Federated

WORLD-CLASS INVESTMENT MANAGER®

Annual Total Returns of Various Asset Classes 1987-2007

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
BEST	Int'l. 24.93%	Sm. Cap Value 29.47%	Lg. Cap Growth 36.40%	Bond 8.96%	Sm. Cap Growth 51.19%	Sm. Cap Value 29.14%	Int'l. 32.94%	Int'l. 8.06%	Lg. Cap Growth 38.12%	Lg. Cap Growth 23.97%	Lg. Cap Growth 36.53%
	Lg. Cap Growth 6.50%	Int'l. 28.59%	Mid Cap 35.55%	Cash 7.25%	Mid Cap 50.10%	Mid Cap 11.91%	Sm. Cap Value 23.84%	Cash 3.64%	Lg. Cap Core 37.58%	Lg. Cap Core 22.96%	Lg. Cap Core 33.36%
	Lg. Cap Core 5.25%	Lg. Cap Value 21.67%	Lg. Cap Core 31.69%	Lg. Cap Growth 0.20%	Sm. Cap Value 41.70%	Lg. Cap Value 10.52%	Lg. Cap Value 18.61%	Lg. Cap Growth 3.13%	Lg. Cap Value 36.99%	Lg. Cap Value 22.00%	Mid Cap 32.25%
	Cash 5.17%	Mid Cap 20.87%	Lg. Cap Value 26.13%	Lg. Cap Core -3.11%	Lg. Cap Growth 38.37%	Sm. Cap Growth 7.77%	Diversified 14.13%	Lg. Cap Core 1.32%	Sm. Cap Growth 31.04%	Sm. Cap Value 21.37%	Sm. Cap Value 31.69%
	Diversified 3.84%	Sm. Cap Growth 20.37%	Sm. Cap Growth 20.17%	Mid Cap -5.12%	Lg. Cap Core 30.47%	Lg. Cap Core 7.62%	Mid Cap 13.95%	Diversified 1.08%	Mid Cap 30.95%	Mid Cap 19.20%	Lg. Cap Value 29.98%
	Lg. Cap Value 3.68%	Diversified 17.80%	Diversified 20.01%	Lg. Cap Value -6.85%	Diversified 27.27%	Bond 7.40%	Sm. Cap Growth 13.36%	Lg. Cap Value -0.64%	Sm. Cap Value 25.75%	Diversified 14.50%	Diversified 20.14%
	Bond 2.75%	Lg. Cap Core 16.61%	Bond 14.53%	Diversified -7.00%	Lg. Cap Value 22.56%	Diversified 7.35%	Lg. Cap Core 10.08%	Sm. Cap Value -1.55%	Diversified 25.58%	Sm. Cap Growth 11.26%	Sm. Cap Growth 12.95%
	Mid Cap -2.04%	Lg. Cap Growth 11.95%	Sm. Cap Value 12.43%	Sm. Cap Growth -17.41%	Bond 16.00%	Lg. Cap Growth 5.07%	Bond 9.75%	Sm. Cap Growth -2.43%	Bond 18.47%	Int'l. 6.36%	Bond 9.66%
	Sm. Cap Value -7.11%	Bond 7.89%	Int'l. 10.80%	Sm. Cap Value -21.77%	Int'l. 12.50%	Cash 3.22%	Cash 2.73%	Bond -2.92%	Int'l. 11.55%	Cash 4.73%	Cash 4.79%
WORST	Sm. Cap Growth -10.48%	Cash 6.14%	Cash 7.80%	Int'l. -23.20%	Cash 5.18%	Int'l. -11.85%	Lg. Cap Growth 1.68%	Mid Cap -3.58%	Cash 4.94%	Bond 3.63%	Int'l. 2.06%

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
BEST	Lg. Cap Growth 42.16%	Sm. Cap Growth 43.10%	Sm. Cap Value 22.81%	Sm. Cap Value 14.09%	Bond 10.27%	Sm. Cap Growth 48.53%	Sm. Cap Value 22.25%	Int'l. 14.02%	Int'l. 26.86%	Int'l. 11.17%
	Lg. Cap Core 28.57%	Lg. Cap Growth 28.26%	Mid Cap 17.51%	Bond 8.42%	Cash 1.58%	Sm. Cap Value 46.02%	Int'l. 20.70%	Mid Cap 12.55%	Sm. Cap Value 23.48%	Lg. Cap Growth 9.13%
	Int'l. 20.33%	Int'l. 27.30%	Bond 11.63%	Cash 3.39%	Sm. Cap Value -11.42%	Int'l. 39.17%	Mid Cap 16.50%	Lg. Cap Value 6.34%	Lg. Cap Value 20.80%	Mid Cap 7.98%
	Mid Cap 19.12%	Lg. Cap Core 21.05%	Lg. Cap Value 6.08%	Mid Cap -0.61%	Diversified -14.01%	Mid Cap 35.64%	Lg. Cap Value 15.71%	Diversified 5.38%	Lg. Cap Core 15.80%	Sm. Cap Growth 7.05%
	Lg. Cap Value 14.67%	Diversified 16.80%	Cash 5.09%	Diversified -5.10%	Mid Cap -14.51%	Lg. Cap Value 31.80%	Sm. Cap Growth 14.31%	Lg. Cap Core 4.89%	Diversified 14.51%	Bond 6.97%
	Diversified 14.22%	Mid Cap 14.72%	Diversified -2.74%	Sm. Cap Growth -9.13%	Int'l. -15.66%	Lg. Cap Core 28.69%	Diversified 11.92%	Sm. Cap Value 4.70%	Sm. Cap Growth 13.35%	Lg. Cap Core 5.49%
	Bond 8.68%	Lg. Cap Value 12.72%	Lg. Cap Core -9.11%	Lg. Cap Value -11.71%	Lg. Cap Value -20.86%	Diversified 28.15%	Lg. Cap Core 10.87%	Sm. Cap Growth 4.14%	Lg. Cap Growth 11.01%	Diversified 4.97%
	Cash 4.46%	Cash 4.18%	Int'l. -13.96%	Lg. Cap Core -11.88%	Lg. Cap Core -22.10%	Lg. Cap Growth 25.68%	Lg. Cap Growth 6.14%	Lg. Cap Growth 3.47%	Mid Cap 10.32%	Cash 4.29%
	Sm. Cap Growth 1.23%	Bond -0.83%	Lg. Cap Growth -22.08%	Lg. Cap Growth -12.73%	Lg. Cap Growth -23.59%	Bond 4.11%	Bond 4.34%	Cash 3.01%	Cash 4.75%	Lg. Cap Value 1.99%
WORST	Sm. Cap Value -6.45%	Sm. Cap Value -1.49%	Sm. Cap Growth -22.44%	Int'l. -21.21%	Sm. Cap Growth -30.27%	Cash 0.99%	Cash 1.29%	Bond 2.43%	Bond 4.33%	Sm. Cap Value -9.78%

Key Index	10-Year Average Annual Total Return as of 12/31/07
S&P 400 Midcap	11.20%
Russell 2000 Value Index	9.06%
MSCI Europe, Australasia and Far East Index (EAFE)	9.04%
Diversified	6.93%
S&P 500/Citigroup Value Index	6.68%
Lehman Brothers Aggregate Bond Index	5.97%
S&P 500 Index	5.91%
S&P 500/Citigroup Growth Index	4.42%
Russell 2000 Growth Index	4.32%
Cash	3.48%

As the chart above shows, no single market sector performs best year in and year out. Some market sectors like stocks can be volatile from one year to the next-producing the highest returns in one year, and lowest returns in another. That's why diversifying, or allocating your assets among different financial markets is a critical investment strategy that helps you capture the market ups, and smooth out the downs, through the years.

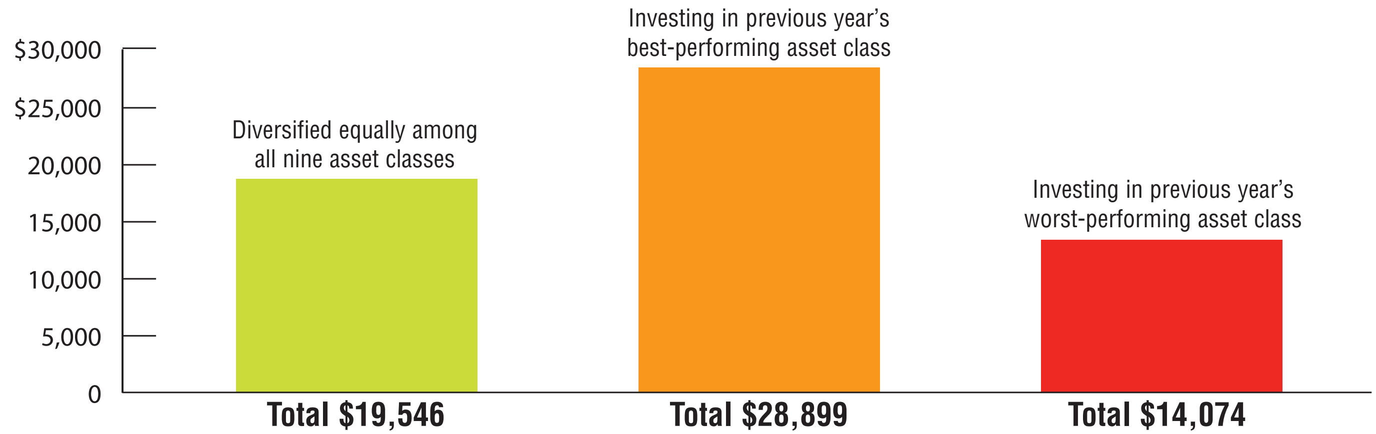
Source: Thomson Financial Company

See the reverse side for important information.

10-Year Growth of $10,000 as of 12/31/07

**Based on indexes shown on page 1*

As history shows, a well-diversified portfolio can help you capture the ups and smooth out the downs over time. On the other hand, trying to "time" the market by investing in the previous year's best-performing market (in hopes it will continue), or worst-performing market (in hopes it will turn around), produced weaker results.



Index Definitions

S&P 500/Citigroup Growth Index: An unmanaged capitalization-weighted index of stocks in the Standard & Poor's 500 index having the highest price to book ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.

S&P 500/Citigroup Value Index: A market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the lowest price to book ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

MSCI Europe, Australasia and Far East Index (EAFE): An unmanaged market capitalization-weighted equity index comprising 20 of the 48 countries in the MSCI universe and representing the developed world outside of North America. Each MSCI country index is created separately, then aggregated, without change, into regional MSCI indices. EAFE performance data is calculated in U.S. dollars and in local currency.

Lehman Brothers Aggregate Bond Index: An unmanaged index composed of securities from the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

S&P 500 Index is an unmanaged market capitalization weighted price index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and Over-The-Counter market. The index includes dividends reinvestments. The value of the index varies with the aggregate value of the common equity of each of the 500 companies. The stocks represented by this index involve investment risks which may include the loss of principal invested.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Diversified is the average return of the nine index-defined categories. It does not represent any specific index.

Cash: U.S. 30-Day Treasury Bills is an index based upon the average monthly yield of the 30-day Treasury Bills. Treasury Bills are secured by the full faith and credit of the U.S. Government and offer a fixed rate of return.

S&P 400 Midcap Total Return is an unmanaged index consisting of 400 domestic stocks chosen for market size with dividends reinvested, liquidity and industry group representation. It is a market-value weighted index that represents approximately 10% of the aggregate market value of U.S. domestic companies. The stocks represented by this index involve investment risks which may include the loss of principal invested.

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For more complete information on Federated funds, visit FederatedInvestors.com or contact your investment professional for a prospectus. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before you invest. To view after-tax returns and most recent month-end performance of Federated funds, visit our web site at

Past performance is no guarantee of future results. The above chart is for illustrative purposes only and is not representative of performance for any specific investment. Indexes are unmanaged and investments cannot be made in an index.

Mutual funds are subject to risks and fluctuate in value.

In return for their greater growth potential, stocks are more volatile than bonds. The prices of small cap stocks are more volatile than large cap stocks. Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Diversification does not assure a profit nor protect against loss.

International investing involves special risks including currency risks, increased volatility of foreign securities, political risks and differences in auditing and other financial standards.