



WORLD-CLASS INVESTMENT MANAGER<sup>®</sup>

September 16, 2008

## Federated Money Market Fund Update

With the recent announcement that a money market fund was unable to maintain a \$1.00 net asset value (NAV), Federated wants to assure our shareholders that we remain confident in our ability to maintain a \$1.00 NAV. We also would like to stress the importance of our thorough credit standards and the process that Federated employs in the management of cash. While there are no guarantees, we have never broken \$1.00\* in our three decades of cash management experience. We will continue to manage our money market funds with an unrelenting focus on credit analysis and maintaining minimal credit risk. Please note the following regarding Federated's money market funds:

- As of September 15, 2008, Federated's money market funds have no exposure to Lehman Brothers Holdings, Inc., American International Group, Inc., or Washington Mutual
- Federated's funds are managed according to Rule 2a-7:
  - Dollar-weighted average maturity not greater than 90 days
  - Final maturity of an individual security not greater than 397 days
  - 5% individual issuer limit
  - 10% limit on illiquid securities
  - Invest only in high-quality first or second tier money market instruments
  - No derivative securities
- The Federated money market funds comply fully with their investment policies and we continually monitor all securities held by the money market funds with respect to our "minimal credit risk" determination and other Rule 2a-7 requirements.
- We remain dedicated to a disciplined credit research process that seeks to provide a stable NAV over a variety of interest rate environments. The cornerstone of Federated's money market management process is due diligence that includes a review of capital structure, liquidity structure, management structure and other key factors before investing in any issuer.

As always we welcome your questions and thank you for the confidence that you place in our management of money market funds.

*\*Although Federated money market funds have never broken the \$1.00 stated price, there is no guarantee that such price stability will be achieved in the future.*

*Past performance is no guarantee of future results.*

*An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.*

*Comments as of September 16, 2008, and are subject to change based on the stock market and other conditions. These Comments should not be construed as a recommendation for any specific security.*

*For more complete information, visit [www.federatedinvestors.com](http://www.federatedinvestors.com) or call 1-800-341-7400 for prospectuses. 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 investing.*