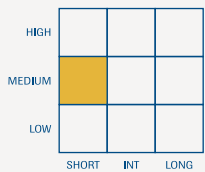


## MUNICIPAL

### Fund Description

The fund seeks to provide dividend income which is exempt from federal regular income tax. The fund pursues its objective by investing in a portfolio of tax-exempt securities with a dollar-weighted average portfolio duration of less than five years.

### Morningstar Style Box™



### Morningstar Category

Municipal National Short

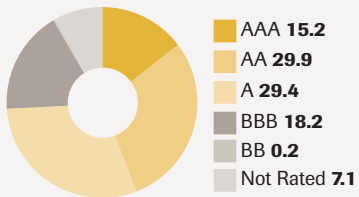
### Benchmark

Barclays Capital 3-Year Municipal Bond Index

### Nasdaq Symbols

Class A Shares (A)	FMTAX
Institutional Shares (IS)	FSHIX
Institutional Service Shares (SS)	FSHSX

### Quality Breakdown (%) \*\*



### Average Annual Total Returns (%)

NAV	Performance Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	15 Year	20 Year	Since Inception	Expense Ratio*	
									Before Waivers	After Waivers
A	12/11/06	0.61	3.67	N/A	N/A	N/A	N/A	2.60	1.16	0.97
IS	8/20/81	0.73	4.19	3.03	3.37	3.52	3.90	4.68	0.92	0.48
SS	9/1/93	0.68	3.94	2.80	3.12	3.27	N/A	3.29	1.17	0.71
Benchmark		1.21	4.30	4.25	4.31	4.43	4.95	N/A	N/A	N/A
Lipper Short Municipal Debt Funds Average		0.63	3.08	2.68	3.03	3.47	3.97	N/A	N/A	N/A
<b>Maximum Offering Price</b>										
A	12/11/06	-0.38	2.64	N/A	N/A	N/A	N/A	2.32	1.16	0.97

### Calendar Year Total Returns (%)

Class A Shares/NAV

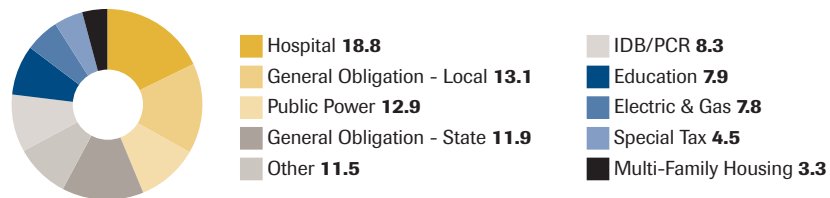
2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
6.24	-0.30	2.59	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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](http://FederatedInvestors.com). Maximum Offering Price figures reflect the maximum sales charge of 1% for Class A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

\* The waivers/reimbursements for Class A and SS Shares are voluntary and can be terminated at any time. The Adviser has agreed not to terminate these waivers and/or reimbursements until after 8/31/10. However, to the extent that the management fee is being waived, the amount of the waiver/reimbursement for this share class may depend on the amount of the management fee that would have to be waived in order to comply with a contractual limit on expenses with respect to another class of fund shares. Shareholders must approve any changes to the contractual waiver/reimbursement. With regard to Class IS Shares, the Adviser has contractually agreed to reduce the management fee by the amount which the aggregate expenses (excluding certain other expenses as noted in the fee table of the prospectus) exceed 0.45%.

\*\* 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.

### Sector Weightings (%)



## MUNICIPAL

### Key Investment Team Members

Jeff A. Kozemchak, CFA

### Fund Statistics

Portfolio Assets	\$653.4 m
Number of Holdings	249
Dividends	Paid Monthly
30-Day Yield	0.80%
Weighted Average Effective Maturity	2.3 Years
Weighted Average Effective Duration	2.0 Years

### Top Holdings (%)

Roanoke, VA IDA, (Carilion Health System Obligated Group), (Series 2005A-1), 07/01/2010, AGC Insured & Wells Fargo Liquidity	3.8
Louisiana Public Facilities Authority, (Air Products & Chemicals, Inc.), 07/01/2010	2.4
Albany-Dougherty County, GA Hospital Authority, (Phoebe Putney Memorial Hospital), (Series 2008B), 07/01/2010, Regions Bank, AL LCD	2.1
Orange County, FL IDA, (UCF Hospitality School Student Housing Foundation), (Series 2004), 07/07/2010, SunTrust Bank LCD	1.9
New College of Florida Development Corp., (Series 2006), 07/07/2010, SunTrust Bank LCD	1.6

### 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

**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.**

**For information on taxable equivalent yields, visit [FederatedInvestors.com](http://FederatedInvestors.com), "Products" section.**

As of October 31, 2007, the fund was renamed Federated Short-Intermediate Duration Municipal Trust.

As of October 31, 2007, the fund gained the ability to invest at least a majority of its assets in securities rated investment-grade (or unrated securities of comparable quality), and may purchase securities rated below investment-grade (or unrated securities of comparable quality), which are also known as junk bonds, up to 49% of its assets. The fund does not have a specific minimum quality rating.

The fund's Class A Shares commenced operations on December 8, 2006.

#### A WORD ABOUT RISK

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.

Interest income from the fund's investments may be subject to the federal alternative minimum tax for individuals and corporations (AMT), and state and local taxes.

As of October 31, 2007, the fund's Adviser gained the ability to deliberately undertake, in seeking to provide enhanced levels of income, to invest the fund's assets in tax-exempt securities that are trading at a price less than the original issue price (or market discount bonds), enter in credit default swap arrangements and other derivative transactions, and engage in other permissible activities that may cause the fund to realize a limited amount of ordinary income or short-term capital gains (which are treated as ordinary income for federal income tax purposes) and, as a result, may result in taxable distributions to shareholders. The ordinary income derived from these investment strategies generally will be limited to approximately 5% or less of the fund's annual distributions.

As of October 31, 2007, the fund's Adviser also, normally (except as discussed below), began to invest the fund's assets entirely in securities whose interest was not subject to (or not a specific preference item for purposes of) the federal AMT. However, in certain circumstances (such as, for example, when there is a lack of supply of non-AMT securities or there are advantageous market conditions, or if there are changes in tax laws relating to the AMT), to pursue the fund's investment objective, the Adviser may invest the fund's assets in securities that may be subject to AMT. In such circumstances, interest from the fund's investments may be subject to the AMT.

The fund is not a "money market" fund. A money market mutual fund attempts to maintain a stable net asset value through compliance with relevant SEC rules. The fund is not governed by those rules, and its shares will fluctuate in value.

#### DEFINITIONS

The holdings 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. 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. For an indefinite period of time, the investment adviser is waiving all or part of its fee and, in addition, may reimburse the fund for some of its expenses. Otherwise, the yield would have been 0.80%. Yields for other classes will vary.

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.

Barclays Capital 3-Year Municipal Bond Index is a broad-based market index. To be included in the index, bonds must have a minimum credit rating of Baa. They must have an outstanding par value of at least \$5 million and be issued as part of a transaction of at least \$50 million. The bonds must have a dated-date after December 31, 1990 and must be at least one year from their maturity date. 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.

