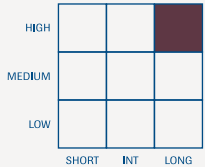


TREASURY

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

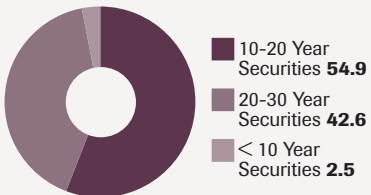
Benchmark

Bank of America Merrill Lynch 10+ Year Treasury Index

Nasdaq Symbols

FEDBX

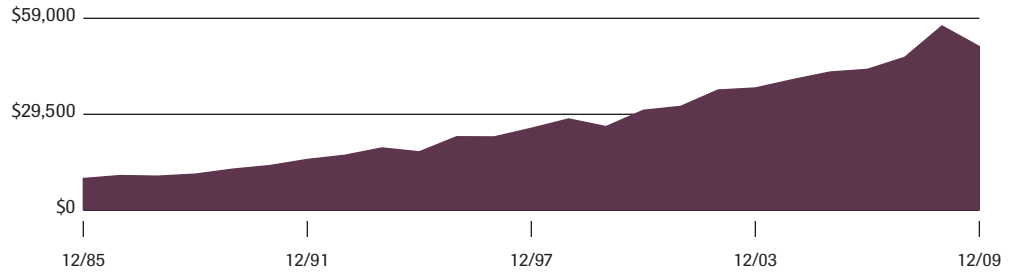
Maturity Range (%)



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 12/31/09.

Federated U.S. Government Bond Fund \$51,764



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
	12/3/85	-4.22	-11.17	4.61	6.94	7.10	7.15	7.07	1.42	1.38
Benchmark		-5.16	-13.04	5.21	7.61	8.09	8.09	N/A	N/A	N/A
Lipper General U.S. Government Funds Average		-0.93	1.25	3.80	5.23	5.74	5.96	N/A	N/A	N/A

Calendar Year Total Returns (%)

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.

* 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	\$63.7 m
Number of Holdings	15
Dividends	Paid Monthly
30-Day Yield	3.25%
Weighted Average Effective Maturity	18.6 Years
Weighted Average Effective Duration	10.8 Years

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.

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 12/31/09 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 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 3.21%.

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

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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.

