

Federated Muni and Stock Advantage Fund

Pursuing Tax-Advantaged Monthly Income with Less Risk

In an environment where many high-net-worth investors are facing higher tax bills, Federated Muni and Stock Advantage Fund offers an option. This unique fund seeks to offer income and capital appreciation from a diversified portfolio of non-AMT municipal bonds and dividend-paying stocks that qualify for favorable tax treatment. The result is a tax-advantaged portfolio that seeks to help investors keep more of their investment while managing risk.

Offers the Opportunity for an Attractive After-Tax Profile

- Investors retained more of every dollar in a combined municipal bond and stock portfolio than in either a taxable bond or a dividend-paying stock portfolio.
- Combining municipal bonds and qualifying dividend-paying stocks provides a more favorable after-tax profile compared to an all taxable bond portfolio or an all dividend-paying stock portfolio.

Seeks a High Level of Monthly Tax-Advantaged Income

- The fund has paid a continuous stream of monthly income through various rate and market environments.
- The fund's tax-equivalent and 12-month distribution yields have provided investors with more income than a combined equity index and municipal bond index portfolio.

Keeping More of Every Investment Dollar

	Taxpayers Earning <\$400k/\$450k+*	Taxpayers Earning >\$400k/\$450k+**
56% Municipal Bonds/44% Stocks (Fund Allocation) ¹	\$0.92	\$0.90
100% Taxable Bonds	\$0.61	\$0.57
100% Qualifying Dividend-Paying Stocks	\$0.81	\$0.76

Amount of \$1 retained after federal income tax

* Assumes regular income tax bracket ≤ 35%; capital gains and dividend income taxed at 18.8%.

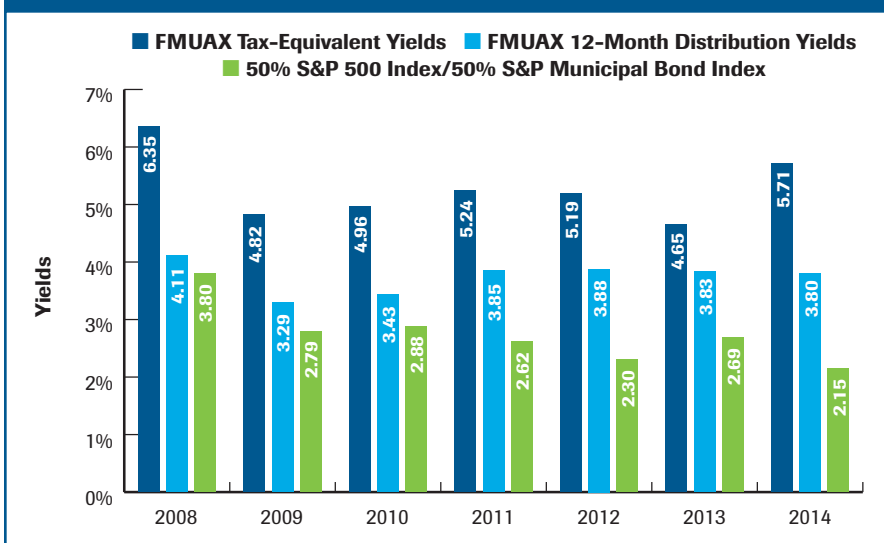
** Assumes 39.6% regular income tax bracket; capital gains and dividend income taxed at 23.8%.

¹ As of 6/30/15.

This calculation does not include the effect of any state or local taxes. Any capital gains are taxed at the applicable capital gains tax rate and are excluded from this calculation.

Tax information presented is generic in nature and should not be considered advice. Consult your personal tax advisor regarding your situation.

Delivered a High Level of Tax-Adjusted Income



The tax-equivalent yields for the fund assume a 35% tax rate for 2008-2012 and a 39.6% tax rate for 2013 and 2014 for the municipal portion. The stock portion of the tax-equivalent yield was not tax adjusted. The index yield was not tax adjusted.

Source: Federated and Morningstar, Inc. Past performance is no guarantee of future results.

Performance 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. Performance is at net asset value and does not reflect the maximum sales charges of 5.5% for Class A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

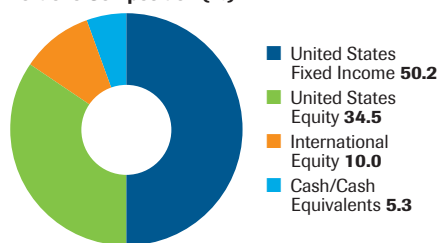
The 12-month distribution yield is calculated by adding up the trailing 12-month's income distributions from a fund and dividing by the last month's ending NAV (plus any capital gains distributed). This provides a historical view of actual dividends that were paid, but may not accurately represent the future.

Provides Broad Diversification

- The fund is diversified across equity and municipal sectors.

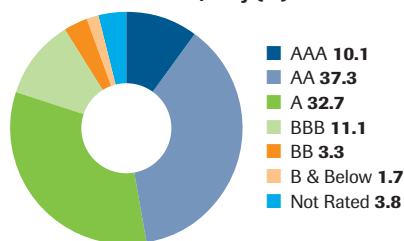
A Well-Diversified Fund

Portfolio Composition (%)



Short fixed-income futures were 5.4%; short currency forwards were 5.0%. These securities do not require cash outlay; the notional value is reported.

Fixed-Income Credit Quality (%)²



Equity Sectors	% of Equity Portfolio
Health Care	14.8
Financials	12.7
Consumer Staples	10.2
Industrials	9.7
Energy	9.3
Telecommunication Services	9.3
Utilities	9.3
Consumer Discretionary	8.6
Information Technology	7.5
Materials	2.2
Cash/Cash Equivalents	6.4

Municipal Sectors	% of Municipal Bond Portfolio
Education	12.8
Hospital	11.2
GO-State	11.0
Dedicated Tax	10.7
Tollroad	9.5
Water Sewage	7.2
Airport	5.6
Public Power	4.3
IDB/PCR	3.9
GO-Local	3.8
Refunded	3.4
Other Utility	3.3
Senior Care	3.3
Port	2.5
Tobacco	2.5
Incremental Tax	1.9
Other Transportation	1.4
E&G	0.9
Housing	0.4
Other	0.4

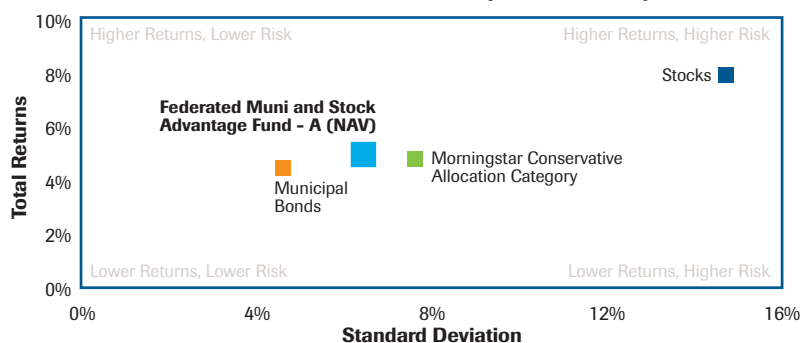
As of 6/30/15. Diversification does not assure a profit nor protect against loss. Credit ratings do not protect against market risk.

Focused on Risk and Reward

- Over the long term, the fund has provided higher returns than a portfolio of all municipal bonds with lower risk than a portfolio of all stocks.

A History of Competitive Returns with Less Risk

10-Year Risk/Reward Profile (4/1/05-6/30/15)



Source: Morningstar, Inc. As of 6/30/15. Past performance is no guarantee of future results.

Bonds are represented by S&P Municipal Bond Index; Stocks are represented by S&P 500 Index. Standard deviation is a historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

Delivered Lower Risk than the S&P 500

- The fund's two asset classes are not highly correlated, resulting in reduced portfolio risk.
- Since 2007, the fund's beta hasn't exceeded 0.43, providing stability and lower downside risk.

A Low Beta Advantage*

2007	2008	2009	2010	2011	2012	2013	2014	2015**
0.29	0.42	0.40	0.39	0.32	0.28	0.26	0.36	0.43

Source: Morningstar, Inc.

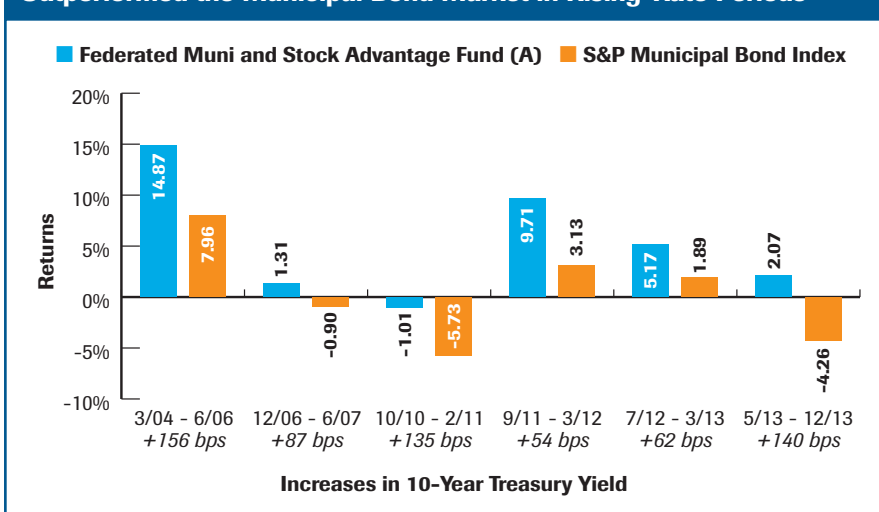
* 3-year beta. Beta analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually higher betas represent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

**As of 6/30/15.

Less Sensitive to Interest Rate Changes

- The fund's balanced portfolio of stocks and municipal bonds had less sensitivity to changes in interest rates compared to a municipal bond portfolio.

Outperformed the Municipal Bond Market in Rising-Rate Periods



Source: Morningstar, Inc. Past performance is no guarantee of future results.

Periods shown are the lowest point of the month indicated to the highest point of the month indicated.

Nasdaq Symbols

Shares (A): FMUAX
Shares (B): FMNBX
Shares (C): FMUCX
Shares (F): FMUFX
Institutional Shares (IS): FMUIX

Average Annual Total Returns % (as of 6/30/15)

	Performance Inception	30-Day Yield	30-Day Yield (unsubsidized)	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception	Expense Ratio* Before Waivers	Expense Ratio* After Waivers
A (Net Asset Value)	9/26/03	2.32	2.23	-1.92	-2.86	8.05	4.93	5.74	1.09	1.00
A (Maximum Offering Price)	9/26/03	2.19	2.10	-7.33	-8.18	6.83	4.34	5.23	1.09	1.00
IS	9/26/03	2.58	2.49	-1.86	-2.62	8.27	4.92	5.51	0.84	0.75

After Tax Average Annual Total Returns % (as of 6/30/15)

	Net Asset Value					Maximum Offering Price				
	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception	Cumulative 3 Month	1 Year	5 Year	10 Year	Since Inception
Return After Taxes on Distributions										
A	-2.20	-3.66	7.58	4.55	5.38	-7.59	-8.94	6.36	3.96	4.88
IS	-2.16	-3.49	7.77	4.53	5.15	N/A	N/A	N/A	N/A	N/A
Return After Taxes on Distributions and Sale of Fund Shares										
A	-1.08	-1.07	6.71	4.35	5.07	-4.15	-4.11	5.72	3.86	4.63
IS	-1.05	-0.90	6.92	4.35	4.88	N/A	N/A	N/A	N/A	N/A

Performance 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. Maximum Offering Price figures reflect the maximum sales charges of 5.5% for Class A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

*The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Adviser and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 1/1/16 or the date of the fund's next effective prospectus.

The fund's Institutional Shares is a new class of shares which commenced operations on December 29, 2010. For the period prior to the commencement of operations of the Institutional Shares, the performance information shown is for the fund's Class A Shares. The performance of the Class A Shares has been adjusted to reflect the expenses of the Institutional Shares for periods (2004 and 2005) in which the expenses for Class A Shares were lower than the expenses for the Institutional Shares. For other periods (2006 forward) the performance of the Class A Shares has not been adjusted to reflect the expenses of the Institutional Shares, since the Institutional Shares have a lower expense ratio than the expense ratio of the Class A Shares during those periods. The performance of the Class A Shares also has been adjusted to reflect the absence of sales charges and adjusted to remove any voluntary waiver of fund expenses related to the Class A Shares during the period prior to the commencement of operations of the Institutional Shares.

Other classes of shares are available whose performance will differ due to different charges and expenses.

Category Rankings (as of 6/30/15)

Morningstar Conservative Allocation Category

A Shares	1 Year	3 Years	5 Years	10 Years
Morningstar Category % Rank	86	61	27	49
Morningstar Category Rank	697 of 805 Funds	414 of 676 Funds	148 of 549 Funds	151 of 307 Funds
IS Shares	1 Year	3 Years	5 Years	10 Years
Morningstar Category % Rank	85	55	23	44
Morningstar Category Rank	689 of 805 Funds	371 of 676 Funds	127 of 549 Funds	136 of 307 Funds

Lipper Mixed-Asset Target Allocation Conservative Funds

A Shares	1 Year	3 Years	5 Years	10 Years
Lipper Category % Rank	89	49	15	41
Lipper Category Rank	329 of 369 Funds	157 of 321 Funds	39 of 270 Funds	67 of 163 Funds
IS Shares	1 Year	3 Years	5 Years	10 Years
Lipper Category % Rank	88	42	N/A	N/A
Lipper Category Rank	325 of 369 Funds	133 of 321 Funds	N/A	N/A

Past performance is no guarantee of future results. Rankings are based on total return and do not take sales charges into account.

² 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.

As indicated in its name, Federated Muni and Stock Advantage Fund invests in both municipal (muni) securities and equity securities (stock) as described in the fund's prospectus. Thus, the fund is not entirely a "tax-exempt" or "municipal" fund, and a portion of the income derived from the fund's portfolio (or dividend distributions) will be subject to federal income tax and state and local personal income tax.

Mutual funds are subject to risks and fluctuate in value.

Fund income may be subject to state and local taxes.

Although this fund pursues tax-advantaged income and seeks to invest primarily in securities whose interest is not subject to the federal alternative minimum tax, there are no assurances that it will achieve these goals.

High-Yield Risk: High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment-grade securities.

International Investing Risk: International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

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

In 2015, the Federal tax rate on qualified dividend income is 20% for single taxpayers with income of more than \$413,200 and for married filing jointly taxpayers with income of more than \$464,850. The 0% and 15% rates on qualified dividends remain in effect for taxpayers below those thresholds.

There are no guarantees that dividend-paying stocks will continue to pay dividends.

Diversification does not assure a profit nor protect against loss.

The holdings percentages are based on net assets at the close of business on 6/30/15 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.

Must be preceded or accompanied by a prospectus.

30-day yield (also known as "SEC yield") for Class A Shares is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. The figure is compounded and annualized. Yields for other classes will vary.

After-tax returns are calculated using a standard set of assumptions. Actual after-tax returns depend on each investor's personal tax situation, and are likely to differ from those shown. The stated returns assume the highest historical federal income and capital gains tax rates, but do not reflect the effect of any applicable state and local taxes. Return After Taxes on Distributions assumes a continued investment in the fund and shows the effect of taxes on fund distributions. Return After Taxes on Distribution and Sale of Fund Shares assumes all shares were redeemed at the end of each measurement period, and shows the effect of any taxable gain (or offsetting loss) on redemption, as well as the effects of taxes on fund distributions. After-tax returns are not relevant to investors holding shares through tax-deferred programs, such as IRA, 401(k) plans. The after-tax average annual returns are based on the 39.6% tax bracket and include the 3.8% tax on net investment income.

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks—designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index composed of approximately 55,000 bond issues that are exempt from U.S. federal income taxes or subject to the alternative minimum tax (AMT). Indexes are unmanaged and cannot be invested in directly.

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. ©2015 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (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.

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