

GROWTH

Fund Description

The fund seeks to provide investors with capital appreciation by investing principally in stocks of small to mid-sized companies that are reasonably priced and exhibit positive growth characteristics.

Overall Morningstar Rating™

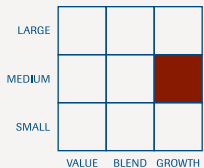
Rating is based on risk adjusted total return for

Class K Shares ★★★★★
Class A Shares Load-Waived ★★★★★
Overall ★★★

out of 694 Funds in Mid-Cap Growth Category

The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable. Morningstar Load-Waived Ratings do not reflect the effect of the front-end sales charge for Class A Shares.

Morningstar Style Box™



Morningstar Category

Mid-Cap Growth

Benchmark

Russell Midcap[®] Growth Index

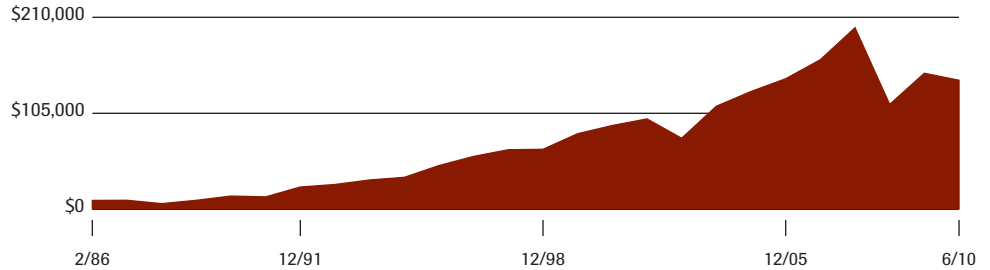
Nasdaq Symbols

Class A Shares (A)	KAUAX
Class B Shares (B)	KAUBX
Class C Shares (C)	KAUCX
Class K Shares (K)	KAUFX

Growth Over Time

If you had invested \$10,000 on 2/28/86 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 6/30/10.

Federated Kaufmann Fund K \$145,174



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
A	2/21/86	-9.43	13.54	1.96	4.18	8.51	11.22	11.42	2.24	1.97
B	2/21/86	-9.74	12.70	1.36	3.76	8.22	10.99	11.23	2.74	2.52
C	2/21/86	-9.74	12.70	1.36	3.63	7.94	10.65	10.85	2.74	2.52
K	2/21/86	-9.61	13.54	1.92	4.20	8.62	11.38	11.61	2.50	1.97
Benchmark		-10.20	21.30	1.37	-1.98	6.68	8.35	N/A	N/A	N/A
Lipper Multi-Cap Growth Funds Average		-10.98	15.32	0.64	-2.91	6.14	7.66	N/A	N/A	N/A

Maximum Offering Price

A	2/21/86	-14.41	7.29	0.81	3.60	8.10	10.90	11.16	2.24	1.97
B	2/21/86	-14.70	7.20	1.06	3.76	8.22	10.99	11.23	2.74	2.52
C	2/21/86	-10.64	11.70	1.36	3.63	7.94	10.65	10.85	2.74	2.52
K	2/21/86	-9.79	13.31	1.88	4.18	8.61	11.37	11.60	2.50	1.97

Calendar Year Total Returns (%)

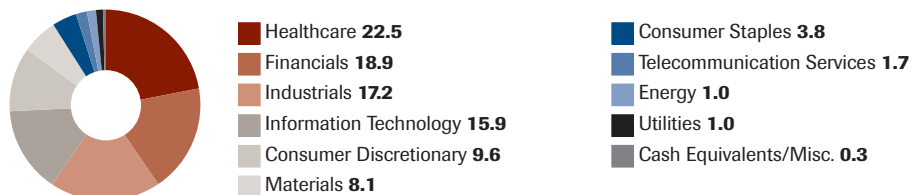
Class K Shares/NAV

2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
29.68	-42.22	21.39	14.57	10.84	14.29	45.08	-21.41	7.85	10.86
1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
26.01	0.72	12.56	20.92	36.89	8.98	18.18	11.32	79.40	-6.13

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 Federated-Investors.com. Maximum Offering Price figures reflect the maximum sales charge of 5.5% for Class A Shares, and the maximum contingent deferred sales charges of 5.5% for Class B Shares, 1% for Class C Shares and 0.2% redemption fee for Class K Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

* 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 A, B, C and K Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.95%, 2.50%, 2.50% and 1.95%, respectively, through the later of 12/31/10 or the date of the fund's next effective prospectus.

Sector Weightings (%)



GROWTH

Key Investment Team Members

Lawrence E. Auriana
 Hans P. Utsch
 Jonathan Art
 Mark Bauknight
 Jonathan E. Gold
 John Leibee

Fund Statistics

Portfolio Assets	\$6.4 b
Number of Holdings	239
Dividends	Paid Annually
Foreign Holdings	24.15%
Portfolio Beta (Source: 3 Year monthly linked Wilshire. Calculated beta vs. fund benchmark)	0.98

Top Holdings (%)

CETIP SA	2.8
Hypermarcas SA	2.5
Warner Chilcott PLC	2.5
Ford Motor Co.	2.4
Alkermes, Inc.	2.0
Cubist Pharmaceuticals, Inc.	1.9
J.P. Morgan Chase & Co.	1.9
Mastercard, Inc. Class A	1.9
Chimera Investment Corp.	1.8
Housing Development Finance Corp. Ltd.	1.7

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 fund is the successor to The Kaufmann Fund, Inc. (Kaufmann Fund) pursuant to a reorganization that took place on April 23, 2001. Prior to that date, the fund had no investment operations. Accordingly, for periods prior to that date, the performance information is that of the Kaufmann Fund, adjusted to reflect the maximum sales charge or contingent deferred sales charge and expenses applicable to the fund's Class A, B, and C shares. For Class K Shares, the performance information provided is historical information of the Kaufmann Fund.

A WORD ABOUT RISK

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks. International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

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.

Growth Over Time performance is for the fund's Class K Shares. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

Beta analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually the higher betas represent riskier investments.

Russell Midcap[®] Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000[®] Growth Index. 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 equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style.

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.

For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating[™] based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. Ratings are for Class K and A Shares; other classes may have different performance characteristics. For the 3-, 5- and 10-year periods ended 6/30/10, the fund's Class K Shares received 3, 3 and 4 stars, the fund's Class A Shares received 3, 3 and 4 stars and the fund's Class A Shares Load-Waived received 3, 4 and 4 stars and was rated among 694, 612 and 354 funds, respectively. Past performance is no guarantee of future results. Morningstar offers ratings for Load-Waived versions of the Class A Shares of mutual funds. These ratings better reflect the investors experience for those individuals who do not pay the mutual fund's front load, such as retirement-plan participants. These ratings are calculated according to the methodology for the Morningstar rating for funds, and they supplement the ratings for the original Class A Shares, which reflects the maximum front load.

