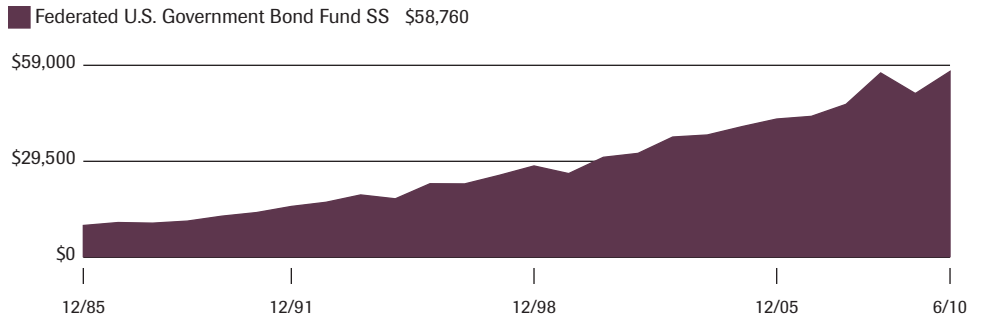
Institutional Service Shares (SS)      FEDBX

**Maturity Range (%)**



**Growth Over Time**

If you had invested \$10,000 on 12/31/85 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 6/30/10.



**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
SS	12/3/85	11.62	14.41	5.69	7.42	6.97	7.72	7.47	1.42	1.38
Benchmark		11.96	12.01	6.12	7.99	7.79	8.75	N/A	N/A	N/A
Lipper General U.S. Government Funds Average		4.95	8.31	4.53	5.36	5.38	6.11	N/A	N/A	N/A

**Calendar Year Total Returns (%)**

Institutional Service Shares/NAV

2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
-11.17	20.52	8.53	1.94	5.81	6.82	1.71	15.74	3.91	19.46
1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
-8.38	11.42	11.74	-0.28	25.82	-6.23	13.36	8.19	13.61	8.76

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](http://FederatedInvestors.com).

\* 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 10/31/10.

**Sector Weightings (%)**



## TREASURY

### Key Investment Team Members

Donald T. Ellenberger

### Fund Statistics

Portfolio Assets	\$110.1 m
Number of Holdings	17
Dividends	Paid Monthly
30-Day Yield	2.65%
Weighted Average Effective Maturity	25.2 Years
Weighted Average Effective Duration	15.4 Years

**Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus, or if available, a summary prospectus containing this and other information, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com). Please carefully read the prospectus or the summary prospectus before investing.**

### Past performance is no guarantee of future results.

Effective April 29, 2010, Federated U.S. Government Bond Fund, which had no prior share class designation, has been designated Institutional Service Shares.

For callable investments "effective maturity" is the unexpired period until the earliest date the investment is subject to prepayment or repurchase by the issuer (and market conditions indicate that the issuer will exercise such option). For variable rate investments "effective maturity" is the unexpired period until the date of the earliest interest rate adjustment. For all other investments "effective maturity" is the unexpired period until final maturity.

### A WORD ABOUT RISK

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

### DEFINITIONS

The portfolio composition percentages are based on net assets at the close of business on 6/30/10 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

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 Institutional Service 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 2.62%.

Growth Over Time performance is for the fund's Institutional Service Shares.

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.

Bank of America Merrill Lynch 10+ Year Treasury Index is a subset of the Bank of America Merrill Lynch Treasury Master Index. The index measures the total return performance of U.S. Treasury bonds with an outstanding par that is greater than or equal to \$25 million. The maturity range of these securities is greater than ten years. Indexes are unmanaged and cannot be invested in directly.

### 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.

## Federated knows...

### Stability

Ranks as a leading global investment manager, managing approximately \$335 billion in assets, delivering competitive and consistent results since 1955 and fostering growth by reinvesting in the company

### Investment Solutions

Offers broad product lines spanning domestic and international equity, fixed income, alternative and money market strategies with the goal of long-term consistent, competitive performance

### Diligence

Takes the long view, believing that doing business the right way over time will present opportunity for future growth

### Client-centric

Delivers business solutions through consultative meetings, investment forums and market insights, often delivered proactively at client-specific locations

