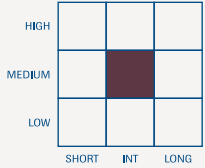


CORPORATE

Fund Description

The fund seeks to provide investors with current income. To pursue its objective, the fund primarily invests in investment grade corporate debt securities.

Morningstar Style Box™



Morningstar Category

Intermediate-Term Bond

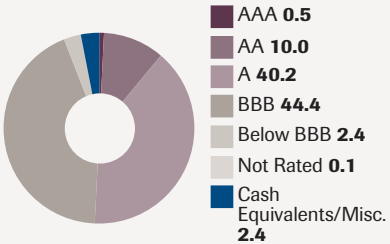
Benchmark

Barclays Capital Intermediate Credit Index

Nasdaq Symbols

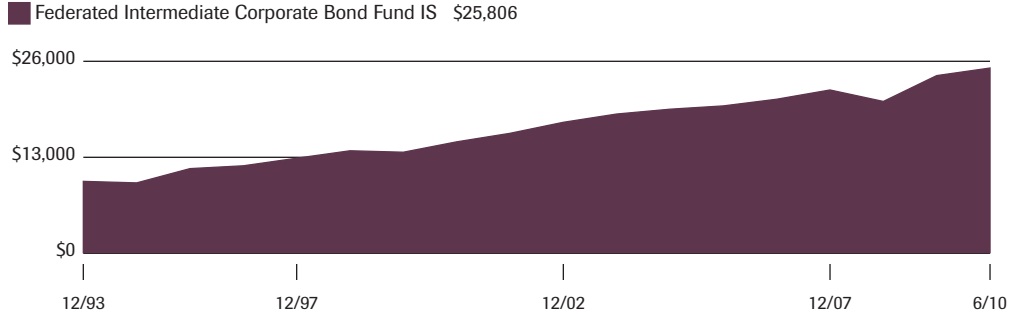
Institutional Shares (IS) FIIFX
 Institutional Service Shares (SS) INISX

Quality Breakdown (%) **



Growth Over Time

If you had invested \$10,000 on 12/31/93 (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	Since Inception	Expense Ratio*	
								Before Waivers	After Waivers
IS	12/20/93	1.92	12.96	4.76	5.92	5.83	5.90	1.02	0.57
SS	12/20/93	1.86	12.68	4.52	5.66	5.57	5.64	1.27	0.82
Benchmark		2.41	13.00	5.42	6.61	6.38	N/A	N/A	N/A
Lipper Intermediate Investment Grade Debt Funds Average		2.88	12.96	4.57	5.74	5.68	N/A	N/A	N/A

Calendar Year Total Returns (%)

Institutional Shares/NAV

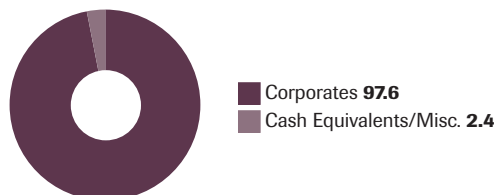
2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
17.03	-7.03	6.00	4.53	2.29	3.48	6.30	9.18	7.66	10.26
1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
-1.41	7.83	8.64	3.34	20.26	-2.12	N/A	N/A	N/A	N/A

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.

* The Adviser and its affiliates have voluntarily agreed to waive their fees and/or reimburse expenses so that total annual fund operating expenses (excluding acquired fund fees and expenses) paid by Class IS and SS Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.56% and 0.81% respectively through the later of 6/30/11 or the date of the fund's next effective prospectus.

** 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 (%)



CORPORATE

Key Investment Team Members

Joseph M. Balestrino, CFA

Fund Statistics

Portfolio Assets	\$437.6 m
Number of Holdings	336
Dividends	Paid Monthly
30-Day Yield	3.94%
Weighted Average Effective Maturity	8.6 Years
Weighted Average Effective Duration	4.6 Years

Top Holdings (%)

Bank of America Corp., 5.375% due 6/15/14	1.9
Goldman Sachs Group, Inc., 6.60% due 1/15/12	1.5
Petroleos Mexicanos, 4.875% due 3/15/15	1.2
Crown Castle Towers LLC, 5.495% due 1/15/17	1.1
HSBC Bank USA, 4.625% due 4/1/14	1.0
Bank of America Corp., 6.50% due 8/1/16	0.9
Dominion Resources, Inc., 8.875% due 1/15/19	0.9
General Electric Capital Corp., 5.625% due 5/1/18	0.9
Time Warner, Inc., 5.50% due 11/15/11	0.9
Capital One Capital VI, 8.875% due 5/15/40	0.8

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. Please carefully read the prospectus or the summary prospectus before investing.

Past performance is no guarantee of future results.

The mortgage-backed securities sector of the fund is invested in the Federated Mortgage Core Portfolio. This pool of securities provides more effective diversification than is available through the purchase of individual mortgage-backed securities.

A WORD ABOUT RISK

Mutual funds are subject to risks and fluctuate in value. Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

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 Institutional 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. The 30-day yield for Institutional Service Shares was 3.68%. 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 3.72% for Institutional Shares and 3.25% for Institutional Service Shares.

Growth Over Time performance is for the fund's Institutional Shares. The fund offers an additional share class 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.

Barclays Capital U.S. Intermediate Credit Index is an unmanaged index that consists of dollar-denominated, investment-grade, publicly-issued securities with a maturity of between one and ten years, a minimum amount outstanding of \$250 million, and that are issued by both corporate issuers and non-corporate issuers (supranationals, sovereigns, foreign agencies and foreign local governments). 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.

