

SECURITIES AND EXCHANGE COMMISSION

**FORM 485BPOS**

Post-effective amendments [Rule 485(b)]

Filing Date: **1994-12-27**  
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**FILER**

**FEDERATED STOCK TRUST**

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Mailing Address  
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TOWER  
PITTSBURGH PA 15222-3779*

Business Address  
*FEDERATED INVESTORS  
TWR  
PITTSBURGH PA 15222  
4122887496*

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933  
X

Pre-Effective Amendment No.

Post-Effective Amendment No. 23 X

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF  
1940 X

Amendment No. 20 X

FEDERATED STOCK TRUST

(Exact Name of Registrant as Specified in Charter)

Federated Investors Tower, Pittsburgh, Pennsylvania 15222-  
3779

(Address of Principal Executive Offices)

(412) 288-1900

(Registrant's Telephone Number)

John W. McGonigle, Esquire,  
Federated Investors Tower,  
Pittsburgh, Pennsylvania 15222-3779  
(Name and Address of Agent for Service)

It is proposed that this filing will become effective:

immediately upon filing pursuant to paragraph (b)  
X on December 31, 1994 pursuant to paragraph (b)  
60 days after filing pursuant to paragraph (a) (i)  
on \_\_\_\_\_ pursuant to paragraph (a) (i).  
75 days after filing pursuant to paragraph (a) (ii)  
on \_\_\_\_\_ pursuant to paragraph (a) (ii) of  
Rule 485.

If appropriate, check the following box:

This post-effective amendment designates a new effective  
date for a previously filed post-effective amendment.

Registrant has filed with the Securities and Exchange  
Commission a declaration pursuant to Rule 24f-2 under the  
Investment Company Act of 1940, and:

X filed the Notice required by that Rule on December 15,  
1994; or

intends to file the Notice required by that Rule on or  
about \_\_\_\_\_; or

during the most recent fiscal year did not sell any  
securities pursuant to Rule 24f-2 under the Investment  
Company Act of 1940, and, pursuant to Rule 24f-2(b)(2),  
need not file the Notice.



	Management.
Item 15.	Control Persons and Principal Holders of Securities Trust Ownership.
Item 16.	Investment Advisory and Other Services Investment Advisory Services; Administrative Services; Transfer Agent and Dividend Disbursing Agent; Shareholder Services Plan.
Item 17.	Brokerage Allocation Brokerage Transactions.
Item 18.	Capital Stock and Other Securities Not Applicable.
Item 19.	Purchase, Redemption and Pricing of Securities Being Offered Purchasing Shares; Exchanging Securities for Trust Shares; Determining Net Asset Value; Redeeming Shares.
Item 20.	Tax Status Tax Status.
Item 21.	Underwriters Not applicable.
Item 22.	Calculation of Performance Data Total Return; Yield; Performance Comparisons.
Item 23.	Financial Statements (Filed in Part A)

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FEDERATED STOCK TRUST  
PROSPECTUS

Federated Stock Trust (the "Trust") is a no-load, open-end, diversified management investment company (a mutual fund) investing in common stocks of high quality companies to achieve growth of income and capital.

THE SHARES OFFERED BY THIS PROSPECTUS ARE NOT DEPOSITS OR OBLIGATIONS OF ANY BANK, ARE NOT ENDORSED OR GUARANTEED BY ANY BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THESE SHARES INVOLVES INVESTMENT RISKS INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

This prospectus contains the information you should read and know before you invest in the Trust. Keep this prospectus for future reference.

The Trust has also filed a Statement of Additional Information dated December 31, 1994, with the Securities and Exchange Commission. The information contained in the Statement of Additional Information is incorporated by reference into this prospectus. You may request a copy of the Statement of Additional Information free of charge by calling 1-800-235-4669. To obtain other information or to make inquiries about the Trust, contact the Trust at the address listed in the back of this prospectus.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus dated December 31, 1994

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SUMMARY OF TRUST EXPENSES

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SHAREHOLDER TRANSACTION EXPENSES

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Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....	None
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....	None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable).....	None
Redemption Fee (as a percentage of amount redeemed, if applicable).....	None
Exchange Fee.....	None

<CAPTION>

ANNUAL TRUST OPERATING EXPENSES  
(As a percentage of average net assets)

<S>	<C>	<C>
Management Fee.....		0.75%
12b-1 Fee.....		None
Total Other Expenses.....		0.26%
Shareholder Services Fee (after waiver) (1).....	0.10%	
Total Trust Operating Expenses (2).....		1.01%

- <FN>
- (1) The maximum Shareholder Services Fee is 0.25%.
- (2) The Total Trust Operating Expenses in the table above are based on expenses expected during the fiscal year ending October 31, 1995. The Total Trust Operating Expenses were 0.97% for the fiscal year ended October 31, 1994.

</TABLE>

The purpose of this table is to assist an investor in understanding the various costs and expenses that a shareholder of the Trust will bear, either directly or indirectly. For more complete descriptions of the various costs and expenses, see "Trust Information." Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

<TABLE>  
<CAPTION>

EXAMPLE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
You would pay the following expenses on a \$1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$10	\$32	\$56	\$124

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

FEDERATED STOCK TRUST

FINANCIAL HIGHLIGHTS

-----  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Reference is made to the Report of Ernst & Young LLP, Independent Auditors, on page 24.

<TABLE>  
<CAPTION>

	PERIOD ENDED				
	10/94	10/93	10/92	10/91	10/90
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 26.40	\$ 24.18	\$ 23.99	\$ 18.55	\$ 25.19
-----	-----	-----	-----	-----	-----
INCOME FROM INVESTMENT OPERATIONS					
-----	-----	-----	-----	-----	-----
Net investment income	0.46	0.48	0.56	0.51	0.70

Net realized and unrealized gain (loss) on investments	0.68	4.27	1.79	6.23	(4.42)
Total from investment operations	1.14	4.75	2.35	6.74	(3.72)
LESS DISTRIBUTIONS					
Distributions from net investment income	(0.43)	(0.49)	(0.55)	(0.56)	(0.78)
Distributions in excess of net investment income	--	(0.02) (e)	--	--	--
Total distributions from net investment income	(0.43)	(0.51)	(0.55)	(0.56)	(0.78)
Distributions from net realized gain on investment transactions	(0.78)	(2.02)	(1.61)	(0.74)	(2.14)
Total distributions	(1.21)	(2.53)	(2.16)	(1.30)	(2.92)
NET ASSET VALUE, END OF PERIOD	\$ 26.33	\$ 26.40	\$ 24.18	\$ 23.99	\$ 18.55
TOTAL RETURN (B)	4.55%	20.88%	10.78%	37.50%	(16.36%)

RATIOS TO AVERAGE NET ASSETS

Expenses	0.97%	0.97%	0.99%	1.00%	0.98%
Net investment income	1.81%	1.83%	2.33%	2.25%	3.03%
Expense waiver/reimbursement	--	--	--	--	--

SUPPLEMENTAL DATA

Net assets, end of period (000 omitted)	\$600,664	\$554,062	\$386,490	\$369,505	\$332,241
Portfolio turnover	28%	26%	54%	49%	53%

<CAPTION>

	10/89	10/88 (A)	01/88	01/87	01/86	01/85
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 22.87	\$ 22.10	\$ 24.00	\$ 20.43	\$ 17.34	\$ 14.84
INCOME FROM INVESTMENT OPERATIONS						
Net investment income	0.70	0.52	0.68	0.66	0.66	0.63
Net realized and unrealized gain (loss) on investments	2.34	1.03	(1.50)	4.99	3.48	2.77
Total from investment operations	3.04	1.55	(0.82)	5.65	4.14	3.40
LESS DISTRIBUTIONS						
Distributions from net investment income	(0.65)	(0.52)	(0.64)	(0.64)	(0.65)	(0.71)
Distributions in excess of net investment income	--	--	--	--	--	--
Total distributions from net investment income	(0.65)	(0.52)	(0.64)	(0.64)	(0.65)	(0.71)
Distributions from net realized gain on investment transactions	(0.07)	(0.26)	(0.44)	(1.44)	(0.40)	(0.19)

Total distributions	(0.72)	(0.78)	(1.08)	(2.08)	(1.05)	(0.90)
NET ASSET VALUE, END OF PERIOD	\$ 25.19	\$ 22.87	\$ 22.10	\$ 24.00	\$ 20.43	\$ 17.34
TOTAL RETURN (B)	13.48%	7.14%	(3.64%)	29.02%	24.78%	24.29%
RATIOS TO AVERAGE NET ASSETS						
Expenses	0.95%	0.94% (c)	0.89%	0.93%	1.00%	0.94%
Net investment income	2.75%	3.08% (c)	2.82%	3.04%	3.69%	4.38%
Expense waiver/reimbursement	--	--	--	--	0.04% (d)	0.32% (d)
SUPPLEMENTAL DATA						
Net assets, end of period (000 omitted)	\$573,047	\$636,426	\$675,110	\$611,856	\$284,856	\$85,816
Portfolio turnover	35%	31%	51%	19%	35%	35%

<FN>

(a) For the nine months ended October 31, 1988.

(b) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.

(c) Computed on annualized basis.

(d) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

(e) Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These distributions do not represent a return of capital for federal income tax purposes.

</TABLE>

(See Notes which are an integral part of the Financial Statements)

Further information about the Trust's performance is contained in the Trust's Annual Report for the fiscal year ending October 31, 1994, which can be obtained free of charge.

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#### GENERAL INFORMATION

The Trust was established as a Massachusetts business trust under a Declaration of Trust dated December 30, 1981. The Declaration of Trust permits the Trust to offer separate series of shares of beneficial interest representing interests in separate portfolios of securities. The shares in any one portfolio may be offered in separate classes. As of the date of this prospectus, the Trustees have not established separate series or classes of shares.

Trust shares are sold and redeemed at net asset value without a sales charge imposed by the Trust.

#### INVESTMENT INFORMATION

##### INVESTMENT OBJECTIVE

The investment objective of the Trust is to provide growth of income and capital by investing principally in a professionally-managed and diversified portfolio of common stock of high-quality companies. These companies generally are leaders in their industries and are characterized by sound management and the ability to finance expected growth. While there is no assurance that the Trust will achieve its investment objective, it endeavors to do so by following the investment policies described in this prospectus. Unless otherwise stated, the investment



objective and the policies and limitations described below cannot be changed without the approval of shareholders.

#### INVESTMENT POLICIES

**ACCEPTABLE INVESTMENTS.** The Trust's investment approach is based on the conviction that over the long term the economy will continue to expand and develop and that this economic growth will be reflected in the growth of the revenues and earnings of major corporations.

**COMMON STOCKS.** The Trust invests primarily in common stocks of companies selected by the Trust's investment adviser on the basis of traditional research techniques, including assessment of earnings and dividend growth prospects and of the risk and volatility of the company's industry. Ordinarily, these companies will be in the top 25% of their industries with regard to revenues. However, other factors, such as product position or market share, will be considered by the Trust's investment adviser and may outweigh revenues.

**OTHER CORPORATE SECURITIES.** The Trust may invest in preferred stocks, corporate bonds, notes, and warrants of these companies. The prices of fixed income securities generally fluctuate inversely to the direction of interest rates.

**U.S. GOVERNMENT SECURITIES.** The Trust may invest in U.S. government securities.

**REPURCHASE AGREEMENTS.** The U.S. government securities in which the Trust invests may be purchased pursuant to repurchase agreements. Repurchase agreements are arrangements in which banks, broker/dealers, and other recognized financial institutions sell U.S. government securities to the Trust and agree at the time of sale to repurchase them at a mutually agreed upon time and price. The Trust or its custodian will take possession of the securities subject to repurchase agreements, and these securities will be marked to market daily. To the extent that

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the original seller does not repurchase the securities from the Trust, the Trust could receive less than the repurchase price on any sale of such securities. In the event that such a defaulting seller filed for bankruptcy or became insolvent, disposition of such securities by the Trust might be delayed pending court action. The Trust believes that under the regular procedures normally in effect for custody of the Trust's portfolio securities subject to repurchase agreements, a court of competent jurisdiction would rule in favor of the Trust and allow retention or disposition of such securities. The Trust will only enter into repurchase agreements with banks and other recognized financial institutions such as broker/dealers which are found by the Trust's adviser to be creditworthy pursuant to guidelines established by the Trustees.

**MONEY MARKET INSTRUMENTS.** The Trust may also invest in money market instruments.

As a matter of investment policy, which may be changed without shareholder approval, the Trust will not invest more than 10% of its assets in ADRs.

**SECURITIES OF FOREIGN ISSUERS.** The Trust may invest in the securities of foreign issuers which are freely traded on United States securities exchanges or in the over-the-counter market in the form of American Depositary Receipts ("ADRs"). Securities of a foreign issuer may present greater risks in the form of nationalization, confiscation, domestic marketability, or other national or international restrictions.

As a matter of practice, the Trust will not invest in the securities of a foreign issuer if any such risk appears to the investment adviser to be substantial.

At least 80% of the Trust's portfolio will be invested in common stocks, unless it is in a defensive position.

RESTRICTED AND ILLIQUID SECURITIES. The Trust intends to invest in restricted securities up to specific limitations. These limitations are not applicable to commercial paper issued under Section 4(2) of the Securities Act of 1933. Restricted securities are any securities in which the Trust may otherwise invest pursuant to the investment objective and policies but which are subject to restriction on resale under federal securities law. As a matter of investment practice, which may be changed without shareholder approval, the Trust will limit investments in illiquid securities, including certain restricted securities not determined by the Trustees to be liquid, and repurchase agreements providing for settlement in more than seven days after notice, to 10% of net assets.

The Trust may invest in commercial paper issued in reliance on the exemption from registration afforded by Section 4(2) of the Securities Act of 1933. Section 4(2) commercial paper is restricted as to disposition under federal securities law and is generally sold to institutional investors, such as the Trust, who agree that it is purchasing the paper for investment purposes and not with a view to public distribution. Any resale by the purchaser must be in an exempt transaction. Section 4(2) commercial paper is normally resold to other institutional investors like the Trust through or with the assistance of the issuer or the investment dealers who make a market in Section 4(2) commercial paper, thus providing liquidity. The Trust believes that Section 4(2) commercial paper and possibly certain other restricted securities which meet the criteria for liquidity established by the Board of Trustees of the Trust are quite liquid. The Trust intends, therefore, to treat the restricted securities which meet the criteria for liquidity established by the Trustees, including Section 4(2) commercial

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paper, as determined by the investment adviser of the Trust, as liquid and not subject to the investment limitation applicable to illiquid securities and restricted securities.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS. The Trust may purchase securities on a when-issued or delayed delivery basis. These transactions are arrangements in which the Trust purchases securities with payment and delivery scheduled for a future time. The seller's failure to complete these transactions may cause the Trust to miss a price or yield considered to be advantageous. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase prices. Accordingly, the Trust may pay more/less than the market value of the securities on the settlement date.

The Trust may dispose of a commitment prior to settlement if the adviser deems it appropriate to do so. In addition, the Trust may enter in transactions to sell its purchase commitments to third parties at current market values and simultaneously acquire other commitments to purchase similar securities at later dates. The Trust may realize short-term profits or losses upon the sale of such commitments.

PORTFOLIO TURNOVER. Although the Trust does not intend to invest for the purpose of seeking short-term profits, securities in its portfolio will be sold whenever the Trust's investment adviser believes it is appropriate to do so in light of the Trust's investment objective, without regard to the length of time a particular security may have been held.

#### INVESTMENT LIMITATIONS

The Trust will not:

- borrow money or pledge securities except, under certain circumstances, the Trust may borrow up to one-third of the value of its total assets and pledge up to 10% of the value of those assets to secure such borrowings;

- invest more than 5% of its total assets in the securities of one issuer (except cash and cash items and U.S. government securities);
- invest more than 5% of total assets in securities of issuers that have records of less than three years of continuous operations;
- invest more than 10% of its total assets in securities subject to restrictions on resale; or
- acquire more than 10% of the voting securities of any one issuer.

TRUST INFORMATION

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MANAGEMENT OF THE TRUST

BOARD OF TRUSTEES. The Trust is managed by a Board of Trustees. The Trustees are responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The Executive Committee of the Board of Trustees handles the Board's responsibilities between meetings of the Board.

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INVESTMENT ADVISER. Investment decisions for the Trust are made by Federated Management, the Trust's investment adviser, (the "Adviser"), subject to direction by the Trustees. The Adviser continually conducts investment research and supervision for the Trust and is responsible for the purchase or sale of portfolio instruments, for which it receives an annual fee from the Trust.

ADVISORY FEES. The annual investment advisory fee is based on the Trust's average daily net assets as shown on the chart below.

<TABLE>  
<CAPTION>

AVERAGE DAILY NET ASSETS	ADVISORY FEE AS % OF AVERAGE DAILY NET ASSETS
-----	-----
<S>	<C>
First \$500 million	.75 of 1%
Second \$500 million	.675 of 1%
Third \$500 million	.600 of 1%
Fourth \$500 million	.525 of 1%
Over \$2 billion	.40 of 1%

</TABLE>

Under the investment advisory contract, the Adviser will reimburse the Trust the amount, limited to the amount of the advisory fee, by which the Trust's aggregate annual operating expenses, including its investment advisory fee but excluding interest, taxes, brokerage commissions, expenses of registering and qualifying the Trust and its shares under federal and state laws, expenses of withholding taxes, and extraordinary expenses exceed 1% of its average daily net assets. This does not include reimbursement to the Trust of any expenses incurred by shareholders who use the transfer agent's subaccounting facilities. The adviser has also undertaken to reimburse the Trust for operating expenses in excess of limitations established by certain states.

ADVISER'S BACKGROUND. Federated Management, a Delaware business trust organized on April 11, 1989, is a registered investment adviser under the Investment Advisers Act of 1940. It is a subsidiary of Federated Investors. All of the Class A (voting) shares of Federated Investors are owned by a trust, the trustees of which are John F. Donahue, Chairman and Trustee of Federated Investors, Mr. Donahue's wife, and Mr. Donahue's son, J. Christopher Donahue, who is President and Trustee of Federated Investors.

Federated Management and other subsidiaries of Federated Investors serve as

investment advisers to a number of investment companies and private accounts. Certain other subsidiaries also provide administrative services to a number of investment companies. Total assets under management or administration by these and other subsidiaries of Federated Investors are approximately \$70 billion. Federated Investors, which was founded in 1956 as Federated Investors, Inc., develops and manages mutual funds primarily for the financial industry. Federated Investors' track record of competitive performance and its disciplined, risk averse investment philosophy serve approximately 3,500 client institutions nationwide. Through these same client institutions, individual shareholders also have access to this same level of investment expertise.

Peter R. Anderson has been the Trust's senior portfolio manager since 1982. Mr. Anderson joined Federated Investors in 1972 as, and is presently, a Senior Vice President of the Trust's investment adviser. Mr. Anderson is a Chartered Financial Analyst and received his M.B.A. in Finance from the University of Wisconsin.

Frederick L. Plautz has been the Trust's co-portfolio manager since February 1994. Mr. Plautz joined Federated Investors in 1990 and has been a Vice President of the Trust's investment adviser since October 1994. Prior to this, Mr. Plautz served as an Assistant Vice President of the investment adviser. Mr. Plautz was a portfolio manager at Banc One Asset Management Corp. from 1986 until 1990. Mr. Plautz received his M.S. in Finance from the University of Wisconsin.

DISTRIBUTION OF TRUST SHARES

Federated Securities Corp. is the principal distributor for shares of the Trust. It is a Pennsylvania corporation organized on November 14, 1969, and is the principal distributor for a number of investment companies. Federated Securities Corp. is a wholly-owned subsidiary of Federated Investors.

ADMINISTRATION OF THE TRUST

ADMINISTRATIVE SERVICES. Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services (including certain legal and financial reporting services) necessary to operate the Trust. Federated Administrative Services provides these at an annual rate which relates to the average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors ("Federated Funds") as specified below:

<TABLE>  
<CAPTION>

MAXIMUM ADMINISTRATIVE FEE	AVERAGE AGGREGATE DAILY NET ASSETS OF THE TRUST
-----	-----
<C>	<S>
0.15 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.10 of 1%	on the next \$250 million
0.075 of 1%	on assets in excess of \$750 million

</TABLE>

The administrative fee received during any fiscal year shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares. Federated Administrative Services may choose voluntarily to waive a portion of its fee.

SHAREHOLDER SERVICES PLAN. The Trust has adopted a Shareholder Services Plan

(the "Services Plan") under which it may make payments up to 0.25 of 1% of the average daily net asset value of the shares to obtain certain personal services for shareholders and the maintenance of shareholder accounts ("shareholder services"). The Trust has entered into a Shareholder Services Agreement with Federated Shareholder Services, a subsidiary of Federated Investors, under which Federated Shareholder Services will either perform shareholder services directly or will select financial institutions to perform shareholder services. Financial institutions will receive fees based upon shares owned by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid will be determined from time to time by the Trust and Federated Shareholder Services.

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CUSTODIAN. State Street Bank and Trust Company, Boston, Massachusetts is custodian for the securities and cash of the Trust.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT. Federated Services Company, Pittsburgh, Pennsylvania, is transfer agent for the shares of the Trust and dividend disbursing agent for the Trust.

LEGAL COUNSEL. Legal counsel is provided by Houston, Houston & Donnelly, Pittsburgh, Pennsylvania and Dickstein, Shapiro and Morin, L.L.P. Washington, D.C.

INDEPENDENT AUDITORS. The independent auditors for the Trust are Ernst & Young LLP, Pittsburgh, Pennsylvania.

#### BROKERAGE TRANSACTIONS

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the adviser looks for prompt execution of the order at a favorable price. In working with dealers, the adviser will generally utilize those who are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. In selecting among firms believed to meet these criteria, the adviser may give consideration to those firms believed to meet these criteria, the adviser may give consideration to those firms which have sold or are selling shares of the Trust and other funds distributed by Federated Securities Corp. The adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Board of Trustees.

#### NET ASSET VALUE

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The Trust's net asset value per share fluctuates. It is determined by dividing the sum of the market value of all securities and other assets, less liabilities, by the number of shares outstanding.

#### INVESTING IN THE TRUST

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#### SHARE PURCHASES

Trust shares are sold on days on which the New York Stock Exchange is open. Shares may be purchased either by wire or mail.

To purchase shares of the Trust, open an account by calling Federated Securities Corp. Information needed to establish the account will be taken over the telephone. The Trust reserves the right to reject any purchase request.

BY WIRE. To purchase shares of the Trust by Federal Reserve wire, call the Trust before 4:00 p.m. (Eastern time) to place an order. The order is considered received immediately. Payment by federal funds must be received before 3:00 p.m. (Eastern time) on the next business day following the order. Federal funds should be wired as follows: Federated Services Company,

c/o State Street Bank and Trust Company, Boston, Massachusetts; Attention: EDGEWIRE; For Credit to: Federated Stock Trust; Fund Number (this number can be found on the account statement or by contacting the Trust); Group Number or Order Number; Nominee or Institution Name; ABA Number 011000028.

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BY MAIL. To purchase shares of the Trust by mail, send a check made payable to Federated Stock Trust to: Federated Services Company, State Street Bank and Trust Company, P.O. Box 8602, Boston, Massachusetts 02266-8602. Orders by mail are considered received after payment by check is converted by the transfer agent's bank State Street Bank, into federal funds. This is generally the next business day after State Street Bank receives the check.

#### MINIMUM INVESTMENT REQUIRED

The minimum initial investment in the Trust is \$25,000 plus any non-affiliated bank or broker's fee, if applicable. However, an account may be opened with a smaller amount as long as the \$25,000 minimum is reached within 90 days. An institutional investor's minimum investment will be calculated by combining all accounts it maintains with the Trust. Accounts established through a non-affiliated bank or broker may be subject to a smaller minimum investment.

#### WHAT SHARES COST

Trust shares are sold at their net asset value, next determined after an order is received. There is no sales charge imposed by the Trust. Investors who purchase Trust shares through a non-affiliated bank or broker may be charged an additional service fee by that bank or broker.

The net asset value is determined at the close of business of the New York Stock Exchange, Monday through Friday, except on: (i) days on which there are not sufficient changes in the value of the Trust's portfolio securities that its net asset value might be materially affected; (ii) days during which no shares are tendered for redemption and no orders to purchase shares are received; or (iii) the following holidays: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

#### EXCHANGING SECURITIES FOR TRUST SHARES

Investors may exchange certain securities or a combination of securities and cash for Trust shares. The securities and any cash must have a market value of at least \$25,000. The Trust reserves the right to determine the acceptability of securities to be exchanged. Securities accepted by the Trust are valued in the same manner as the Trust values its assets. Investors wishing to exchange securities should first contact Federated Securities Corp. Shares purchased by exchange of U.S. government securities cannot be redeemed by telephone for fifteen business days to allow time for the transfer to settle.

#### SUBACCOUNTING SERVICES

Institutions are encouraged to open single master accounts. However, certain institutions may wish to use the transfer agent's subaccounting system to minimize their internal recordkeeping requirements. The transfer agent charges a fee based on the level of subaccounting services rendered. Institutions holding Trust shares in a fiduciary, agency, custodial, or similar capacity may charge or pass through subaccounting fees as part of or in addition to normal trust or agency account fees. They may also charge fees for other services provided which may be related to the ownership of Trust shares. This prospectus should, therefore, be read together with any agreement between the customer and the institution with regard to the services provided, the fees charged for those services, and any restrictions and limitations imposed.

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#### CERTIFICATES AND CONFIRMATIONS

As transfer agent for the Trust, Federated Services Company maintains a share account for each shareholder. Share certificates are not issued unless requested by contacting the Trust. Detailed confirmations of each purchase or redemption are sent to each shareholder. Quarterly confirmations are sent to report dividends paid during that quarter.

#### DIVIDENDS

Dividends are declared and paid quarterly to all shareholders invested in the Trust on the record date. Unless shareholders request cash payments by writing to the Trust, dividends are automatically reinvested in additional shares of the Trust on payment dates at the ex-dividend date net asset value without a sales charge.

#### CAPITAL GAINS

Capital gains realized by the Trust, if any, will be distributed at least once every 12 months.

#### RETIREMENT PLANS

Shares of the Trust can be purchased as an investment for retirement plans or for IRA accounts. For further details contact Federated Securities Corp. and consult a tax adviser.

#### REDEEMING SHARES

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The Trust redeems shares at their net asset value next determined after the Trust receives the redemption request. Redemptions will be made on days on which the Trust computes its net asset value. Redemption requests must be received in proper form and can be made by telephone request or by written request.

#### TELEPHONE REDEMPTION

Shareholders may redeem their shares by telephoning the Trust before 4:00 p.m. (Eastern time). The proceeds will normally be wired the following business day, but in no event more than seven days, to the shareholder's account at a domestic commercial bank that is a member of the Federal Reserve System. If at any time, the Trust shall determine it necessary to terminate or modify this method of redemption, shareholders would be promptly notified.

An authorization form permitting the Trust to accept telephone requests must first be completed. Authorization forms and information on this service are available from Federated Securities Corp. Telephone redemption instructions may be recorded. If reasonable procedures are not followed by the Trust, it may be liable for losses due to unauthorized or fraudulent telephone instructions.

In the event of drastic economic or market changes, a shareholder may experience difficulty in redeeming by telephone. If such a case should occur, another method of redemption, such as "Written Requests" should be considered.

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#### WRITTEN REQUESTS

Trust shares may also be redeemed by sending a written request to the Trust. Call the Trust for specific instructions before redeeming by letter. The shareholder will be asked to provide in the request his name, the Trust name, his account number, and the share or dollar amount requested. If share certificates have been issued, they must be properly endorsed and should be sent by registered or certified mail with the written request.

**SIGNATURES.** Shareholders requesting a redemption of \$50,000 or more, a redemption of any amount to be sent to an address other than that on record with the Trust, or a redemption payable other than to the shareholder of record must

have signatures on written redemption requests guaranteed by:

- a trust company or commercial bank whose deposits are insured by the Bank Insurance Fund ("BIF"), which is administered by the Federal Deposit Insurance Corporation ("FDIC");
- a member firm of the New York, American, Boston, Midwest, or Pacific Stock Exchanges;
- a savings bank or savings and loan association whose deposits are insured by the Savings Association Insurance Fund ("SAIF"), which is administered by the FDIC; or
- any other "eligible guarantor institution," as defined in the Securities Exchange Act of 1934.

The Trust does not accept signatures guaranteed by a notary public.

The Trust and its transfer agent have adopted standards for accepting signature guarantees from the above institutions. The Trust may elect in the future to limit eligible signature guarantors to institutions that are members of a signature guarantee program. The Trust and its transfer agent reserve the right to amend these standards at any time without notice.

RECEIVING PAYMENT. Normally, a check for the proceeds is mailed within one business day, but in no event more than seven days, after receipt of a proper written redemption request.

#### ACCOUNTS WITH LOW BALANCES

Due to the high cost of maintaining accounts with low balances, the Trust may redeem shares in any account and pay the proceeds to the shareholder if the account balance falls below a required minimum value of \$25,000. This requirement does not apply, however, if the balance falls below \$25,000 because of changes in the Trust's net asset value.

Before shares are redeemed to close an account, the shareholder is notified in writing and allowed 30 days to purchase additional shares to meet the minimum requirement.

#### SHAREHOLDER INFORMATION

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#### VOTING RIGHTS

Each share of the Trust gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote. As a Massachusetts business trust, the Trust is not required to hold annual shareholder meetings. Shareholder approval will be sought only for certain changes in the Trust's operation and for the election of Trustees under certain circumstances. Trustees may be

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removed by the Trustees or by shareholders at a special meeting. A special meeting of the Trust shall be called by the Trustees upon the written request of shareholders owning at least 10% of the Trust's outstanding shares.

#### MASSACHUSETTS PARTNERSHIP LAW

Under certain circumstances, shareholders may be held personally liable as partners under Massachusetts law for obligations of the Trust. To protect its shareholders, the Trust has filed legal documents with Massachusetts that expressly disclaim the liability of its shareholders for acts or obligations of the Trust. These documents require notice of this disclaimer to be given in each agreement, obligation, or instrument the Trust or its Trustees enter into or sign.

In the unlikely event a shareholder is held personally liable for the Trust's obligations, the Trust is required to use its property to protect or compensate



the shareholder. On request, the Trust will defend any claim made and pay any judgment against a shareholder for any act or obligation of the Trust. Therefore, financial loss resulting from liability as a shareholder will occur only if the Trust itself cannot meet its obligations to indemnify shareholders and pay judgments against them.

#### TAX INFORMATION

---

##### FEDERAL INCOME TAX

The Trust will pay no federal income tax because it expects to meet requirements of the Internal Revenue Code applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. Unless otherwise exempt, shareholders are required to pay federal income tax on any dividends and other distributions received. This applies whether dividends and distributions are received in cash or as additional shares. No federal income tax is due on any dividends earned in an IRA or qualified retirement plan until distributed.

##### PENNSYLVANIA CORPORATE AND PERSONAL PROPERTY TAXES

In the opinion of Houston, Houston & Donnelly, counsel to the Trust:

- the Trust is not subject to Pennsylvania corporate or personal property taxes; and
- Trust shares may be subject to personal property taxes imposed by counties, municipalities, and school districts in Pennsylvania to the extent that the portfolio securities in the Trust would be subject to such taxes if owned directly by residents of those jurisdictions.

Shareholders are urged to consult their own tax advisers regarding the status of their accounts under state and local tax laws.

#### PERFORMANCE INFORMATION

---

From time to time the Trust advertises its total return and yield.

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Total return represents the change, over a specific period of time, in the value of an investment in the Trust after reinvesting all income and capital gains distributions. It is calculated by dividing that change by the initial investment and is expressed as a percentage.

The yield of the Trust is calculated by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Trust over a thirty-day period by the offering price per share of the Trust on the last day of the period. This number is then annualized using semi-annual compounding. The yield does not necessarily reflect income actually earned by the Trust and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

The Trust is sold without any sales charge or other similar non-recurring charges.

From time to time, the Trust may advertise its performance using certain financial publications and/or compare its performance to certain indices.

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FEDERATED STOCK TRUST  
PORTFOLIO OF INVESTMENTS  
OCTOBER 31, 1994

<TABLE>		
<CAPTION>		
SHARES	SECURITY NAME	VALUE
<C>	<S>	<C>
EQUITIES--93.0%		
-----		
BASIC INDUSTRY--8.5%		
227,000	*FMC Corp.	\$13,847,000
228,600	Lubrizol Corp.	7,372,350
306,000	Phelps Dodge Corp.	18,780,750
480,000	Praxair, Inc.	11,100,000
	Total	51,100,100
-----		
CONSUMER DURABLES--8.8%		
94,700	Chrysler Corp.	4,616,625
241,900	Eastman Kodak Co.	11,641,438
354,000	Ford Motor Co.	10,443,000
199,400	General Motors Corp.	7,876,300
613,000	Mattel, Inc.	17,930,250
	Total	52,507,613
-----		
CONSUMER NON-DURABLES--6.1%		
151,200	Avon Products, Inc.	9,563,400
246,400	Phillip Morris	15,092,000
301,000	Reebok International Ltd.	12,002,375
	Total	36,657,775
-----		
CONSUMER SERVICES--6.5%		
439,000	American Stores Co.	11,907,875
321,500	Sears, Roebuck & Co.	15,914,250
505,100	Tele-Communications, Inc., Class A	11,427,888
	Total	39,250,013
-----		

</TABLE>

FEDERATED STOCK TRUST

<TABLE>		
<CAPTION>		
SHARES	SECURITY NAME	VALUE

<C>	<S>	<C>
EQUITIES--CONTINUED		
	ENERGY--10.4%	
391,000	Baker Hughes, Inc.	\$ 8,015,500
320,000	Chevron Corp.	14,400,000
172,000	Mapco, Inc.	9,395,500
219,900	Texaco, Inc.	14,375,963
518,700	USX Corp.	9,725,625
140,210	*Western Atlas, Inc.	6,449,660
	Total	62,362,248
	FINANCE--15.3%	
169,000	Aml Residential Properties Trust	3,211,000
276,600	Bank of Boston Corp.	7,952,250
295,200	Citicorp	14,095,800
200,483	Dean Witter, Discover & Co.	7,743,656
81,400	Federal National Mortgage Association	6,186,400
90,300	First Interstate Bancorp	7,224,000
214,620	Mellon Bank Corp.	11,938,238
133,400	NationsBank Corp.	6,603,300
324,600	PNC Bank Corp.	7,628,100
15,000	Providian Corp.	476,250
201,900	Transamerica Corp.	9,918,338
251,666	Travelers, Inc.	8,745,394
	Total	91,722,726
	HEALTHCARE--8.0%	
227,900	American Home Products Corp.	14,471,650
202,700	Becton, Dickinson & Co.	9,577,575
202,000	Bristol-Myers Squibb Co.	11,791,750

</TABLE>

FEDERATED STOCK TRUST

<TABLE>  
<CAPTION>  
SHARES

SECURITY NAME

VALUE

<C>	<S>	<C>
EQUITIES--CONTINUED		
-----		
HEALTHCARE--CONTINUED		
261,775	U.S. Healthcare, Inc.	\$12,368,869
	Total	48,209,844
-----		
INDUSTRIAL/MANUFACTURING--7.6%		
80,900	Deere & Co.	5,804,575
180,900	General Electric Co.	8,841,488
161,910	*Litton Industries, Inc.	5,950,193
122,100	Loews Corp.	10,775,325
277,400	Textron, Inc.	14,147,400
	Total	45,518,981
-----		
TECHNOLOGY--12.2%		
417,000	General Motors Corp., Class E	15,272,625
164,700	Hewlett-Packard Co.	16,099,425
29,100	International Business Machines Corp.	2,167,950
299,000	Martin-Marietta Corp.	13,716,625
225,100	Raytheon Co.	14,350,125
342,200	Rockwell International Corp.	11,934,225
	Total	73,540,975
-----		
TRANSPORTATION--1.4%		
364,900	Ryder Systems, Inc.	8,575,150
-----		
UTILITIES--8.2%		
252,500	AT&T Corp.	13,887,500
70,000	British Telecommunication PLC, ADR	4,506,250
118,350	Detroit Edison Co.	3,121,481
164,000	Duke Power Co.	6,498,500
169,000	Enron Corp.	5,471,371
387,200	MCI Communications Corp.	8,905,600
-----		

</TABLE>

FEDERATED STOCK TRUST

<TABLE>  
<CAPTION>  
SHARES OR

PRINCIPAL AMOUNT	SECURITY NAME	VALUE
<C>	<S>	<C>
EQUITIES--CONTINUED		
UTILITIES--CONTINUED		
115,000	Nacional Financiera, SNC, PRIDES, \$6.79	\$ 6,670,000
	Total	49,060,702
	TOTAL EQUITIES (IDENTIFIED COST \$441,987,283)	558,506,127
CONVERTIBLE SECURITIES--2.9%		
\$6,575,000	General Instrument Corp., Conv. Jr. Sub. Note, 5.00%, 6/15/2000	9,734,616
1,093,000	RJR Nabisco Holdings Corp., Conv. Pfd., Series C, \$.60	7,514,375
	TOTAL CONVERTIBLE SECURITIES (IDENTIFIED COST \$13,760,555)	17,248,991
**REPURCHASE AGREEMENT--4.9%		
29,275,000	J.P. Morgan and Co., Inc., 4.71%, dated 10/31/94, due 11/7/94 (at amortized cost)	29,275,000
	TOTAL INVESTMENTS (IDENTIFIED COST \$485,022,838)	\$605,030,118+

<FN>

+ The cost of investments for federal tax purposed amounts to \$485,311,177. The net appreciation on a federal tax basis amounts to \$119,718,941, which is comprised of \$125,606,163 appreciation and \$5,887,222 depreciation at October 31, 1994.

\* Non-income producing.

\*\* The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio. The investment in the repurchase agreement was through participation in a joint account with other Federated funds.

Note: The categories of investments are shown as a percentage of net assets (\$600,663,895) at October 31, 1994.

The following abbreviations are used in this portfolio:

ADR--American Depository Receipts

PLC--Public Limited Company

PRIDES--Preferred Redeemable Increased Dividend Equity Securities

(See Notes which are an integral part of the Financial Statements)

</TABLE>

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FEDERATED STOCK TRUST

STATEMENT OF ASSETS AND LIABILITIES

OCTOBER 31, 1994

<S>	<C>	<C>
ASSETS:		
Investments in securities, at value (identified cost, \$485,022,838, and tax cost, \$485,311,177)		\$605,030,118
Cash		4,653

Income receivable		1,201,767
-----		-----
Receivable for investments sold		3,988,469
-----		-----
Receivable for Shares sold		914,411
-----		-----
Total assets		611,139,418
-----		-----
LIABILITIES:		
-----		-----
Payable for investments purchased	\$10,044,180	
-----		-----
Payable for Shares redeemed	383,894	
-----		-----
Accrued expenses	47,449	
-----		-----
Total liabilities		10,475,523
-----		-----
NET ASSETS for 22,812,675 Shares outstanding		\$600,663,895
-----		-----
NET ASSETS CONSIST OF:		
-----		-----
Paid-in capital		\$464,765,262
-----		-----
Net unrealized appreciation (depreciation) of investments		120,007,280
-----		-----
Accumulated undistributed net realized gain on investments		15,152,821
-----		-----
Undistributed net investment income		738,532
-----		-----
Total Net Assets		\$600,663,895
-----		-----
NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share: (\$600,663,895 DIVIDED BY 22,812,675 Shares outstanding)		\$ 26.33
-----		-----

</TABLE>

(See Notes which are an integral part of the Financial Statements)

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FEDERATED STOCK TRUST

STATEMENT OF OPERATIONS

YEAR ENDED OCTOBER 31, 1994

<TABLE>		
<S>	<C>	<C>
INVESTMENT INCOME:		
-----		-----
Interest		\$ 1,780,447
-----		-----
Dividends		13,986,583
-----		-----
Total income		15,767,030
-----		-----
EXPENSES:		
-----		-----
Investment advisory fee	\$4,204,915	
-----		-----
Administrative personnel and services fee	528,231	
-----		-----

Custodian fees	194,966	
-----		
Transfer agent and dividend disbursing agent fees	73,281	
-----		
Trustees fees	11,407	
-----		
Auditing fees	22,006	
-----		
Legal fees	12,113	
-----		
Portfolio accounting fees	41,626	
-----		
Share registration costs	32,462	
-----		
Printing and postage	10,912	
-----		
Insurance premiums	11,949	
-----		
Taxes	12,992	
-----		
Miscellaneous	4,161	
-----		
Shareholder services fee	334,212	
-----		
Total expenses		5,495,233
-----		
Net investment income		10,271,797
-----		
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
-----		
Net realized gain (loss) on investments		15,153,654
-----		
Net change in unrealized appreciation (depreciation)		89,647
-----		
Net realized and unrealized gain (loss) on investments		15,243,301
-----		
Change in net assets resulting from operations		\$25,515,098
-----		

</TABLE>

(See Notes which are an integral part of the Financial Statements)

FEDERATED STOCK TRUST

STATEMENT OF CHANGES IN NET ASSETS

-----

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,	
	1994	1993
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
-----		
OPERATIONS--		
-----		
Net investment income	\$ 10,271,797	\$ 8,479,812
-----		
Net realized gain (loss) on investments (\$15,441,993 and \$16,842,550, respectively, as computed for federal income tax		

purposes)	15,153,654	16,842,550
-----		
Net change in unrealized appreciation (depreciation)	89,647	58,309,454
-----		
Change in net assets resulting from operations	25,515,098	83,631,816
-----		
DISTRIBUTIONS TO SHAREHOLDERS--		
-----		
Distributions from net investment income	(9,572,779)	(8,867,467)
-----		
Distributions in excess of net investment income	0	(305,905)
-----		
Distributions from net realized gains	(16,842,679)	(32,311,490)
-----		
Change in net assets resulting from distributions to shareholders	(26,415,458)	(41,484,862)
-----		
SHARE TRANSACTIONS		
-----		
Proceeds from sale of Shares	265,476,902	252,241,445
-----		
Net asset value of Shares issued to shareholders in payment of distributions declared	13,333,198	21,205,060
-----		
Cost of Shares redeemed	(231,307,977)	(148,021,556)
-----		
Change in net assets resulting from share transactions	47,502,123	125,424,949
-----		
Change in net assets	46,601,763	167,571,903
-----		
NET ASSETS:		
-----		
Beginning of period	554,062,132	386,490,229
-----		
End of period (including undistributed net investment income of \$738,532 and \$0, respectively)	\$600,663,895	\$554,062,132
-----		

<FN>  
(See Notes which are an integral part of the Financial Statements)  
</TABLE>

FEDERATED STOCK TRUST

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1994

(1) ORGANIZATION

Federated Stock Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as a diversified, open-end, no-load management investment company.

(2) SIGNIFICANT ACCOUNTING POLICIES



The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles.

INVESTMENT VALUATIONS--Listed equity securities, corporate bonds and other fixed income securities are valued at the last sale price on national securities exchanges. Unlisted securities and bonds are generally valued at the price provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less may be stated at amortized cost, which approximates value.

REPURCHASE AGREEMENTS--It is the policy of the Trust to require the custodian bank to take possession, to have legally segregated in the Federal Reserve Book Entry System, or to have segregated within the custodian bank's vault, all securities held as collateral in support of repurchase agreement investments. Additionally, procedures have been established by the Trust to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure that the value of collateral at least equals the principal amount of the repurchase agreement, including accrued interest.

The Trust will only enter into repurchase agreements with banks and other recognized financial institutions, such as broker/dealers, which are deemed by the Trust's adviser to be creditworthy pursuant to the guidelines established by the Board of Trustees of the Trust (the "Trustees"). Risks may arise from the potential inability of counterparties to honor the terms of the repurchase agreement. Accordingly, the Trust could receive less than the repurchase price on the sale of collateral securities.

INVESTMENT INCOME, EXPENSES, AND DISTRIBUTIONS--Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code").

FEDERAL TAXES--It is the Trust's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all taxable income. Accordingly, no provisions for federal tax are necessary.

FEDERATED STOCK TRUST

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WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Trust may engage in when-issued or delayed delivery transactions. The Trust records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date.

RECLASSIFICATION--During the fiscal year ended 1994, the Trust adopted Statement of Position 93-2, Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital

Distributions by Investment Companies. Accordingly, permanent book and tax differences have been reclassified to paid-in capital. The cumulative net effect of such differences, totaling \$10,078, was reclassified from net realized gain and undistributed net investment income to paid-in-capital. Net investment income and net assets were not affected by this change.

GENERAL--Investment transactions are accounted for on the trade date.

(3) CAPITAL SHARES

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value).

Transactions in capital shares were as follows:

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,	
	1994	1993
	<C>	<C>
Shares sold	10,334,187	9,996,402
Shares issued to shareholders in payment of dividends declared	526,068	888,633
Shares redeemed	(9,032,374)	(5,885,738)
Net change	1,827,881	4,999,297

</TABLE>

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Trust's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee up to a maximum of .75 of 1% of the Trust's average daily net assets. The Adviser will waive, to the extent of its advisory fee, the amount, if any, by which the Trust's aggregate annual operating expenses (excluding interest, taxes, brokerage commissions, expenses of registering and qualifying the Trust and its shares under federal and state laws, expenses of withholding taxes, and extraordinary expenses) exceed 1% of average daily net assets of the Trust.

FEDERATED STOCK TRUST

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Trust with administrative personnel and services. Prior to March 1, 1994, these services were provided at approximate cost. Effective March 1, 1994,

the FAS fee is based on the level of average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors for the period. The administrative fee received during the period of the Administrative Services Agreement shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares.

SHAREHOLDER SERVICES FEE--Under the terms of a Shareholder Services Agreement with Federated Shareholder Services ("FSS"), the Trust will pay FSS up to .25 of 1% of average net assets of the Trust for the period. This fee is to obtain certain personal services for shareholders and to maintain the shareholder accounts.

TRANSFER AGENT FEES--Federated Services Company ("FServ") serves as transfer and dividend disbursing agent for the Trust. The FServ fee is based on the size, type, and number of accounts and transactions made by shareholders.

PORTFOLIO ACCOUNTING FEES--FServ maintains the Trust's accounting records. The fee is based on the level of the Trust's average net assets for the period plus out-of-pocket expenses.

GENERAL--Certain of the Officers and Trustees of the Trust are Officers and Directors or Trustees of the above companies.

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the period ended October 31, 1994, were as follows:

<S>	<C>
-----	-----
PURCHASES	\$211,213,161
-----	-----
SALES	\$147,428,739
-----	-----

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

To the Trustees and Shareholders of  
FEDERATED STOCK TRUST:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Federated Stock Trust as of October 31, 1994, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended and the financial highlights (see page 2 of this prospectus) for each of the periods presented therein. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain

reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 1994, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Federated Stock Trust at October 31, 1994, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the periods presented therein, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Pittsburgh, Pennsylvania  
December 9, 1994

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ADDRESSES

-----		
<TABLE>		
<S>		<C>
	Federated Stock Trust	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
-----		
Distributor	Federated Securities Corp.	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
-----		
Investment Adviser	Federated Management	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
-----		
Custodian	State Street Bank and Trust Company	P.O. Box 8602 Boston, Massachusetts 02266-8602
-----		
Transfer Agent and Dividend Disbursing Agent	Federated Services Company	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
-----		
Legal Counsel	Houston, Houston & Donnelly	2510 Centre City Tower Pittsburgh, Pennsylvania 15222
-----		
Legal Counsel	Dickstein, Shapiro & Morin, L.L.P.	2101 L Street, N.W. Washington, D.C. 20037
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Independent Auditors	Ernst & Young LLP	One Oxford Centre Pittsburgh, Pennsylvania 15219
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FEDERATED STOCK TRUST  
PROSPECTUS

A No-Load, Open-End, Diversified  
Management Investment Company

December 31, 1994

[LOGO] FEDERATED SECURITIES CORP.

Distributor

A subsidiary of FEDERATED INVESTORS

FEDERATED INVESTORS TOWER

PITTSBURGH, PA 15222-3779

313900102

8120102A (12/94)

[RECYCLED PAPER SYMBOL]

Federated Stock Trust  
Statement of Additional Information

This Statement of Additional Information should be read with the prospectus of the Federated Stock Trust (the "Trust") dated December 31, 1994. This Statement is not a prospectus itself. To receive a copy of the prospectus, write or call Federated Stock Trust.

Federated Investors Tower  
Pittsburgh, Pennsylvania 15222-3779

Statement dated December 31, 1994

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A subsidiary of Federated Investors	
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#### General Information About the Trust

Federated Stock Trust (the "Trust") was established as a Massachusetts business trust under a Declaration of Trust dated December 30, 1981. On May 2, 1993, the shareholders of the Trust voted to permit the Trust to offer separate series and classes of shares.

#### Investment Objective and Policies

The Trust's investment objective is to provide growth of income and capital by investing principally in a professionally-managed and diversified portfolio of common stocks of high quality companies.

#### Types of Investments

Although the Trust may invest in other securities of these companies and in money market instruments, it is the Trust's policy to invest at least 80% of its portfolio in common stocks. The above investment objective and policies cannot be changed without approval of shareholders.

#### U.S. Government Obligations

The types of U.S. government obligations in which the Trust may invest generally include direct obligations of the U.S. Treasury (such as U.S. Treasury bills, notes, and bonds) and obligations issued or guaranteed by U.S. government agencies or instrumentalities. These securities are backed by:

- o the full faith and credit of the U.S. Treasury;
- o the issuer's right to borrow from the U.S. Treasury;
- o the discretionary authority of the U.S. government to purchase certain obligations of agencies or instrumentalities; or
- o the credit of the agency or instrumentality issuing the obligations.

Examples of agencies and instrumentalities which may not always receive financial support from the U.S. government are:

- o Federal Land Banks;
- o Central Bank for Cooperatives;
- o Federal Intermediate Credit Banks;
- o Federal Home Loan Banks;
- o Farmers Home Administration; and
- o Federal National Mortgage Association.

#### When-Issued And Delayed Delivery Transactions

These transactions are made to secure what is considered to be an advantageous price or yield for the Trust. No fees or other expenses, other than normal transaction costs, are incurred. However, liquid assets of the Trust sufficient to make payment for the securities to be purchased are segregated on the Trust's records at the trade date. These

assets are marked to market daily and are maintained until the transaction has been settled. The Trust does not intend to engage in when-issued and delayed delivery transactions to an extent that would cause the segregation of more than 20% of the total value of its assets.

#### Portfolio Turnover

The Trust will not attempt to set or meet a portfolio turnover rate since any turnover would be incidental to transactions undertaken in an attempt to achieve the Trust's investment objective. For the fiscal years ended October 31, 1994, and 1993, the portfolio turnover rates were 28% and 26%, respectively.

#### Investment Limitations

The Trust will not change any of the investment limitations described below without approval of shareholders.

##### Selling Short and Buying on Margin

The Trust will not sell any securities short or purchase any securities on margin, but may obtain such short-term credits as may be necessary for clearance of purchases and sales of portfolio securities.

##### Borrowing Money

The Trust will not borrow money except as a temporary measure for extraordinary or emergency purposes and then only in amounts not in excess of 5% of the value of its total assets or in an amount up to one-third of the value of its total assets, including the amount borrowed, in order to meet redemption requests without immediately selling portfolio securities. This borrowing provision is not for investment leverage but solely to facilitate management of the portfolio by enabling the Trust to meet redemption requests when the liquidation of portfolio securities would be inconvenient or disadvantageous. Interest paid on borrowed funds will not be available for investment. The Trust will liquidate any such borrowings as soon as possible and may not purchase any portfolio securities while any borrowings are outstanding.

##### Pledging Assets

The Trust will not mortgage, pledge, or hypothecate any assets except to secure permitted borrowings. In those cases, it may mortgage, pledge, or hypothecate assets having a market value not exceeding 10% of the value of total assets at the time of the borrowing.

##### Diversification of Investments

The Trust will not invest more than 5% of its total assets in the securities of any one issuer, except in cash or cash instruments, repurchase agreements, and securities guaranteed by the U.S. government, its agencies or instrumentalities.

##### Purchasing Securities to Exercise Control

The Trust will not purchase securities of a company for the purpose of exercising control or management. However, the Trust will acquire no more than 10% of the voting securities of an issuer and may exercise its voting power in the Trust's best interest. From time to time, the Trust, together with other investment companies advised by affiliates or subsidiaries of Federated Investors, may together buy and hold substantial amounts of a company's voting stock. All such stock may be voted together. In some cases, the Trust and the other investment companies might collectively be considered to be in control of the company in which they have invested. Officers or affiliates of the Trust might possibly become directors of companies in which the Trust holds stock.

##### Purchasing Securities of Other Issuers

The Trust will not purchase securities of other investment companies, except:  
oby purchase in the open market involving only

customary brokerage commissions; or  
as part of a merger, consolidation or other  
acquisition.

#### Investing in New Issuers Whose Securities Are Owned by Officers of the Trust

The Trust will not invest more than 5% of the value of  
its total assets in securities of issuers with records  
of less than three years of continuous operations,  
including the operation of any predecessor.

#### Investing in Issuers

The Trust will not purchase or retain the securities  
of any issuer if the officers and Board of Trustees  
(the "Trustees") of the Trust or its investment adviser  
owning individually more than 1/2 of 1% of the issuer's  
securities together own more than 5% of the issuer's  
securities.

#### Underwriting

The Trust will not underwrite any issue of securities,  
except as it may be deemed to be an underwriter under  
the Securities Act of 1933 in connection with the sale  
of securities in accordance with its investment  
objective, policies and limitations.

#### Investing in Real Estate

The Trust will not invest in real estate, although it  
may invest in securities secured by real estate or  
interests in real estate.

#### Investing in Commodities or Minerals

The Trust will not purchase or sell commodities or  
commodity contracts or oil, gas, or other mineral  
development programs or leases.

#### Lending Cash or Securities

The Trust will not lend any of its assets, except that  
it may purchase or hold corporate or government bonds,  
debentures, notes, certificates of indebtedness or  
other debt securities permitted by its investment  
objective and policies.

#### Concentration of Investments in One Industry

The Trust will not invest more than 25% of the value of  
its total assets in one industry.

#### Issuing Senior Securities

The Trust will not issue senior securities except as  
permitted by its investment objective and policies.

#### Dealing in Puts and Calls

The Trust will not write, purchase or sell puts, calls,  
straddles or spreads or any combinations of them.

#### Restricted Securities

The Trust will not invest more than 10% of the value of  
its total assets in securities subject to restrictions  
on resale under federal securities laws or for other  
reasons.

Except with respect to borrowing money, if a percentage  
limitation is adhered to at the time of investment, a later  
increase or decrease in percentage resulting from any change  
in value or net assets will not result in a violation of  
such restriction.

The Trust did not borrow money, pledge securities, or  
purchase restricted securities in excess of 5% of the value  
of its total assets during the last fiscal year and has no  
present intent to do so in the coming fiscal year.

#### Federated Stock Trust Management

Officers and Trustees are listed with their addresses,  
present positions with Federated Stock Trust, and principal  
occupations.

John F. Donahue@\*

Federated Investors Tower



Pittsburgh, PA  
Chairman and Trustee  
Chairman and Trustee, Federated Investors, Federated  
Advisers, Federated Management, and Federated Research;  
Chairman and Director, Federated Research Corp.; Chairman,  
Passport Research, Ltd.; Director, AETna Life and Casualty  
Company; Chief Executive Officer and Director, Trustee, or  
Managing General Partner of the Funds. Mr. Donahue is the  
father of J. Christopher Donahue, Vice President of the  
Trust.

John T. Conroy, Jr.  
Wood/IPC Commercial Department  
John R. Wood and Associates, Inc., Realtors  
3255 Tamiami Trail North  
Naples, FL  
Trustee  
President, Investment Properties Corporation; Senior Vice-  
President, John R. Wood and Associates, Inc., Realtors;  
President, Northgate Village Development Corporation;  
Partner or Trustee in private real estate ventures in  
Southwest Florida; Director, Trustee, or Managing General  
Partner of the Funds; formerly, President, Naples Property  
Management, Inc.

William J. Copeland  
One PNC Plaza - 23rd Floor  
Pittsburgh, PA  
Trustee  
Director and Member of the Executive Committee, Michael  
Baker, Inc.; Director, Trustee, or Managing General Partner  
of the Funds; formerly, Vice Chairman and Director, PNC  
Bank, N.A., and PNC Bank Corp. and Director, Ryan Homes,  
Inc.

James E. Dowd  
571 Hayward Mill Road  
Concord, MA  
Trustee  
Attorney-at-law; Director, The Emerging Germany Fund, Inc.;  
Director, Trustee, or Managing General Partner of the Funds;  
formerly, Director, Blue Cross of Massachusetts, Inc.

Lawrence D. Ellis, M.D.  
3471 Fifth Avenue, Suite 1111  
Pittsburgh, PA  
Trustee

Hematologist, Oncologist, and Internist, Presbyterian and  
Montefiore Hospitals; Professor of Medicine and Trustee,  
University of Pittsburgh; Director of Corporate Health,  
University of Pittsburgh Medical Center; Director, Trustee,  
or Managing General Partner of the Funds.

Edward L. Flaherty, Jr. @

Two Gateway Center-Suite 674

Pittsburgh, PA  
Trustee  
Attorney-at-law; Partner, Henny, Koehuba, Meyer and  
Flaherty; Director, Eat'N Park Restaurants, Inc., and  
Statewide Settlement Agency, Inc.; Director, Trustee, or  
Managing General Partner of the Funds; formerly, Counsel,  
Horizon Financial, F.A., Western Region.

Peter E. Madden  
225 Franklin Street  
Boston, MA  
Trustee  
Consultant; State Representative, Commonwealth of

Massachusetts; Director, Trustee, or Managing General Partner of the Funds; formerly, President, State Street Bank and Trust Company and State Street Boston Corporation and Trustee, Lahey Clinic Foundation, Inc.

Gregor F. Meyer

Two Gateway Center-Suite 674

Pittsburgh, PA

Trustee

Attorney-at-law; Partner, Henny, Koehuba, Meyer and Flaherty; Chairman, Meritcare, Inc.; Director, Eat'N Park Restaurants, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Vice Chairman, Horizon Financial, F.A.

Wesley W. Posvar

1202 Cathedral of Learning

University of Pittsburgh

Pittsburgh, PA

Trustee

Professor, Foreign Policy and Management Consultant; Trustee, Carnegie Endowment for International Peace, RAND Corporation, Online Computer Library Center, Inc., and U.S. Space Foundation; Chairman, Czecho Slovak Management Center; Director, Trustee, or Managing General Partner of the Funds; President Emeritus, University of Pittsburgh; formerly, Chairman, National Advisory Council for Environmental Policy and Technology.

Marjorie P. Smuts

4905 Bayard Street

Pittsburgh, PA

Trustee

Public relations/marketing consultant; Director, Trustee, or Managing General Partner of the Funds.

Glen R. Johnson

Federated Investors Tower

Pittsburgh, PA

President

Trustee, Federated Investors; President and/or Trustee of some of the Funds; staff member, Federated Securities Corp. and Federated Administrative Services.

J. Christopher Donahue

Federated Investors Tower

Pittsburgh, PA

Vice President

President and Trustee, Federated Investors, Federated Advisers, Federated Management, and Federated Research; President and Director, Federated Research Corp.; President, Passport Research, Ltd.; Trustee, Federated Administrative Services, Federated Services Company, and Federated Shareholder Services; President or Vice President of the Funds; Director, Trustee, or Managing General Partner of some of the Funds. Mr. Donahue is the son of John F. Donahue, Chairman and Trustee of the Trust.

Richard B. Fisher

Federated Investors Tower

Pittsburgh, PA

Vice President

Executive Vice President and Trustee, Federated Investors; Director, Federated Research Corp.; Chairman and Director, Federated Securities Corp.; President or Vice President of some of the Funds; Director or Trustee of some of the Funds.

Edward C. Gonzales

Federated Investors Tower

Pittsburgh, PA

Vice President and Treasurer  
Vice President, Treasurer, and Trustee, Federated Investors;  
Vice President and Treasurer, Federated Advisers, Federated  
Management, Federated Research, Federated Research Corp.,  
and Passport Research, Ltd.; Executive Vice President,  
Treasurer, and Director, Federated Securities Corp.;  
Trustee, Federated Services Company and Federated  
Shareholder Services; Chairman, Treasurer, and Trustee,  
Federated Administrative Services; Trustee or Director of  
some of the Funds; Vice President and Treasurer of the  
Funds.

John W. McGonigle  
Federated Investors Tower  
Pittsburgh, PA  
Vice President and Secretary  
Vice President, Secretary, General Counsel, and Trustee,  
Federated Investors; Vice President, Secretary, and Trustee,  
Federated Advisers, Federated Management, and Federated  
Research; Vice President and Secretary, Federated Research  
Corp. and Passport Research, Ltd.; Trustee, Federated  
Services Company; Executive Vice President, Secretary, and  
Trustee, Federated Administrative Services; Secretary and  
Trustee, Federated Shareholder Services; Executive Vice  
President and Director, Federated Securities Corp.; Vice  
President and Secretary of the Funds.

\* This Trustee is deemed to be an "interested person"  
as defined in the Investment Company Act of 1940, as  
amended.

@ Member of the Executive Committee. The Executive  
Committee of the Board of Trustees handles the  
responsibilities of the Board of Trustees between  
meetings of the Board.

#### The Funds

American Leaders Fund, Inc.; Annuity Management Series;  
Arrow Funds; Automated Cash Management Trust; Automated  
Government Money Trust; California Municipal Cash Trust;  
Cash Trust Series II; Cash Trust Series, Inc.; DG Investor  
Series; Edward D. Jones & Co. Daily Passport Cash Trust;  
Federated ARMs Fund; Federated Exchange Fund, Ltd.;  
Federated GNMA Trust; Federated Government Trust; Federated  
Growth Trust; Federated High Yield Trust; Federated Income  
Securities Trust; Federated Income Trust; Federated Index  
Trust; Federated Institutional Trust; Federated Intermediate  
Government Trust; Federated Master Trust; Federated  
Municipal Trust; Federated Short-Intermediate Government  
Trust; Federated Short-Term U.S. Government Trust;  
Federated Stock Trust; Federated Tax-Free Trust; Federated  
U.S. Government Bond Fund; First Priority Funds; Fixed  
Income Securities, Inc.; Fortress Adjustable Rate U.S.  
Government Fund, Inc.; Fortress Municipal Income Fund, Inc.;  
Fortress Utility Fund, Inc.; Fund for U.S. Government  
Securities, Inc.; Government Income Securities, Inc.; High  
Yield Cash Trust; Insight Institutional Series, Inc.;  
Insurance Management Series; Intermediate Municipal Trust;  
International Series, Inc.; Investment Series Funds, Inc.;  
Investment Series Trust; Liberty Equity Income Fund, Inc.;  
Liberty High Income Bond Fund, Inc.; Liberty Municipal  
Securities Fund, Inc.; Liberty U.S. Government Money Market  
Trust; Liberty Term Trust, Inc. - 1999; Liberty Utility  
Fund, Inc.; Liquid Cash Trust; Managed Series Trust; The  
Medalist Funds: Money Market Management, Inc.; Money Market  
Obligations Trust; Money Market Trust; Municipal Securities  
Income Trust; New York Municipal Cash Trust; 111 Corcoran  
Funds; Peachtree Funds; The Planters Funds; Portage Funds;  
RIMCO Monument Funds; The Shawmut Funds; Short-Term  
Municipal Trust; Star Funds; The Starburst Funds; The  
Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst  
Funds; Targeted Duration Trust; Tax-Free Instruments Trust;  
Trademark Funds; Trust for Financial Institutions; Trust For

Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; World Investment Series, Inc.

#### Trust Ownership

As of December 13, 1994, no shareholder of record owned 5% or more of the outstanding shares of the Trust.

#### Trustee Liability

The Trust's Declaration of Trust provides that the Trustees are not liable for errors of judgment or mistakes of fact or law. However, they are not protected against any liability to which they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

#### Investment Advisory Services Adviser to the Trust

The Trust's investment adviser is Federated Management (the "Adviser"). It is a subsidiary of Federated Investors. All of the voting securities of Federated Investors are owned by a trust, the Trustees of which are John F. Donahue, his wife, and his son, J. Christopher Donahue.

J. Christopher Donahue, Trustee of Federated Management, is Vice President and Trustee of Federated Investors, President and Director of Federated Administrative Services, Inc., and Vice President of the Trust. John W. McGonigle, Vice President, Secretary, and Trustee of Federated Management, is Trustee, Vice President, Secretary, and General Counsel of Federated Investors, Executive Vice President, Secretary, and Director of Federated Administrative Services, Executive Vice President and Trustee of Federated Securities Corp., and Vice President and Secretary of the Trust.

The adviser shall not be liable to the Trust or any shareholder for any losses that may be sustained in the purchase, holding, or sale of any security, or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties imposed upon it by its contract with the Trust.

#### Advisory Fees

For its advisory services, Federated Management receives an annual investment advisory fee as described in the prospectus. During the fiscal years ended October 31, 1994, 1993, and 1992, the Trust's adviser earned \$ 4,204,915, \$3,466,826, and \$2,825,878, respectively.

#### State Expense Limitations

The adviser has undertaken to comply with the expense limitations established by certain states for investment companies whose shares are registered for sale in those states. If the Trust's normal operating expenses (including the investment advisory fee, but not including brokerage commissions, interest, taxes, and extraordinary expenses) exceed 2 1/2% per year of the first \$30 million of average net assets, 2% per year of the next \$70 million of average net assets, and 1 1/2% per year of the remaining average net assets, the adviser will reimburse the Trust for its expenses over the limitation.

If the Trust's monthly projected operating expenses exceed this limitation, the investment advisory fee paid will be reduced by the amount of the excess, subject to an annual adjustment. If the expense limitation is exceeded, the amount to be reimbursed by the adviser will be limited, in any single fiscal year, by the amount of the investment advisory fee.

This arrangement is not part of the advisory contract

and may be amended or rescinded in the future.

#### Other Related Services

Affiliates of the adviser may, from time to time, provide certain electronic equipment and software to institutional customers in order to facilitate the purchase of shares of funds offered by Federated Securities Corp.

#### Administrative Services

Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services to the Trust for a fee described in the prospectus. Prior to March 1, 1994, Federated Administrative Services, Inc., also a subsidiary of Federated Investors, served as the Fund's administrator. (For purposes of this Statement of Additional Information, Federated Administrative Services and Federated Administrative Services, Inc., may hereinafter collectively be referred to as, the "Administrators.") For the fiscal year ended October 31, 1994, the Administrators collectively earned \$ 528,231. For the fiscal years ended October 31, 1993, and 1992, the Trust incurred costs for administrative services of \$638,234 and \$529,494, respectively.

Dr. Henry J. Gailliot, an officer of Federated Management, the adviser to the Trust, holds approximately 20% of the outstanding common stock and serves as a director of Commercial Data Services, Inc., a company which provides computer processing services to Federated Administrative Services.

#### Transfer Agent and Dividend Disbursing Agent

Federated Services Company serves as transfer agent and dividend disbursing agent for the Trust. The fee paid to the transfer agent is based upon the size, type, and number of accounts and transactions made by shareholders. Federated Services Company also maintains the Trust's accounting records. The fee paid for this service is based upon the level of the Trust's average net assets for the period plus out-of-pocket expenses.

#### Shareholder Services Plan

This arrangement permits the payment of fees to Federated Shareholder Services and, indirectly, to financial institutions to cause services to be provided to shareholders by a representative who has knowledge of the shareholder's particular circumstances and goals. These activities and services may include, but are not limited to, providing office space, equipment, telephone facilities, and various clerical, supervisory, computer, and other personnel as necessary or beneficial to establish and maintain shareholder accounts and records; processing purchase and redemption transactions and automatic investments of client account cash balances; answering routine client inquiries; and assisting clients in changing dividend options, account designations, and addresses.

For the fiscal period ending October 31, 1994, payments in the amount of \$334,212 were made pursuant to the Shareholder Services Plan, all of which was paid to financial institutions.

#### Brokerage Transactions

The adviser may select brokers and dealers who offer brokerage and research services. These services may be furnished directly to the Trust or to the adviser and may include:

- o advice as to the advisability of investing in securities;
- o security analysis and reports;
- o economic studies;
- o industry studies;
- o receipt of quotations for portfolio evaluations; and
- o similar services.

The adviser and its affiliates exercise reasonable business judgment in selecting brokers who offer brokerage and research services to execute securities transactions. They

determine in good faith that commissions charged by such persons are reasonable in relationship to the value of the brokerage and research services provided.

Research services provided by brokers may be used by the adviser or by affiliates of Federated Investors in advising Federated Funds and other accounts. To the extent that receipt of these services may supplant services for which the adviser or its affiliates might otherwise have paid, it would tend to reduce their expenses.

For the fiscal years ended October 31, 1994, 1993, and 1992, the Trust paid total brokerage commissions of \$271,265, \$336,440, and \$463,566, respectively.

#### Purchasing Shares

Shares are sold at their net asset value without a sales charge on days the New York Stock Exchange is open for business. The procedure for purchasing shares of the Trust is explained in the prospectus under "Investing in the Trust."

#### Conversion to Federal Funds

It is the Trust's policy to be as fully invested as possible so that maximum interest may be earned. To this end, all payments from shareholders must be in federal funds or be converted into federal funds. State Street Bank acts as the shareholder's agent in depositing checks and converting them to federal funds.

#### Determining Net Asset Value

Net asset value generally changes each day. The days on which the net asset value is calculated by the Trust are described in the prospectus.

#### Determining Market Value of Securities

Market values of the Trust's portfolio securities are determined as follows:

- o for equity securities and bonds and other fixed income securities, according to the last sale price on a national securities exchange, if available;
- o in the absence of recorded sales for equity securities, according to the mean between the last closing bid and asked prices and for bonds and other fixed income securities as determined by an independent pricing service;
- o for unlisted equity securities, the latest bid prices;

- o for short-term obligations, according to the mean between bid and asked prices, as furnished by an independent pricing service or for short-term obligations with remaining maturities of 60 days or less at the time of purchase at amortized cost; or
- o for all other securities, at fair value as determined in good faith by the Trustees.

#### Redeeming Shares

The Trust redeems shares at the next computed net asset value after the Trust receives the redemption request. Redemption procedures are explained in the prospectus under "Redeeming Shares." Although State Street Bank does not charge for telephone redemptions, it reserves the right to charge a fee for the cost of wire-transferred redemptions of less than \$5,000.

#### Exchanging Securities for Trust Shares

Investors may exchange certain securities they already own for Trust shares, or they may exchange a combination of securities and cash for Trust shares. An investor should forward the securities in negotiable form with an authorized letter of transmittal to Federated Securities Corp. The Trust will notify the investor of its acceptance and valuation of the securities within five business days of their receipt by State Street Bank.

The Trust values securities in the same manner as the Trust values its assets. The basis of the exchange will depend upon the net asset value of Trust shares on the day the

securities are valued. One share of the Trust will be issued for each equivalent amount of securities accepted. Any interest earned on the securities prior to the exchange will be considered in valuing the securities. All interest, dividends, subscription or other rights attached to the securities become the property of the Trust, along with the securities.

#### Tax Consequences

Exercise of this exchange privilege is treated as a sale for federal income tax purposes. Depending upon the cost basis of the securities exchanged for Trust shares, a gain or loss may be realized by the investor.

#### Tax Status

##### The Trust's Tax Status

The Trust will pay no federal income tax because it expects to meet the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. To qualify for this treatment, the Trust must, among other requirements:

- o derive at least 90% of its gross income from dividends, interest, and gain from the sale of securities;
- o derive less than 30% of its gross income from the sale of securities held less than three months;
- o invest in securities within certain statutory limits; and
- o distribute to its shareholders at least 90% of its net income earned during the year.

##### Shareholders' Tax Status

Shareholders are subject to federal income tax on dividends and capital gains received as cash or additional shares. At least a percentage of dividends paid by the Trust will generally qualify for the shareholder's \$100 dividends received deduction available to corporations. The percentage is based on and equal to the proportion of the Trust's gross income derived from dividends of domestic corporations. These dividends, and any short-term capital gains, are taxable as ordinary income.

##### Capital Gains

Shareholders will pay federal tax at capital gains rates on long-term capital gains distributed to them regardless of how long they have held the Trust shares.

##### Total Return

The Trust's average annual total returns for the one-year, five-year and ten-year periods ended October 31, 1994, were 4.55% , 9.99%, and 12.97%, respectively. The Trust's average annual total return since inception was 15.50%.

The average annual total return for the Trust is the average compounded rate of return for a given period that would equate a \$1,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of shares owned at the end of the period by the offering price per share at the end of the period. The number of shares owned at the end of the period is based on the number of shares purchased at the beginning of the period with \$1,000, adjusted over the period by any additional shares, assuming the quarterly reinvestment of all dividends and distributions.

##### Yield

The Trust's yield for the thirty-day period ended October 31, 1994, was 1.95%.

The yield for the Trust is determined by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Trust over a thirty-day period by the offering price per share of the Trust on the last day of the period. This value is then annualized using semi-annual compounding. This means that the amount of income generated

during the thirty-day period is assumed to be generated each month over a 12-month period and is reinvested every six months. The yield does not necessarily reflect income actually earned by the Trust because of certain adjustments required by the Securities and Exchange Commission and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

To the extent that financial institutions and broker/dealers charge fees in connection with services provided in conjunction with an investment in the Trust, performance will be reduced for those shareholders paying those fees.

#### Performance Comparisons

The Trust's performance depends upon such variables as:

- o portfolio quality;
- o average portfolio maturity;
- o type of instruments in which the portfolio is invested;
- o changes in interest rates and market value of portfolio securities;
- o changes in Trust expenses; and
- o various other factors.

The Trust's performance fluctuates on a daily basis largely because net earnings and offering price per share fluctuate daily. Both net earnings and offering price per share are factors in the computation of yield and total return.

Investors may use financial publications and/or indices to obtain a more complete view of the Trust's performance. When comparing performance, investors should consider all relevant factors such as the composition of any index used, prevailing market conditions, portfolio compositions of other funds, and methods used to value portfolio securities and compute offering price. The financial publications and/or indices which the Fund uses in advertising may include:

- o Lipper Analytical Services, Inc. ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all capital gains distributions and income dividends and takes into account any change in net asset value over a specific period of time. From time to time, the Trust will quote its Lipper ranking in the "growth and income funds" category in advertising and sales literature.
- o Dow Jones Industrial Average ("DJIA") represents share prices of selected blue-chip industrial corporations as well as public utility and transportation companies. The DJIA indicates daily changes in the average price of stocks in any of its categories. It also reports total sales for each group of industries. Because it represents the top corporations of America, the DJIA's index movements are leading economic indicators for the stock market as a whole.
- o Standard & Poor's Daily Stock Price Index of 500 Common Stocks, a composite index of common stocks in industry, transportation, and financial and public utility companies can be used to compare to the total returns of funds whose portfolios are invested primarily in common stocks. In addition, the Standard & Poor's index assumes reinvestments of all dividends paid by stocks listed on its index. Taxes due on any of these distributions are not included, nor are brokerage or other fees calculated in Standard & Poor's figures.
- o Morningstar, Inc., an independent rating service, is the publisher of the bi-weekly Mutual Fund Values. Mutual Fund Values rates more than 1,000 NASDAQ-listed mutual funds of all types, according to their risk-adjusted returns. The maximum rating is five stars, and ratings are effective for two weeks.

Investors may also consult the fund evaluation consulting universes listed below. Consulting universes may be composed of pension, profit sharing, commingled,



endowment/foundation, and mutual funds.

- oFiduciary Consulting Grid Universe, for example, is composed of over 1,000 funds, representing 350 different investment managers, divided into subcategories based on asset mix. The funds are ranked quarterly based on performance and risk characteristics.
- oSEI data base for equity funds includes approximately 900 funds, representing 361 money managers, divided into fund types based on investor groups and asset mix. The funds are ranked every three, six, and twelve months.
- oMercer Meidinger, Inc. compiles a universe of approximately 600 equity funds, representing about 500 investment managers, and updates their rankings each calendar quarter as well as on a one, three, and five year basis.

Advertisements and other sales literature for the Trust may quote total returns which are calculated on non-standardized base periods. These total returns also represent the historic change in the value of an investment in the Trust based on quarterly reinvestment of dividends over a specified period of time.

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#### PART C. OTHER INFORMATION

##### Item 24. Financial Statements and Exhibits:

- (a) Financial Statements (Filed in Part A)
- (b) Exhibits:
  - (1) Conformed copy of the Declaration of Trust of the Registrant (1);
  - (2) Copy of the By-Laws of the Registrant as amended (1,5);
    - (i) Copy of Amendment No. 2 to the By-Laws of the Registrant dated February 2, 1987;
    - (ii) Copy of Amendment No. 3 to the By-Laws of the Registrant dated August 25, 1988 (8);
  - (3) Not applicable;
  - (4) Copy of Specimen Certificate for Shares of Beneficial Interest of the Registrant (1);
  - (5) Conformed copy of the new Investment Advisory Contract of the Registrant (9.);
  - (6) Conformed copy of the Distributor's Contract (9);
  - (7) Not applicable;
  - (8) Conformed copy of the Custodian Agreement of the Registrant;+
  - (9) (i) Conformed copy of Shareholder Services Plan of the Registrant;+
    - (ii) Copy of Shareholder Services Sub-Contract of the Registrant;+
    - (iii) Conformed copy of Shareholder Services Agreement of the Registrant;+
    - (iv) Conformed copy of Administrative Services Agreement of the Registrant;+
    - (v) Conformed Copy of Agreement for Fund Accounting, Shareholder Recordkeeping, and Custody Services Procurement;+
  - (10) Conformed copy of the Opinion and Consent of Counsel regarding legality of securities registered;+
  - (11) Conformed copy of the Consent of Independent Auditors;+
  - (12) Not applicable;

- 1. Response is incorporated by reference to Registrant's Initial Registration Statement on Form N-1 filed January 20,

1982. (File Nos. 2-75756 and 811-3385)
5. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 5 on Form N-1A filed January 30, 1985. (File Nos. 2-75756 and 811-3385)
  8. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 11 on Form N-1A filed on December 22, 1988. (File Nos. 2-75756 and 811-3385)
  9. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 12 on Form N-1A filed on October 24, 1989. (File Nos. 2-75756 and 811-3385)

- + All exhibits have been filed electronically.
- (13) Initial Capital Understanding (4);
  - (14) Not applicable;
  - (15) Not applicable;
  - (16) Schedule for Computation of Fund Performance Data (8);
    - (i) Location of Accounts and Records (8);
  - (17) Financial Data Schedules;+
  - (18) Conformed Opinion and Consent of Counsel as to availability of Rule 485(b);+
  - (19) Conformed copy of Power of Attorney (11).

Item 25. Persons Controlled by or Under Common Control with Registrant:

None.

Item 26. Number of Holders of Securities:

Title of Class	Number of Record Holders as of December 13, 1994
Shares of beneficial interest  (without par value)	9,347

Item 27. Indemnification: (8.)

Item 28. Business and Other Connections of Investment Adviser:

For a description of the other business of the investment adviser, see the section entitled "Trust Information - Management of the Trust" in Part A. The affiliations with the Registrant of four of the Trustees and one of the Officers of the investment adviser are included in Part B of this Registration Statement under "Trust Management - Officers and Trustees." The remaining Trustee of the investment adviser, his position with the investment adviser, and, in parentheses, his principal occupation is: Mark D. Olson, (Partner, Wilson, Halbrook & Bayard) 107 W. Market Street, Georgetown, Delaware 19947.

The remaining Officers of the investment adviser are: Mark L. Mallon, Executive Vice President; Henry J. Gailliot, Senior Vice President-Economist; Peter R. Anderson, Gary Madich, J. Alan Minter, Senior Vice Presidents; J. Scott Albrecht, Randall A. Bauer, Jonathan C. Conley, Deborah A. Cunningham, Michael P. Donnelly, Mark E. Durbiano, Kathleen M. Foody-Malus, Thomas M. Franks, Edward C. Gonzales, Jeff A. Kozemchak, Marian R. Marinack, John W. McGonigle, Gregory M. Melvin, Susan M. Nason,

4. Response is incorporated by reference to Registrant's Pre-Effective Amendment No. 1 on Form N-1 filed January 29, 1982. (File Nos. 2-75756 and 811-3385)
8. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 11 on Form N-1A filed on December 22, 1988. (File Nos. 2-75756 and 811-3385)
11. Response is incorporated by reference to Registrant's Post-

+ All exhibits have been filed electronically.

Item 28. Continued

Mary Jo Ochson, Robert J. Ostrowski, Frederick L. Plautz, Jr., Charles A. Ritter, James D. Roberge, Christopher H. Wiles, Vice Presidents; Edward C. Gonzales, Treasurer; and John W. McGonigle, Secretary. The business address of each of the Officers of the investment adviser is Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779. These individuals are also officers of a majority of the investment advisers to the Funds listed in Part B of this Registration Statement under "The Funds."

Item 29. Principal Underwriters:

(a) Federated Securities Corp., the Distributor for shares of the Registrant, also acts as principal underwriter for the following open-end investment companies: Alexander Hamilton Funds; American Leaders Fund, Inc.; Annuity Management Series; Arrow Funds; Automated Cash Management Trust; Automated Government Money Trust; BayFunds; The Biltmore Funds; The Biltmore Municipal Funds; California Municipal Cash Trust; Cash Trust Series, Inc.; Cash Trust Series II; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated Growth Trust; Federated High Yield Trust; Federated Income Securities Trust; Federated Income Trust; Federated Index Trust; Federated Institutional Trust; Federated Intermediate Government Trust; Federated Master Trust; Federated Municipal Trust; Federated Short-Intermediate Government Trust; Federated Short-Term U.S. Government Trust; Federated Stock Trust; Federated Tax-Free Trust; Federated U.S. Government Bond Fund; First Priority Funds; First Union Funds; Fixed Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund, Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.; Fountain Square Funds; Fund for U.S. Government Securities, Inc.; Government Income Securities, Inc.; High Yield Cash Trust; Independence One Mutual Funds; Insight Institutional Series, Inc.; Insurance Management Series; Intermediate Municipal Trust; International Series Inc.; Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty U.S. Government Money Market Trust; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series Trust; Marshall Funds, Inc.; Money Market Management, Inc.; The Medalist Funds; Money Market Obligations Trust; Money Market Trust; The Monitor Funds; Municipal Securities Income Trust; New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; Portage Funds; RIMCO Monument Funds; The Shawmut Funds; Short-Term Municipal Trust; SouthTrust Vulcan Funds; Star Funds; The Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust; Tower Mutual Funds; Trademark Funds; Trust for Financial Institutions; Trust for Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; Vision Fiduciary Funds, Inc.; Vision Group of Funds, Inc.;

and World Investment Series, Inc.

Federated Securities Corp. also acts as principal underwriter for the following closed-end investment company: Liberty Term Trust, Inc.- 1999.

(b)

(1) Name and Principal Offices Business Address Registrant	(2) Positions and Offices With Underwriter	(3) Positions and With
Richard B. Fisher President Federated Investors Tower Pittsburgh, PA 15222-3779	Director, Chairman, Chief Executive Officer, Chief Operating Officer, and Asst. Treasurer, Federated Securities Corp.	Vice
Edward C. Gonzales President and Federated Investors Tower Treasurer, Pittsburgh, PA 15222-3779	Director, Executive Vice Treasurer Federated Securities Corp.	Vice President, and
John W. McGonigle President and Federated Investors Tower Pittsburgh, PA 15222-3779	Director, Executive Vice President, and Assistant Secretary, Federated Securities Corp.	Vice Secretary
John B. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	President-Institutional Sales, Federated Securities Corp.	--
James F. Getz Federated Investors Tower Pittsburgh, PA 15222-3779	President-Broker/Dealer, Federated Securities Corp.	--
Mark R. Gensheimer Federated Investors Tower Pittsburgh, PA 15222-3779	Executive Vice President of Bank/Trust Federated Securities Corp.	--
Mark W. Bloss Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Theodore Fadool, Jr. Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Bryant R. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Christopher T. Fives Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--

(1) Name and Principal Offices Business Address Registrant	(2) Positions and Offices With Underwriter	(3) Positions and With
James S. Hamilton Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--

James M. Heaton	Senior Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
H. Joseph Kennedy	Senior Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Keith Nixon	Senior Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Timothy C. Pillion	Senior Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Richard W. Boyd	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Jane E. Broeren-Lambesis	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Mary J. Combs	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	Federated
Pittsburgh, PA 15222-3779		
R. Edmond Connell, Jr.	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Laura M. Deger	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	Federated
Pittsburgh, PA 15222-3779		
Jill Ehrenfeld	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Mark D. Fisher	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		
Michael D. Fitzgerald	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		

(1)	(2)	(3)
Name and Principal Offices	Positions and Offices	Positions and Offices
Business Address	With Underwriter	With Underwriter
Registrant		

Joseph D. Gibbons	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		

David C. Glabicki	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		

Richard C. Gonzales	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	
Pittsburgh, PA 15222-3779		

Scott A. Hutton	Vice President,	--
Federated Investors Tower	Federated Securities Corp.	

Pittsburgh, PA 15222-3779

William J. Kerns Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

William E. Kugler Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Dennis M. Laffey Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Francis J. Matten, Jr. Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Mark J. Miehler Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Richard C. Mihm Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

J. Michael Miller Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

R. Jeffrey Niss Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Michael P. O'Brien Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

(1) Name and Principal Offices Business Address Registrant	(2) Positions and Offices With Underwriter	(3) Positions and With
--	--	------------------------------

Robert D. Oehlschlager Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	
--	---	--

Solon A. Person, IV Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
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Robert F. Phillips Federated Investors Tower Securities Corp. Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	-- Federated
--	---	-----------------

Eugene B. Reed Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
--	---	----

Paul V. Riordan Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
---	---	----

Charles A. Robison Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
--	---	----

David W. Spears	Vice President,	--
-----------------	-----------------	----

Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Jeffrey A. Stewart Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Thomas E. Territ Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Jamie M. Teschner Vice President,  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

William C. Tustin Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Richard B. Watts Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

Philip C. Hetzel Assistant Vice President, --  
Federated Investors Tower Federated Securities Corp.  
Pittsburgh, PA 15222-3779

(1) Name and Principal Offices Business Address Registrant	(2) Positions and Offices With Underwriter	(3) Positions and With
--	--	------------------------------

Ernest L. Linane Federated Investors Tower Pittsburgh, PA 15222-3779	Assistant Vice President, Federated Securities Corp.	--
--	---	----

S. Elliott Cohan Federated Investors Tower Pittsburgh, PA 15222-3779	Secretary, Federated Securities Corp.	Assistant Secretary
--	--	------------------------

(c) Not applicable.

Item 30. Location of Accounts and Records:

All accounts and records required to be maintained by Section 31(a) of the Investment Company Act of 1940 and Rules 31a-1 through 31a-3 promulgated thereunder are maintained at one of the following locations:

Registrant Tower Federated Services Company 3779 ("Transfer Agent and Dividend Disbursing Agent) Federated Administrative Services ("Administrator") Federated Management ("Advisor")	Federated Investors Pittsburgh, PA 15222-
State Street Bank and Trust Company ("Custodian") 02266-8602	P.O. Box 8602 Boston, Massachusetts

Item 31. Management Services: Not applicable.

Item 32. Undertakings:

Registrant hereby undertakes to comply with the provisions of Section 16(c) of the 1940 Act with respect to the removal of Trustees and the calling of special shareholder meeting by shareholders.

Registrant hereby undertakes to furnish each person to whom a prospectus is delivered with a copy of the Registrant's latest annual report to shareholders, upon request and without charge.

#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, FEDERATED STOCK TRUST, has duly caused this Amendment to its Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized, in the City of Pittsburgh and Commonwealth of Pennsylvania, on the 23 day of December, 1994.

#### FEDERATED STOCK TRUST

BY: /s/ Robert Rosselot  
Robert Rosselot, Assistant Secretary  
Attorney in Fact for John F. Donahue  
December 23, 1994

Pursuant to the requirements of the Securities Act of 1933, this Amendment to its Registration Statement has been signed below by the following person in the capacity and on the date indicated:

NAME	TITLE
DATE	
By: /s/ Robert Rosselot	
Robert Rosselot	Attorney In Fact December 23,
1994	
ASSISTANT SECRETARY	For the Persons
	Listed Below

NAME	TITLE
John F. Donahue*	Chairman and Trustee (Chief Executive Officer)
Glen R. Johnson*	President
Edward C. Gonzales*	Vice President and Treasurer (Principal Financial and Accounting Officer)
John T. Conroy, Jr.*	Trustee
William J. Copeland*	Trustee
James E. Dowd*	Trustee
Lawrence D. Ellis, M.D.*	Trustee
Edward L. Flaherty, Jr.*	Trustee
Peter E. Madden*	Trustee



Gregor F. Meyer\* Trustee

Wesley W. Posvar\* Trustee

Marjorie P. Smuts\* Trustee

\* By Power of Attorney

1A

Exhibit (11) under Form N-

601/Reg SK

Exhibit 23 under Item

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Financial Highlights" and "Independent Auditors" and to the use of our report dated December 9, 1994, in Post-Effective Amendment Number 23 to the Registration Statement (Form N-1A Number 2-75756) and the related Prospectus of FEDERATED STOCK TRUST dated December 31, 1994.

By: Ernst & Young LLP

Pittsburgh, Pennsylvania

December 23, 1994

SK

HOUSTON, HOUSTON & DONNELLY  
ATTORNEYS AT LAW  
2510 CENTRE CITY TOWER

WILLIAM McC. HOUSTON PITTSBURGH, PA. 15222

FRED CHALMERS HOUSTON, JR. \_\_\_\_\_

THOMAS J. DONNELLY

JOHN F. MECK

(412) 471-5828

FRED CHALMERS HOUSTON

FAX (412) 471-0736

(1914 - 1971)

MARIO SANTILLI, JR.

THEODORE M. HAMMER

December 23, 1994

Federated Stock Trust  
Federated Investors Tower  
Pittsburgh, PA 15222-3779

Gentlemen:

As counsel to Federated Stock Trust ("Trust") we have reviewed Post-effective Amendment No. 23 to the Trust's Registration Statement to be filed with the Securities and Exchange Commission under the Securities Act of 1933 (File No. 2-75756). The subject Post-effective Amendment will be filed pursuant to Paragraph (b) of Rule 485 and become effective pursuant to said Rule on December 23, 1994.

Our review also included an examination of other relevant portions of the amended 1933 Act Registration Statement of the Trust and such other documents and records deemed appropriate. On the basis of this review we are of the opinion that Post-effective Amendment No. 23 does not contain disclosures which would render it ineligible to become effective pursuant to Paragraph (b) of Rule 485.

We hereby consent to the filing of this representation letter as a part of the Trust's Registration Statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and as part of any application or registration statement filed under the Securities Laws of the States of the United

States.

Very truly yours,

Houston, Houston & Donnelly

By: /s/ Thomas J. Donnelly

TJD:heh

CUSTODIAN CONTRACT  
Between

FEDERATED INVESTMENT COMPANIES  
and  
STATE STREET BANK AND TRUST COMPANY  
and  
FEDERATED SERVICES COMPANY

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## CUSTODIAN CONTRACT

This Contract between those INVESTMENT COMPANIES listed on Exhibit 1, as it may be amended from time to time, (the "Trust"), which may be Massachusetts business trusts or Maryland corporations or have such other form of organization as may be indicated, on behalf of the portfolios (hereinafter collectively called the "Funds" and individually referred to as a "Fund") of the Trust, having its principal place of business at Federated Investors Tower, Pittsburgh, Pennsylvania, 15222-3779, and STATE

STREET BANK AND TRUST COMPANY, a Massachusetts trust company, having its principal place of business at 225 Franklin Street, Boston, Massachusetts, 02110, hereinafter called the "Custodian", and FEDERATED SERVICES COMPANY, a Delaware Business trust company, having its principal place of business at Federated Investors Tower, Pittsburgh, Pennsylvania, 15222-3779, hereinafter called ("Company").

WITNESSETH: That in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. Employment of Custodian and Property to be Held by It

The Trust hereby employs the Custodian as the custodian of the assets of each of the Funds of the Trust. Except as otherwise expressly provided herein, the securities and other assets of each of the Funds shall be segregated from the assets of each of the other Funds and from all other persons and entities. The Trust will deliver to the Custodian all securities and cash owned by the Funds and all payments of income, payments of principal or capital distributions received by them with respect to all securities owned by the Funds from time to time, and the cash consideration received by them for shares ("Shares") of beneficial interest/capital stock of the Funds as may be issued or sold from time to time. The Custodian shall not be responsible for any property of the Funds held or received by the Funds and not delivered to the Custodian.

Upon receipt of "Proper Instructions" (within the meaning of Section 2.18), the Custodian shall from time to time employ one or more sub-custodians upon the terms specified in the Proper Instructions, provided that the Custodian shall have no more or less responsibility or liability to the Trust or any of the Funds on account of any actions or omissions of any sub-custodian so employed than any such sub-custodian has to the Custodian.

2. Duties of the Custodian With Respect to Property of the Funds Held by the Custodian

2.1 Holding Securities. The Custodian shall hold and physically segregate for the account of each Fund all non-cash property, including all securities owned by each Fund, other than securities which are maintained pursuant to Section 2.12 in a clearing agency which acts as a securities depository or in a book-entry system authorized by the U.S. Department of the Treasury, collectively referred to herein as

"Securities System", or securities which are subject to a joint repurchase agreement with affiliated funds pursuant to Section 2.14. The Custodian shall maintain records of all receipts, deliveries and locations of such securities, together with a current inventory thereof, and shall conduct periodic physical inspections of certificates representing stocks, bonds and other securities held by it under this Contract in such manner as the Custodian shall determine from time to time to be advisable in order to verify the accuracy of such inventory. With respect to securities held by any agent appointed pursuant to Section 2.11 hereof, and with respect to securities held by any sub-custodian appointed pursuant to Section 1 hereof, the Custodian may rely upon certificates from such agent as to the holdings of such agent and from such sub-custodian as to the holdings of such sub-custodian, it being understood that such reliance in no way relieves the Custodian of its responsibilities under this Contract. The Custodian will promptly report to the Trust the results of such inspections, indicating any shortages or discrepancies uncovered thereby, and take appropriate action to remedy any such shortages or discrepancies.

2.2 Delivery of Securities. The Custodian shall release and deliver securities owned by a Fund held by the Custodian or in a Securities System account of the Custodian only upon receipt of Proper Instructions, which may be continuing instructions when deemed appropriate by the parties, and only in the following cases:

- (1) Upon sale of such securities for the account of a Fund and receipt of payment therefor;
- (2) Upon the receipt of payment in connection with any repurchase agreement related to such securities entered into by the Trust;
- (3) In the case of a sale effected through a Securities System, in accordance with the provisions of Section 2.12 hereof;
- (4) To the depository agent in connection with tender or other similar offers for portfolio securities of a Fund, in accordance with the provisions of Section 2.17 hereof;
- (5) To the issuer thereof or its agent when such secur



ities are called, redeemed, retired or otherwise become payable; provided that, in any such case, the cash or other consideration is to be delivered to the Custodian;

- (6) To the issuer thereof, or its agent, for transfer into the name of a Fund or into the name of any nominee or nominees of the Custodian or into the name or nominee name of any agent appointed pursuant to Section 2.11 or into the name or nominee name of any sub-custodian appointed pursuant to Section 1; or for exchange for a different number of bonds, certificates or other evidence representing the same aggregate face amount or number of units; provided that, in any such case, the new securities are to be delivered to the Custodian;
- (7) Upon the sale of such securities for the account of a Fund, to the broker or its clearing agent, against a receipt, for examination in accordance with "street delivery custom"; provided that in any such case, the Custodian shall have no responsibility or liability for any loss arising from the delivery of such securities prior to receiving payment for such securities except as may arise from the Custodian's own failure to act in accordance with the standard of reasonable care or any higher standard of care imposed upon the Custodian by any applicable law or regulation if such above-stated standard of reasonable care were not part of this Contract;
- (8) For exchange or conversion pursuant to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the securities of the issuer of such securities, or pursuant to provisions for conversion contained in such securities, or pursuant to any deposit agreement; provided that, in any such case, the new securities and cash, if any, are to be delivered to the Custodian;
- (9) In the case of warrants, rights or similar securities, the surrender thereof in the exercise of such warrants, rights or similar securities or the surrender of interim receipts or temporary securities for definitive securities; provided that, in any such case, the new securities and cash, if any, are to be delivered to the Custodian;

- (10) For delivery in connection with any loans of portfolio securities of a Fund, but only against receipt of adequate collateral in the form of (a) cash, in an amount specified by the Trust, (b) certificated securities of a description specified by the Trust, registered in the name of the Fund or in the name of a nominee of the Custodian referred to in Section 2.3 hereof or in proper form for transfer, or (c) securities of a description specified by the Trust, transferred through a Securities System in accordance with Section 2.12 hereof;
- (11) For delivery as security in connection with any borrowings requiring a pledge of assets by a Fund, but only against receipt of amounts borrowed, except that in cases where additional collateral is required to secure a borrowing already made, further securities may be released for the purpose;
- (12) For delivery in accordance with the provisions of any agreement among the Trust or a Fund, the Custodian and a broker-dealer registered under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and a member of The National Association of Securities Dealers, Inc. ("NASD"), relating to compliance with the rules of The Options Clearing Corporation and of any registered national securities exchange, or of any similar organization or organizations, regarding escrow or other arrangements in connection with transactions for a Fund;
- (13) For delivery in accordance with the provisions of any agreement among the Trust or a Fund, the Custodian, and a Futures Commission Merchant registered under the Commodity Exchange Act, relating to compliance with the rules of the Commodity Futures Trading Commission and/or any Contract Market, or any similar organization or organizations, regarding account deposits in connection with transaction for a Fund;
- (14) Upon receipt of instructions from the transfer agent ("Transfer Agent") for a Fund, for delivery to such Transfer Agent or to the holders of shares in connection with distributions in kind, in satisfaction of requests by holders of Shares for repurchase or redemption; and

(15) For any other proper corporate purpose, but only upon receipt of, in addition to Proper Instructions, a certified copy of a resolution of the Executive Committee of the Trust on behalf of a Fund signed by an officer of the Trust and certified by its Secretary or an Assistant Secretary, specifying the securities to be delivered, setting forth the purpose for which such delivery is to be made, declaring such purpose to be a proper corporate purpose, and naming the person or persons to whom delivery of such securities shall be made.

2.3 Registration of Securities. Securities held by the Custodian (other than bearer securities) shall be registered in the name of a particular Fund or in the name of any nominee of the Fund or of any nominee of the Custodian which nominee shall be assigned exclusively to the Fund, unless the Trust has authorized in writing the appointment of a nominee to be used in common with other registered investment companies affiliated with the Fund, or in the name or nominee name of any agent appointed pursuant to Section 2.11 or in the name or nominee name of any sub-custodian appointed pursuant to Section 1. All securities accepted by the Custodian on behalf of a Fund under the terms of this Contract shall be in "street name" or other good delivery form.

2.4 Bank Accounts. The Custodian shall open and maintain a separate bank account or accounts in the name of each Fund, subject only to draft or order by the Custodian acting pursuant to the terms of this Contract, and shall hold in such account or accounts, subject to the provisions hereof, all cash received by it from or for the account of each Fund, other than cash maintained in a joint repurchase account with other affiliated funds pursuant to Section 2.14 of this Contract or by a particular Fund in a bank account established and used in accordance with Rule 17f-3 under the Investment Company Act of 1940, as amended, (the "1940 Act"). Funds held by the Custodian for a Fund may be deposited by it to its credit as Custodian in the Banking Department of the Custodian or in such other banks or trust companies as it may in its discretion deem necessary or desirable; provided, however, that every such bank or trust company shall be qualified to act as a custodian under the 1940 Act and that each such bank or trust company and the funds to be deposited with

each such bank or trust company shall be approved by vote of a majority of the Board of Trustees/Directors ("Board") of the Trust. Such funds shall be deposited by the Custodian in its capacity as Custodian for the Fund and shall be withdrawable by the Custodian only in that capacity. If requested by the Trust, the Custodian shall furnish the Trust, not later than twenty (20) days after the last business day of each month, an internal reconciliation of the closing balance as of that day in all accounts described in this section to the balance shown on the daily cash report for that day rendered to the Trust.

2.5 Payments for Shares. The Custodian shall make such arrangements with the Transfer Agent of each Fund, as will enable the Custodian to receive the cash consideration due to each Fund and will deposit into each Fund's account such payments as are received from the Transfer Agent. The Custodian will provide timely notification to the Trust and the Transfer Agent of any receipt by it of payments for Shares of the respective Fund.

2.6 Availability of Federal Funds. Upon mutual agreement between the Trust and the Custodian, the Custodian shall make federal funds available to the Funds as of specified times agreed upon from time to time by the Trust and the Custodian in the amount of checks, clearing house funds, and other non-federal funds received in payment for Shares of the Funds which are deposited into the Funds' accounts.

2.7 Collection of Income.

(1) The Custodian shall collect on a timely basis all income and other payments with respect to registered securities held hereunder to which each Fund shall be entitled either by law or pursuant to custom in the securities business, and shall collect on a timely basis all income and other payments with respect to bearer securities if, on the date of payment by the issuer, such securities are held by the Custodian or its agent thereof and shall credit such income, as collected, to each Fund's custodian account. Without limiting the generality of the foregoing, the Custodian shall detach and present for payment all coupons and other income items requiring presentation as and when they become due and shall collect interest when due on securities held hereunder. The collection of

income due the Funds on securities loaned pursuant to the provisions of Section 2.2 (10) shall be the responsibility of the Trust. The Custodian will have no duty or responsibility in connection therewith, other than to provide the Trust with such information or data as may be necessary to assist the Trust in arranging for the timely delivery to the Custodian of the income to which each Fund is properly entitled.

- (2) The Custodian shall promptly notify the Trust when ever income due on securities is not collected in due course and will provide the Trust with monthly reports of the status of past due income unless the parties otherwise agree.

2.8 Payment of Fund Moneys. Upon receipt of Proper Instructions, which may be continuing instructions when deemed appropriate by the parties, the Custodian shall pay out moneys of each Fund in the following cases only:

- (1) Upon the purchase of securities, futures contracts or options on futures contracts for the account of a Fund but only (a) against the delivery of such securities, or evidence of title to futures contracts, to the Custodian (or any bank, banking firm or trust company doing business in the United States or abroad which is qualified under the 1940 Act to act as a custodian and has been designated by the Custodian as its agent for this purpose) registered in the name of the Fund or in the name of a nominee of the Custodian referred to in Section 2.3 hereof or in proper form for transfer, (b) in the case of a purchase effected through a Securities System, in accordance with the conditions set forth in Section 2.12 hereof or (c) in the case of repurchase agreements entered into between the Trust and any other party, (i) against delivery of the securities either in certificate form or through an entry crediting the Custodian's account at the Federal Reserve Bank with such securities or (ii) against delivery of the receipt evidencing purchase for the account of the Fund of securities owned by the Custodian along with written evidence of the agreement by the Custodian to repurchase such securities from the Fund;
- (2) In connection with conversion, exchange or surrender of securities owned by a Fund as set forth in

Section 2.2 hereof;

- (3) For the redemption or repurchase of Shares of a Fund issued by the Trust as set forth in Section 2.10 hereof;
- (4) For the payment of any expense or liability incurred by a Fund, including but not limited to the following payments for the account of the Fund: interest; taxes; management, accounting, transfer agent and legal fees; and operating expenses of the Fund, whether or not such expenses are to be in whole or part capitalized or treated as deferred expenses;
- (5) For the payment of any dividends on Shares of a Fund declared pursuant to the governing documents of the Trust;
- (6) For payment of the amount of dividends received in respect of securities sold short;
- (7) For any other proper purpose, but only upon receipt of, in addition to Proper Instructions, a certified copy of a resolution of the Executive Committee of the Trust on behalf of a Fund signed by an officer of the Trust and certified by its Secretary or an Assistant Secretary, specifying the amount of such payment, setting forth the purpose for which such payment is to be made, declaring such purpose to be a proper purpose, and naming the person or persons to whom such payment is to be made.

2.9 Liability for Payment in Advance of Receipt of Securities Purchased. In any and every case where payment for purchase of securities for the account of a Fund is made by the Custodian in advance of receipt of the securities purchased, in the absence of specific written instructions from the Trust to so pay in advance, the Custodian shall be absolutely liable to the Fund for such securities to the same extent as if the securities had been received by the Custodian.

2.10 Payments for Repurchases or Redemptions of Shares of a Fund. From such funds as may be available for the purpose of repurchasing or redeeming Shares of a Fund, but subject to the limitations of the Declaration of Trust/Articles of Incorporation and any applicable votes of the Board of the Trust pursuant thereto, the Custodian shall, upon receipt

of instructions from the Transfer Agent, make funds available for payment to holders of shares of such Fund who have delivered to the Transfer Agent a request for redemption or repurchase of their shares including without limitation through bank drafts, automated clearinghouse facilities, or by other means. In connection with the redemption or repurchase of Shares of the Funds, the Custodian is authorized upon receipt of instructions from the Transfer Agent to wire funds to or through a commercial bank designated by the redeeming shareholders.

2.11 Appointment of Agents. The Custodian may at any time or times in its discretion appoint (and may at any time remove) any other bank or trust company which is itself qualified under the 1940 Act and any applicable state law or regulation, to act as a custodian, as its agent to carry out such of the provisions of this Section 2 as the Custodian may from time to time direct; provided, however, that the appointment of any agent shall not relieve the Custodian of its responsibilities or liabilities hereunder.

2.12 Deposit of Fund Assets in Securities System. The Custodian may deposit and/or maintain securities owned by the Funds in a clearing agency registered with the Securities and Exchange Commission ("SEC") under Section 17A of the Exchange Act, which acts as a securities depository, or in the book-entry system authorized by the U.S. Department of the Treasury and certain federal agencies, collectively referred to herein as "Securities System" in accordance with applicable Federal Reserve Board and SEC rules and regulations, if any, and subject to the following provisions:

- (1) The Custodian may keep securities of each Fund in a Securities System provided that such securities are represented in an account ("Account") of the Custodian in the Securities System which shall not include any assets of the Custodian other than assets held as a fiduciary, custodian or otherwise for customers;
- (2) The records of the Custodian with respect to securities of the Funds which are maintained in a Securities System shall identify by book-entry those securities belonging to each Fund;
- (3) The Custodian shall pay for securities purchased for the account of each

Fund upon (i) receipt of advice from the Securities System that such securities have been transferred to the Account, and (ii) the making of an entry on the records of the Custodian to reflect such payment and transfer for the account of the Fund. The Custodian shall transfer securities sold for the account of a Fund upon (i) receipt of advice from the Securities System that payment for such securities has been transferred to the Account, and (ii) the making of an entry on the records of the Custodian to reflect such transfer and payment for the account of the Fund. Copies of all advices from the Securities System of transfers of securities for the account of a Fund shall identify the Fund, be maintained for the Fund by the Custodian and be provided to the Trust at its request. Upon request, the Custodian shall furnish the Trust confirmation of each transfer to or from the account of a Fund in the form of a written advice or notice and shall furnish to the Trust copies of daily transaction sheets reflecting each day's transactions in the Securities System for the account of a Fund.

- (4) The Custodian shall provide the Trust with any report obtained by the Custodian on the Securities System's accounting system, internal accounting control and procedures for safeguarding securities deposited in the Securities System;
- (5) The Custodian shall have received the initial certificate, required by Section 9 hereof;
- (6) Anything to the contrary in this Contract notwithstanding, the Custodian shall be liable to the Trust for any loss or damage to a Fund resulting from use of the Securities System by reason of any negligence, misfeasance or misconduct of the Custodian or any of its agents or of any of its or their employees or from failure of the Custodian or any such agent to enforce effectively such rights as it may have against the Securities System; at the election of the Trust, it shall be entitled to be subrogated to the rights of the Custodian with respect to any claim against the Securities System or any other person which the Custodian may have as a consequence of any such loss or damage if and to the extent that a Fund has not been made whole for any such loss or damage.
- (7) The authorization contained in this Section 2.12 shall not relieve the Custodian from using reasonable care and diligence in making use of any Securities System.

2.13 Segregated Account. The Custodian shall upon receipt of Proper Instructions establish and maintain a segregated account or accounts for and on behalf of



each Fund, into which account or accounts may be transferred cash and/or securities, including securities maintained in an account by the Custodian pursuant to Section 2.12 hereof, (i) in accordance with the provisions of any agreement among the Trust, the Custodian and a broker-dealer registered under the Exchange Act and a member of the NASD (or any futures commission merchant registered under the Commodity Exchange Act), relating to compliance with the rules of The Options Clearing Corporation and of any registered national securities exchange (or the Commodity Futures Trading Commission or any registered contract market), or of any similar organization or organizations, regarding escrow or other arrangements in connection with transactions for a Fund, (ii) for purpose of segregating cash or government securities in connection with options purchased, sold or written for a Fund or commodity futures contracts or options thereon purchased or sold for a Fund, (iii) for the purpose of compliance by the Trust or a Fund with the procedures required by any release or releases of the SEC relating to the maintenance of segregated accounts by registered investment companies and (iv) for other proper corporate purposes, but only, in the case of clause (iv), upon receipt of, in addition to Proper Instructions, a certified copy of a resolution of the Board or of the Executive Committee signed by an officer of the Trust and certified by the Secretary or an Assistant Secretary, setting forth the purpose or purposes of such segregated account and declaring such purposes to be proper corporate purposes.

2.14 Joint Repurchase Agreements. Upon the receipt of Proper Instructions, the Custodian shall deposit and/or maintain any assets of a Fund and any affiliated funds which are subject to joint repurchase transactions in an account established solely for such transactions for the Fund and its affiliated funds. For purposes of this Section 2.14, "affiliated funds" shall include all investment companies and their portfolios for which subsidiaries or affiliates of Federated Investors serve as investment advisers, distributors or administrators in accordance with applicable exemptive orders from the SEC. The requirements of segregation set forth in Section 2.1 shall be deemed to be waived with respect to such assets.

2.15 Ownership Certificates for Tax Purposes. The Custodian shall execute ownership and other certificates and

affidavits for all federal and state tax purposes in connection with receipt of income or other payments with respect to securities of a Fund held by it and in connection with transfers of securities.

2.16 Proxies. The Custodian shall, with respect to the securities held hereunder, cause to be promptly executed by the registered holder of such securities, if the securities are registered otherwise than in the name of a Fund or a nominee of a Fund, all proxies, without indication of the manner in which such proxies are to be voted, and shall promptly deliver to the Trust such proxies, all proxy soliciting materials and all notices relating to such securities.

2.17 Communications Relating to Fund Portfolio Securities. The Custodian shall transmit promptly to the Trust all written information (including, without limitation, pendency of calls and maturities of securities and expirations of rights in connection therewith and notices of exercise of call and put options written by the Fund and the maturity of futures contracts purchased or sold by the Fund) received by the Custodian from issuers of the securities being held for the Fund. With respect to tender or exchange offers, the Custodian shall transmit promptly to the Trust all written information received by the Custodian from issuers of the securities whose tender or exchange is sought and from the party (or his agents) making the tender or exchange offer. If the Trust desires to take action with respect to any tender offer, exchange offer or any other similar transaction, the Trust shall notify the Custodian in writing at least three business days prior to the date on which the Custodian is to take such action. However, the Custodian shall nevertheless exercise its best efforts to take such action in the event that notification is received three business days or less prior to the date on which action is required.

2.18 Proper Instructions. Proper Instructions as used throughout this Section 2 means a writing signed or initialed by one or more person or persons as the Board shall have from time to time authorized. Each such writing shall set forth the specific transaction or type of transaction involved. Oral instructions will be deemed to be Proper Instructions if (a) the Custodian reasonably believes them to have been given by a person previously authorized in Proper

Instructions to give such instructions with respect to the transaction involved, and (b) the Trust promptly causes such oral instructions to be confirmed in writing. Upon receipt of a certificate of the Secretary or an Assistant Secretary as to the authorization by the Board of the Trust accompanied by a detailed description of procedures approved by the Board, Proper Instructions may include communications effected directly between electro-mechanical or electronic devices provided that the Board and the Custodian are satisfied that such procedures afford adequate safeguards for a Fund's assets.

2.19 Actions Permitted Without Express Authority. The Custodian may in its discretion, without express authority from the Trust:

- (1) make payments to itself or others for minor expenses of handling securities or other similar items relating to its duties under this Contract, provided that all such payments shall be accounted for to the Trust in such form that it may be allocated to the affected Fund;
- (2) surrender securities in temporary form for securities in definitive form;
- (3) endorse for collection, in the name of a Fund, checks, drafts and other negotiable instruments; and
- (4) in general, attend to all non-discretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the securities and property of each Fund except as otherwise directed by the Trust.

2.20 Evidence of Authority. The Custodian shall be protected in acting upon any instructions, notice, request, consent, certificate or other instrument or paper reasonably believed by it to be genuine and to have been properly executed on behalf of a Fund. The Custodian may receive and accept a certified copy of a vote of the Board of the Trust as conclusive evidence (a) of the authority of any person to act in accordance with such vote or (b) of any determination of or any action by the Board pursuant to the Declaration of Trust/Articles of Incorporation as described in such vote, and such vote may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary.

## 2.21 Notice to Trust by Custodian Regarding Cash Movement.

The Custodian will provide timely notification to the Trust of any receipt of cash, income or payments to the Trust and the release of cash or payment by the Trust.

## 3. Duties of Custodian With Respect to the Books of Account and Calculation of Net Asset Value and Net Income.

The Custodian shall cooperate with and supply necessary information to the entity or entities appointed by the Board of the Trust to keep the books of account of each Fund and/or compute the net asset value per share of the outstanding Shares of each Fund or, if directed in writing to do so by the Trust, shall itself keep such books of account and/or compute such net asset value per share. If so directed, the Custodian shall also calculate daily the net income of a Fund as described in the Fund's currently effective prospectus and Statement of Additional Information ("Prospectus") and shall advise the Trust and the Transfer Agent daily of the total amounts of such net income and, if instructed in writing by an officer of the Trust to do so, shall advise the Transfer Agent periodically of the division of such net income among its various components. The calculations of the net asset value per share and the daily income of a Fund shall be made at the time or times described from time to time in the Fund's currently effective Prospectus.

## 4. Records.

The Custodian shall create and maintain all records relating to its activities and obligations under this Contract in such manner as will meet the obligations of the Trust and the Funds under the 1940 Act, with particular attention to Section 31 thereof and Rules 31a-1 and 31a-2 thereunder, and specifically including identified cost records used for tax purposes. All such records shall be the property of the Trust and shall at all times during the regular business hours of the Custodian be open for inspection by duly authorized officers, employees or agents of the Trust and employees and agents of the SEC. In the event of termination of this Contract, the Custodian will deliver all such records to the Trust, to a successor Custodian, or to such other person as the Trust may direct. The Custodian shall supply daily to the Trust a tabulation of securities owned by a Fund and held by the Custodian and shall, when requested to do so by the Trust and for such

compensation as shall be agreed upon between the Trust and the Custodian, include certificate numbers in such tabulations.

5. Opinion of Funds' Independent Public Accountants/Auditors.

The Custodian shall take all reasonable action, as the Trust may from time to time request, to obtain from year to year favorable opinions from each Fund's independent public accountants/auditors with respect to its activities hereunder in connection with the preparation of the Fund's registration statement, periodic reports, or any other reports to the SEC and with respect to any other requirements of such Commission.

6. Reports to Trust by Independent Public Accountants/Auditors.

The Custodian shall provide the Trust, at such times as the Trust may reasonably require, with reports by independent public accountants/auditors for each Fund on the accounting system, internal accounting control and procedures for safeguarding securities, futures contracts and options on futures contracts, including securities deposited and/or maintained in a Securities System, relating to the services provided by the Custodian for the Fund under this Contract; such reports shall be of sufficient scope and in sufficient detail, as may reasonably be required by the Trust, to provide reasonable assurance that any material inadequacies would be disclosed by such examination and, if there are no such inadequacies, the reports shall so state.

7. Compensation of Custodian.

The Custodian shall be entitled to reasonable compensation for its services and expenses as Custodian, as agreed upon from time to time between Company and the Custodian.

8. Responsibility of Custodian.

The Custodian shall be held to a standard of reasonable care in carrying out the provisions of this Contract; provided, however, that the Custodian shall be held to any higher standard of care which would be imposed upon the Custodian by any applicable law or regulation if such above stated standard of reasonable care was not part of this Contract. The Custodian shall be entitled to rely on and may act upon advice of counsel (who may be counsel

for the Trust) on all matters, and shall be without liability for any action reasonably taken or omitted pursuant to such advice, provided that such action is not in violation of applicable federal or state laws or regulations, and is in good faith and without negligence. Subject to the limitations set forth in Section 15 hereof, the Custodian shall be kept indemnified by the Trust but only from the assets of the Fund involved in the issue at hand and be without liability for any action taken or thing done by it in carrying out the terms and provisions of this Contract in accordance with the above standards.

In order that the indemnification provisions contained in this Section 8 shall apply, however, it is understood that if in any case the Trust may be asked to indemnify or save the Custodian harmless, the Trust shall be fully and promptly advised of all pertinent facts concerning the situation in question, and it is further understood that the Custodian will use all reasonable care to identify and notify the Trust promptly concerning any situation which presents or appears likely to present the probability of such a claim for indemnification. The Trust shall have the option to defend the Custodian against any claim which may be the subject of this indemnification, and in the event that the Trust so elects it will so notify the Custodian and thereupon the Trust shall take over complete defense of the claim, and the Custodian shall in such situation initiate no further legal or other expenses for which it shall seek indemnification under this Section. The Custodian shall in no case confess any claim or make any compromise in any case in which the Trust will be asked to indemnify the Custodian except with the Trust's prior written consent.

Notwithstanding the foregoing, the responsibility of the Custodian with respect to redemptions effected by check shall be in accordance with a separate Agreement entered into between the Custodian and the Trust.

If the Trust requires the Custodian to take any action with respect to securities, which action involves the payment of money or which action may, in the reasonable opinion of the Custodian, result in the Custodian or its nominee assigned to a Fund being liable for the payment of money or incurring liability of some other form, the Custodian may request the Trust, as a prerequisite to requiring the Custodian to take such action, to provide indemnity to the Custodian in an amount and form satisfactory to the Custodian.

Subject to the limitations set forth in Section 15 hereof, the Trust agrees to indemnify and hold harmless the Custodian and its nominee from and against all taxes, charges, expenses, assessments, claims and liabilities (including counsel fees) (referred to herein as authorized charges) incurred or assessed against it or its nominee in connection with the performance of this Contract, except such as may arise from it or its nominee's own failure to act in accordance with the standard of reasonable care or any higher standard of care which would be imposed upon the Custodian by any applicable law or regulation if such above-stated standard of reasonable care were not part of this Contract. To secure any authorized charges and any advances of cash or securities made by the Custodian to or for the benefit of a Fund for any purpose which results in the Fund incurring an overdraft at the end of any business day or for extraordinary or emergency purposes during any business day, the Trust hereby grants to the Custodian a security interest in and pledges to the Custodian securities held for the Fund by the Custodian, in an amount not to exceed 10 percent of the Fund's gross assets, the specific securities to be designated in writing from time to time by the Trust or the Fund's investment adviser. Should the Trust fail to make such designation, or should it instruct the Custodian to make advances exceeding the percentage amount set forth above and should the Custodian do so, the Trust hereby agrees that the Custodian shall have a security interest in all securities or other property purchased for a Fund with the advances by the Custodian, which securities or property shall be deemed to be pledged to the Custodian, and the written instructions of the Trust instructing their purchase shall be considered the requisite description and designation of the property so pledged for purposes of the requirements of the Uniform Commercial Code. Should the Trust fail to cause a Fund to repay promptly any authorized charges or advances of cash or securities, subject to the provision of the second paragraph of this Section 8 regarding indemnification, the Custodian shall be entitled to use available cash and to dispose of pledged securities and property as is necessary to repay any such advances.

#### 9. Effective Period, Termination and Amendment.

This Contract shall become effective as of its execution, shall continue in full force and effect until terminated as hereinafter provided, may be amended at any time by mutual agreement of the parties hereto and may be

terminated by either party by an instrument in writing delivered or mailed, postage prepaid to the other party, such termination to take effect not sooner than sixty (60) days after the date of such delivery or mailing; provided, however that the Custodian shall not act under Section 2.12 hereof in the absence of receipt of an initial certificate of the Secretary or an Assistant Secretary that the Board of the Trust has approved the initial use of a particular Securities System as required in each case by Rule 17f-4 under the 1940 Act; provided further, however, that the Trust shall not amend or terminate this Contract in contravention of any applicable federal or state regulations, or any provision of the Declaration of Trust/Articles of Incorporation, and further provided, that the Trust may at any time by action of its Board (i) substitute another bank or trust company for the Custodian by giving notice as described above to the Custodian, or (ii) immediately terminate this Contract in the event of the appointment of a conservator or receiver for the Custodian by the appropriate banking regulatory agency or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction.

Upon termination of the Contract, the Trust shall pay to the Custodian such compensation as may be due as of the date of such termination and shall likewise reimburse the Custodian for its costs, expenses and disbursements.

10. Successor Custodian.

If a successor custodian shall be appointed by the Board of the Trust, the Custodian shall, upon termination, deliver to such successor custodian at the office of the Custodian, duly endorsed and in the form for transfer, all securities then held by it hereunder for each Fund and shall transfer to separate accounts of the successor custodian all of each Fund's securities held in a Securities System.

If no such successor custodian shall be appointed, the Custodian shall, in like manner, upon receipt of a certified copy of a vote of the Board of the Trust, deliver at the office of the Custodian and transfer such securities, funds and other properties in accordance with such vote.

In the event that no written order designating a successor custodian or certified copy of a vote of the Board shall have been delivered to the Custodian on or



before the date when such termination shall become effective, then the Custodian shall have the right to deliver to a bank or trust company, which is a "bank" as defined in the 1940 Act, (delete "doing business ... Massachusetts" unless SSBT is the Custodian) doing business in Boston, Massachusetts, of its own selection, having an aggregate capital, surplus, and undivided profits, as shown by its last published report, of not less than \$100,000,000, all securities, funds and other properties held by the Custodian and all instruments held by the Custodian relative thereto and all other property held by it under this Contract for each Fund and to transfer to separate accounts of such successor custodian all of each Fund's securities held in any Securities System. Thereafter, such bank or trust company shall be the successor of the Custodian under this Contract.

In the event that securities, funds and other properties remain in the possession of the Custodian after the date of termination hereof owing to failure of the Trust to procure the certified copy of the vote referred to or of the Board to appoint a successor custodian, the Custodian shall be entitled to fair compensation for its services during such period as the Custodian retains possession of such securities, funds and other properties and the provisions of this Contract relating to the duties and obligations of the Custodian shall remain in full force and effect.

11. Interpretive and Additional Provisions.

In connection with the operation of this Contract, the Custodian and the Trust may from time to time agree on such provisions interpretive of or in addition to the provisions of this Contract as may in their joint opinion be consistent with the general tenor of this Contract. Any such interpretive or additional provisions shall be in a writing signed by both parties and shall be annexed hereto, provided that no such interpretive or additional provisions shall contravene any applicable federal or state regulations or any provision of the Declaration of Trust/Articles of Incorporation. No interpretive or additional provisions made as provided in the preceding sentence shall be deemed to be an amendment of this Contract.

12. Massachusetts Law to Apply.

This Contract shall be construed and the provisions thereof interpreted under and in accordance with laws of

13. Notices.

Except as otherwise specifically provided herein, Notices and other writings delivered or mailed postage prepaid to the Trust at Federated Investors Tower, Pittsburgh, Pennsylvania, 15222-3779, or to the Custodian at address for SSBT only: 225 Franklin Street, Boston, Massachusetts, 02110, or to such other address as the Trust or the Custodian may hereafter specify, shall be deemed to have been properly delivered or given hereunder to the respective address.

14. Counterparts.

This Contract may be executed simultaneously in two or more counterparts, each of which shall be deemed an original.

15. Limitations of Liability.

The Custodian is expressly put on notice of the limitation of liability as set forth in Article XI of the Declaration of Trust of those Trusts which are business trusts and agrees that the obligations and liabilities assumed by the Trust and any Fund pursuant to this Contract, including, without limitation, any obligation or liability to indemnify the Custodian pursuant to Section 8 hereof, shall be limited in any case to the relevant Fund and its assets and that the Custodian shall not seek satisfaction of any such obligation from the shareholders of the relevant Fund, from any other Fund or its shareholders or from the Trustees, Officers, employees or agents of the Trust, or any of them. In addition, in connection with the discharge and satisfaction of any claim made by the Custodian against the Trust, for whatever reasons, involving more than one Fund, the Trust shall have the exclusive right to determine the appropriate allocations of liability for any such claim between or among the Funds.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed in its name and behalf by its duly authorized representative and its seal to be hereunder affixed effective as of the 1st day of December, 1993.

ATTEST: INVESTMENT COMPANIES (Except those listed below)

/s/John G. McGonigle\_\_\_\_\_  
John G. McGonigle  
Secretary

By /s/John G. Donahue\_\_\_\_\_  
John F. Donahue  
Chairman

ATTEST:

STATE STREET BANK AND TRUST  
COMPANY

/s/ Ed McKenzie\_\_\_\_\_  
Jr.\_\_\_\_\_  
(Assistant) Secretary  
Typed Name: Ed McKenzie

By /s/ F. J. Sidoti,  
Typed Name: Frank J. Sidoti, Jr.  
Title: Vice President

ATTEST:

FEDERATED SERVICES COMPANY

/s/ Jeannette Fisher-Garber\_\_\_\_\_  
Dolan\_\_\_\_\_  
Jeannette Fisher-Garber  
Secretary

By /s/ James J.  
James J. Dolan  
President

Exhibit 1

Federated Stock Trust

Exhibit 9 (i) under Form N-1A  
Exhibit 10 under Item 601/Reg. S-K

#### SHAREHOLDER SERVICES PLAN

This Shareholder Services Plan ("Plan") is adopted as of this 1st day of March, 1994, by the Boards of Directors or Trustees, as applicable (the "Boards"), of those investment companies listed on Exhibit 1 hereto as may be amended from time to time, having their principal office and place of business at Federated Investors Tower, Pittsburgh, PA 15222-3779 (individually referred to herein as a "Fund" and collectively as "Funds").

1. This Plan is adopted to allow the Funds to make payments as contemplated herein to obtain certain personal services for shareholders and/or the maintenance of shareholder accounts ("Services").

2. This Plan is designed to compensate Federated Shareholder Services ("FSS") for providing personal services and/or the maintenance of shareholder accounts to the Funds and their shareholders. In compensation for the services provided pursuant to this Plan, FSS may be paid a monthly fee computed at the annual rate not to exceed .25 of 1% of the average aggregate net asset value of the shares of each Fund held during the month.

3. Any payments made by the Funds to FSS pursuant to this Plan will be made pursuant to a "Shareholder Services Agreement" between FSS and each of the Funds.

4. Quarterly in each year that this Plan remains in effect, FSS shall prepare and furnish to the Boards of the Funds, and the Boards shall review, a written report of the amounts expended under the Plan.

5. This Plan shall become effective with regard to each Fund (i) after approval by majority votes of: (a) such Fund's Board; and (b) the members of the Board of such

Fund who are not interested persons of such Fund and have no direct or indirect financial interest in the operation of such Fund's Plan or in any related documents to the Plan ("Independent Trustees or Directors"), cast in person at a meeting called for the purpose of voting on the Plan.

6. This Plan shall remain in effect with respect to each Fund presently set forth on an exhibit and any subsequent Fund added pursuant to an exhibit during the initial year of this Plan for the period of one year from the date set forth above and may be continued thereafter if this Plan is approved with respect to each Fund at least annually by a majority of the relevant Fund's Board and a majority of the Independent Trustees or

Directors, of such Fund as applicable, cast in person at a meeting called for the purpose of voting on the renewal of such Plan. If this Plan is adopted with respect to a fund after the first annual approval by the Trustees or Directors as described above, this Plan will be effective as to that Fund at such time as Exhibit 1 hereto is amended to add such Fund and will continue in effect until the next annual approval of this Plan by the Funds' Boards and thereafter for successive periods of one year subject to approval as described above.

7. All material amendments to this Plan must be approved by a vote of the Board of each Fund and of the Independent Directors or Trustees of such Fund, cast in person at a meeting called for such purpose.

8. This Plan may be terminated as follows:

(a) at any time, without the payment of any penalty, by the vote of a majority of the Independent Board Members of any Fund or by a vote of a majority of the outstanding voting securities of any Fund as defined in the Investment Company Act of 1940 on sixty (60) days' written notice to the parties to this Agreement; or

(b) by any party to the Agreement without cause by giving the other party at least sixty (60) days' written notice of its intention to terminate.

9. While this Plan shall be in effect, the selection and nomination of Independent Directors or Trustees of each Fund shall be committed to the discretion of the Independent Directors or Trustees then in office.

10. All agreements with any person relating

to the implementation of this Plan shall be in writing and any agreement related to this Plan shall be subject to termination, without penalty, pursuant to the provisions of Paragraph 8 herein.

11. This Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

Witness the due execution hereof this as of the date set forth above.

Investment Companies (listed  
on Exhibit 1)

By: /s/ John F. Donahue  
John F. Donahue  
Chairman

Attest: /s/ John W. McGonigle  
John W. McGonigle

Federated Shareholder Services

By: /s/ James J. Dolan  
Title: President

Attest: /s/ John W. McGonigle  
John W. McGonigle

Exhibit 1

Federated Stock Trust

## SHAREHOLDER SERVICES SUB-CONTRACT

This Agreement is made between the Financial Institution executing this Agreement ("Provider") and Federated Shareholder Services ("FSS") on behalf of the investment companies listed in Exhibit A hereto (the "Funds"), for whom FSS administers the Shareholder Services Plan ("Plan") and who have approved this form of Agreement. In consideration of the mutual covenants hereinafter contained, it is hereby agreed by and between the parties hereto as follows:

1. FSS hereby appoints Provider to render or cause to be rendered personal services to shareholders of the Funds and/or the maintenance of accounts of shareholders of the Funds ("Services"). Provider agrees to provide Services which, in its best judgment, are necessary or desirable for its customers who are investors in the Funds. Provider further agrees to provide FSS, upon request, a written description of the Services which Provider is providing hereunder.

2. During the term of this Agreement, the Funds will pay the Provider fees as set forth in a written schedule delivered to the Provider pursuant to this Agreement. The fee schedule for Provider may be changed by FSS sending a new fee schedule to Provider pursuant to Paragraph 9 of this Agreement. For the payment period in which this Agreement becomes effective or terminates, there shall be an appropriate proration of the fee on the basis of the number of days that this Agreement is in effect during the quarter. To enable the Funds to comply with an applicable exemptive order, Provider represents that the fees received pursuant to this Agreement will be disclosed to its customers, will be authorized by its customers, and will not result in an excessive fee to the Provider.

3. The Provider understands that the Department of Labor views ERISA as prohibiting fiduciaries of discretionary ERISA assets from receiving shareholder

service fees or other compensation from funds in which the fiduciary's discretionary ERISA assets are invested. To date, the Department of Labor has not issued any exemptive order or advisory opinion that would exempt fiduciaries from this interpretation. Without specific authorization from the Department of Labor, fiduciaries should carefully avoid investing discretionary assets in any fund pursuant to an arrangement where the fiduciary is to be compensated by the fund for such investment. Receipt of such compensation could violate ERISA provisions against fiduciary self-dealing and conflict of interest and could subject the fiduciary to substantial penalties.

4. The Provider agrees not to solicit or cause to be solicited directly, or indirectly at any time in the future, any proxies from the shareholders of a Fund in opposition to proxies solicited by management of the Fund, unless a court of competent jurisdiction shall have determined that the conduct of a majority of the Board of Trustees or Directors of the Fund constitutes willful misfeasance, bad faith, gross negligence or reckless disregard of their duties. This paragraph 4 will survive the term of this Agreement.

5. This Agreement shall continue in effect for one year from the date of its execution, and thereafter for successive periods of one year if the form of this Agreement is approved at least annually by the Board of each Fund, including a majority of the members of the Board of the Fund who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Fund's Plan or in any related documents to the Plan ("Disinterested Board Members") cast in person at a meeting called for that purpose.

6. Notwithstanding paragraph 5, this Agreement may be terminated as follows:

(a) at any time, without the payment of any penalty, by the vote of a majority of the Disinterested Board Members of the Fund or by a vote of a majority of the outstanding voting securities of the Fund as defined in the Investment Company Act of 1940 on not more than sixty (60) days' written notice to the parties to this Agreement;

(b) automatically in the event of the Agreement's assignment as defined in the Investment Company Act of 1940; and

(c) by either party to the Agreement without cause by giving the other party at least sixty (60)



days' written notice of its intention to terminate.

7. The Provider agrees to obtain any taxpayer identification number certification from its customers required under Section 3406 of the Internal Revenue Code, and any applicable Treasury regulations, and to provide the Fund or its designee with timely written notice of any failure to obtain such taxpayer identification number certification in order to enable the implementation of any required backup withholding.

8. The execution and delivery of this Agreement have been authorized by the Trustees of FSS and signed by an authorized officer of FSS, acting as such, and neither such authorization by such Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, and the obligations of this Agreement are not binding upon any of the Trustees or shareholders of FSS, but bind only the trust property of FSS as provided in the Declaration of Trust of FSS.

9. Notices of any kind to be given hereunder shall be in writing (including facsimile communication) and shall be duly given if delivered to Provider at the address set forth below and if delivered to FSS at Federated Investors Tower, Pittsburgh, PA 15222-3779, Attention: President.

10. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject hereof whether oral or written. If any provision of this Agreement shall be held or made invalid by a court or regulatory agency decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. Subject to the provisions of Sections 5 and 6, hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and shall be governed by Pennsylvania law; provided, however, that nothing herein shall be construed in a manner inconsistent with the Investment Company Act of 1940 or any rule or regulation promulgated by the Securities and Exchange Commission thereunder.

11. This Agreement may be executed by different parties on separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same instrument.

12. This Agreement shall not be assigned by any party without the prior written consent of FSS in the case of assignment by Provider, or of Provider in the case of assignment by FSS, except that any party may assign to a successor all of or a substantial portion of its business to a party controlling, controlled by, or under common control with such party.

13. This Agreement may be amended by FSS from time to time by the following procedure. FSS will mail a copy of the amendment to the Provider's address, as shown below. If the Provider does not object to the amendment within thirty (30) days after its receipt, the amendment will become part of the Agreement. The Provider's objection must be in writing and be received by FSS within such thirty days.

14. This Agreement may be terminated with regard to a particular Fund or Class at any time, without the payment of any penalty, by FSS or by the vote of a majority of the Disinterested Trustees or Directors, as applicable, or by a majority of the outstanding voting securities of the particular Fund or Class on not more than sixty (60) days' written notice to the Provider. This Agreement may be terminated by Provider on sixty (60) days' written notice to FSS.

15. The Provider acknowledges and agrees that FSS has entered into this Agreement solely in the capacity of agent for the Funds and administrator of the Plan. The Provider agrees not to claim that FSS is liable for any responsibilities or amounts due by the Funds hereunder.

[Provider]

Address

City State Zip Code

Dated:

By:  
Authorized Signature

Title

Print Name of Authorized

Signature

FEDERATED SHAREHOLDER SERVICES  
Federated Investors Tower  
Pittsburgh, Pennsylvania 15222-3779

By:  
Vice President

EXHIBIT A to Shareholder Services Sub-Contract with

Funds covered by this Agreement:

Federated Stock Trust

Shareholder Service Fees

1. During the term of this Agreement, FSS will pay Provider a quarterly fee. This fee will be computed at the annual rate of \_\_\_\_\_ of the average net asset value of shares of the Funds held during the quarter in accounts for which the Provider provides Services under this Agreement, so long as the average net asset value of Shares in the Funds during the quarter equals or exceeds such minimum amount as FSS shall from time to time determine and communicate in writing to the Provider.

2. For the quarterly period in which the Agreement becomes effective or terminates, there shall be an appropriate proration of any fee payable on the basis of the number of days that the Agreement is in effect during the quarter.

Exhibit 9 (iii) under Form N-1A  
Exhibit 10 under Item 601/Reg. S-K

SHAREHOLDER SERVICES AGREEMENT

AGREEMENT made as of the first day of March, 1994, by and between those investment companies listed on Exhibit 1, as may be amended from time to time, having their principal office and place of business at Federated Investors Tower, Pittsburgh, PA 15222-3779 and who have approved a Shareholder Services Plan (the "Plan") and this form of Agreement (individually referred to herein as a "Fund" and collectively as "Funds") and Federated Shareholder Services, a Delaware business trust, having its principal office and place of business at Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779 ("FSS").

1. The Funds hereby appoint FSS to render or cause to be rendered personal services to shareholders of the Funds and/or the maintenance of accounts of shareholders of the Funds ("Services"). In addition to providing Services directly to shareholders of the Funds, FSS is hereby appointed the Funds' agent to select, negotiate and subcontract for the performance of Services. FSS hereby accepts such appointments. FSS agrees to provide or cause to be provided Services which, in its best judgment (subject to supervision and control of the Funds' Boards of Trustees or Directors, as applicable), are necessary or desirable for shareholders of the Funds. FSS further agrees to provide the Funds, upon request, a written description of the Services which FSS is providing hereunder.

2. During the term of this Agreement, each Fund will pay FSS and FSS agrees to accept as full compensation for its services rendered hereunder a fee at an annual rate, calculated daily and payable monthly, up to 0.25% of 1% of average net assets of each Fund.

For the payment period in which this Agreement becomes effective or terminates with respect to any Fund, there shall be an appropriate proration of the monthly fee on the basis of the number of days that this Agreement is in effect with respect to such Fund during the month. To enable the

Funds to comply with an applicable exemptive order, FSS represents that the fees received pursuant to this Agreement will be disclosed to and authorized by any person or entity receiving Services, and will not result in an excessive fee to FSS.

3. This Agreement shall continue in effect for one year from the date of its execution, and thereafter for successive periods of one year only if the form of this Agreement is approved at least annually by the Board of each Fund, including a majority of the members of the Board of the Fund who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Funds' Plan or in any related documents to the Plan ("Independent Board Members") cast in person at a meeting called for that purpose.

4. Notwithstanding paragraph 3, this Agreement may be terminated as follows:

(a) at any time, without the payment of any penalty, by the vote of a majority of the Independent Board Members of any Fund or by a vote of a majority of the outstanding voting securities of any Fund as defined in the Investment Company Act of 1940 on sixty (60) days' written notice to the parties to this Agreement;

(b) automatically in the event of the Agreement's assignment as defined in the Investment Company Act of 1940; and

(c) by any party to the Agreement without cause by giving the other party at least sixty (60) days' written notice of its intention to terminate.

5. FSS agrees to obtain any taxpayer identification number certification from each shareholder of the Funds to which it provides Services that is required under Section 3406 of the Internal Revenue Code, and any applicable Treasury regulations, and to provide each Fund or its designee with timely written notice of any failure to obtain such taxpayer identification number certification in order to enable the implementation of any required backup withholding.

6. FSS shall not be liable for any error of judgment or mistake of law or for any loss suffered by any Fund in connection with the matters to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its

duties or from reckless disregard by it of its obligations and duties under this Agreement. FSS shall be entitled to rely on and may act upon advice of counsel (who may be counsel for such Fund) on all matters, and shall be without liability for any action reasonably taken or omitted pursuant to such advice. Any person, even though also an officer, trustee, partner, employee or agent of FSS, who may be or become a member of such Fund's Board, officer, employee or agent of any Fund, shall be deemed, when rendering services to such Fund or acting on any business of such Fund (other than services or business in connection with the duties of FSS hereunder) to be rendering such services to or acting solely for such Fund and not as an officer, trustee, partner, employee or agent or one under the control or direction of FSS even though paid by FSS.

This Section 6 shall survive termination of this Agreement.

7. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which an enforcement of the change, waiver, discharge or termination is sought.

8. FSS is expressly put on notice of the limitation of liability as set forth in the Declaration of Trust of each Fund that is a Massachusetts business trust and agrees that the obligations assumed by each such Fund pursuant to this Agreement shall be limited in any case to such Fund and its assets and that FSS shall not seek satisfaction of any such obligations from the shareholders of such Fund, the Trustees, Officers, Employees or Agents of such Fund, or any of them.

9. The execution and delivery of this Agreement have been authorized by the Trustees of FSS and signed by an authorized officer of FSS, acting as such, and neither such authorization by such Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, and the obligations of this Agreement are not binding upon any of the Trustees or shareholders of FSS, but bind only the trust property of FSS as provided in the Declaration of Trust of FSS.

10. Notices of any kind to be given hereunder shall be in writing (including facsimile communication) and shall be duly given if delivered to any Fund and to such Fund at the following address: Federated Investors Tower, Pittsburgh, PA 15222-3779, Attention: President and if delivered to

FSS at Federated Investors Tower, Pittsburgh, PA 15222-3779, Attention: President.

11. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject hereof whether oral or written. If any provision of this Agreement shall be held or made invalid by a court or regulatory agency decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. Subject to the provisions of Sections 3 and 4, hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and shall be governed by Pennsylvania law; provided, however, that nothing herein shall be construed in a manner inconsistent with the Investment Company Act of 1940 or any rule or regulation promulgated by the Securities and Exchange Commission thereunder.

12. This Agreement may be executed by different parties on separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same instrument.

13. This Agreement shall not be assigned by any party without the prior written consent of FSS in the case of assignment by any Fund, or of the Funds in the case of assignment by FSS, except that any party may assign to a successor all of or a substantial portion of its business to a party controlling, controlled by, or under common control with such party. Nothing in this Section 14 shall prevent FSS from delegating its responsibilities to another entity to the extent provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their officers designated below as of the day and year first above written.

Investment Companies (listed  
on Exhibit 1)

By: /s/ John F. Donahue  
John F. Donahue  
Chairman

Attest: /s/ John W. McGonigle

John W. McGonigle

Federated Shareholder Services

By: /s/ James J. Dolan

Title: President

Attest: /s/ John W. McGonigle  
John W. McGonigle

Exhibit 1

Federated Stock Trust



Exhibit 9 (iv) under Form N-1A  
Exhibit 10 under Item 601/Reg. S-K

#### ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement is made as of this first day of March, 1994, between those investment companies listed on Exhibit 1, as may be amended from time to time, having their principal office and place of business at Federated Investors Tower, Pittsburgh PA 15222-3779 (individually referred to herein as "Fund" and collectively referred to as "Funds"), on behalf of the portfolios of the Funds, and Federated Administrative Services, a Delaware business trust (herein called "FAS").

WHEREAS, the Funds desire to retain FAS as their Administrator to provide them with Administrative Services (as herein defined), and FAS is willing to render such services;

WHEREAS, the Funds are registered as open-end management investment companies under the Investment Company Act of 1940, as amended (the "1940 Act"), with authorized and issued shares of capital stock or beneficial interest ("Shares"); and

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties hereto agree as follows:

1. Appointment of Administrator. The Funds hereby appoint FAS as Administrator of the Funds on the terms and conditions set forth in this Agreement; and FAS hereby accepts such appointment and agrees to perform the services and duties set forth in Section 2 of this Agreement in consideration of the compensation provided for in Section 4 hereof.

2. Services and Duties. As Administrator, and subject to the supervision and control of the Funds' Boards of Trustees or Directors, as applicable (the "Boards"), FAS will provide facilities, equipment, and personnel to carry out the following administrative services for operation of the business and affairs of the Funds and each of their portfolios:

- (a) prepare, file, and maintain the Funds' governing documents and any amendments thereto, including the Declaration of Trust or Articles of Incorporation, as appropriate, (which has already been prepared and filed), the By-laws and minutes of meetings of their Boards, Committees, and shareholders;
- (b) prepare and file with the Securities and Exchange Commission and the appropriate state securities authorities the registration statements for the Funds and the Funds' shares and all amendments thereto, reports to regulatory authorities and shareholders, prospectuses, proxy statements, and such other documents all as may be necessary to enable the Funds to make continuous offerings of their shares, as applicable;
- (c) prepare, negotiate, and administer contracts on behalf of the Funds with, among others, each Fund's investment adviser, distributor, custodian, and transfer agent, subject to any applicable restrictions of the Boards or the 1940 Act;
- (d) supervise the Funds' custodians in the maintenance of the Funds' general ledgers and in the preparation of the Funds' financial statements, including oversight of expense accruals and payments, the determination of the net asset value of the Funds and the declaration and payment of dividends and other distributions to shareholders;
- (e) calculate performance data of the Funds for dissemination to information services covering the investment company industry;
- (f) prepare and file the Funds' tax returns;
- (g) examine and review the operations of the Funds' custodians and transfer agents;
- (h) coordinate the layout and printing of publicly disseminated prospectuses and reports;
- (i) perform internal audit examinations in accordance with a charter to be

adopted by FAS and the Funds;

- (j) assist with the design, development, and operation of the Funds;
- (k) provide individuals reasonably acceptable to the Funds' Boards for nomination, appointment, or election as officers of the Funds, who will be responsible for the management of certain of the Funds' affairs as determined by the Funds' Boards; and
- (l) consult with the Funds and their Boards of Trustees or Directors, as appropriate, on matters concerning the Funds and their affairs.

The foregoing, along with any additional services that FAS shall agree in writing to perform for the Funds hereunder, shall hereafter be referred to as "Administrative Services." Administrative Services shall not include any duties, functions, or services to be performed for any Fund by such Fund's investment adviser, distributor, custodian, transfer agent, or shareholder service agent, pursuant to their respective agreements with such Fund.

3. Expenses. FAS shall be responsible for expenses incurred in providing office space, equipment, and personnel as may be necessary or convenient to provide the Administrative Services to the Fund, including the compensation of FAS employees who serve on the Funds' Boards, or as officers of the Funds. Each Fund shall be responsible for all other expenses incurred by FAS on behalf of such Fund, including without limitation postage and courier expenses, printing expenses, travel expenses, registration fees, filing fees, fees of outside counsel and independent auditors, insurance premiums, fees payable to members of such Fund's Board who are not FAS employees, and trade association dues.

4. Compensation. For the Administrative Services provided, each Fund hereby agrees to pay and FAS hereby agrees to accept as full compensation for its services rendered hereunder an administrative fee at an annual rate, payable daily, as specified below, based upon the total assets of all of the Funds:

Maximum Administrative Fee	Average Daily Net Assets of the Funds
.150%	on the first \$250 million
.125%	on the next \$250 million
	.100% on the next \$250

million

.075%

on assets in excess of  
\$750 million

However, in no event shall the administrative fee received during any year of this Agreement be less than, or be paid at a rate less than would aggregate, \$125,000, per individual Fund, with an additional \$30,000 for each class of shares added to any such Fund after the date hereof.

5. Standard of Care.

(a) FAS shall not be liable for any error of judgment or mistake of law or for any loss suffered by any Fund in connection with the matters to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its obligations and duties under this Agreement. FAS shall be entitled to rely on and may act upon advice of counsel (who may be counsel for such Fund) on all matters, and shall be without liability for any action reasonably taken or omitted pursuant to such advice. Any person, even though also an officer, trustee, partner, employee or agent of FAS, who may be or become a member of such Fund's Board, officer, employee or agent of any Fund, shall be deemed, when rendering services to such Fund or acting on any business of such Fund (other than services or business in connection with the duties of FAS hereunder) to be rendering such services to or acting solely for such Fund and not as an officer, trustee, partner, employee or agent or one under the control or direction of FAS even though paid by FAS.

(b) This Section 5 shall survive termination of this Agreement.

6. Duration and Termination. The initial term of this Agreement with respect to each Fund shall commence on the date hereof, and extend for a period of one year, renewable annually by the approval of the Board of Directors/Trustees of each Fund.

7. Amendment. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which an enforcement of the change, waiver, discharge or termination is sought.

8. Limitations of Liability of Trustees or Officers,

Employees, Agents and Shareholders of the Funds. FAS is expressly put on notice of the limitation of liability as set forth in the Declaration of Trust of each Fund that is a Massachusetts business trust and agrees that the obligations assumed by each such Fund pursuant to this Agreement shall be limited in any case to such Fund and its assets and that FAS shall not seek satisfaction of any such obligations from the shareholders of such Fund, the Trustees, Officers, Employees or Agents of such Fund, or any of them.

9. Limitations of Liability of Trustees and Shareholders of FAS. The execution and delivery of this Agreement have been authorized by the Trustees of FAS and signed by an authorized officer of FAS, acting as such, and neither such authorization by such Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, and the obligations of this Agreement are not binding upon any of the Trustees or shareholders of FAS, but bind only the trust property of FAS as provided in the Declaration of Trust of FAS.

10. Notices. Notices of any kind to be given hereunder shall be in writing (including facsimile communication) and shall be duly given if delivered to any Fund at the following address: Federated Investors Tower, Pittsburgh, PA 15222-3779, Attention: President and if delivered to FAS at Federated Investors Tower, Pittsburgh, PA 15222-3779, Attention: President.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject hereof whether oral or written. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. If any provision of this Agreement shall be held or made invalid by a court or regulatory agency decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. Subject to the provisions of Section 5, hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and shall be governed by Pennsylvania law; provided, however, that nothing herein shall be construed in a manner inconsistent with the Investment Company Act of 1940 or any rule or regulation promulgated by the Securities and Exchange Commission thereunder.

12. Counterparts. This Agreement may be executed by different parties on separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same

instrument.

13. Assignment; Successors. This Agreement shall not be assigned by any party without the prior written consent of FAS, in the case of assignment by any Fund, or of the Funds, in the case of assignment by FAS, except that any party may assign to a successor all of or a substantial portion of its business to a party controlling, controlled by, or under common control with such party. Nothing in this Section 14 shall prevent FAS from delegating its responsibilities to another entity to the extent provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their officers designated below as of the day and year first above written.

Investment Companies (listed  
on Exhibit 1)

By: /s/ John F. Donahue  
John F. Donahue  
Chairman

Attest: /s/ John W. McGonigle  
John W. McGonigle

Federated Administrative Services

By: /s/ Edward C. Gonzales  
Edward C. Gonzales  
Chairman

Attest: /s/ John W. McGonigle  
John W. McGonigle

Exhibit 1



Exhibit 9 (v) under  
Form N-1A

Exhibit 10 under Item

601/Reg. S-K

AGREEMENT  
for  
FUND ACCOUNTING,  
SHAREHOLDER RECORDKEEPING,  
and  
CUSTODY SERVICES PROCUREMENT

AGREEMENT made as of the 1st day of December, 1994, by and between those investment companies listed on Exhibit 1 as may be amended from time to time, having their principal office and place of business at Federated Investors Tower, Pittsburgh, PA 15222-3779 (the "Trust"), on behalf of the portfolios (individually referred to herein as a "Fund" and collectively as "Funds") of the Trust, and FEDERATED SERVICES COMPANY, a Delaware business trust, having its principal office and place of business at Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779 (the "Company").

WHEREAS, the Trust is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), with authorized and issued shares of capital stock or beneficial interest ("Shares"); and

WHEREAS, the Trust may desire to retain the Company to provide certain pricing, accounting and recordkeeping services for each of the Funds, including any classes of shares issued by any Fund ("Classes") if so indicated on Exhibit 1, and the Company is willing to furnish such services; and

WHEREAS, the Trust may desire to appoint the Company as its transfer agent, dividend disbursing agent if so indicated on Exhibit 1, and agent in connection with certain other activities, and the Company desires to accept such appointment; and

WHEREAS, the Trust may desire to appoint the Company as its agent to select, negotiate and subcontract for custodian services from an approved list of qualified banks if so indicated on Exhibit 1, and the Company desires to accept such appointment; and

WHEREAS, from time to time the Trust may desire and may



instruct the Company to subcontract for the performance of certain of its duties and responsibilities hereunder to State Street Bank and Trust Company or another agent (the "Agent"); and

WHEREAS, the words Trust and Fund may be used interchangeably for those investment companies consisting of only one portfolio;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION ONE: Fund Accounting.

Article 1. Appointment.

The Trust hereby appoints the Company to provide certain pricing and accounting services to the Funds, and/or the Classes, for the period and on the terms set forth in this Agreement. The Company accepts such appointment and agrees to furnish the services herein set forth in return for the compensation as provided in Article 3 of this Section.

Article 2. The Company's Duties.

Subject to the supervision and control of the Trust's Board of Trustees or Directors ("Board"), the Company will assist the Trust with regard to fund accounting for the Trust, and/or the Funds, and/or the Classes, and in connection therewith undertakes to perform the following specific services;

- A. Value the assets of the Funds using: primarily, market quotations, including the use of matrix pricing, supplied by the independent pricing services selected by the Company in consultation with the adviser, or sources selected by the adviser, and reviewed by the board; secondarily, if a designated pricing service does not provide a price for a security which the Company believes should be available by market quotation, the Company may obtain a price by calling brokers designated by the investment adviser of the fund holding the security, or if the adviser does not supply the names of such brokers, the Company will attempt on its own to find brokers to price those securities; thirdly, for securities for which no market price is available, the Pricing Committee of the Board will determine a fair value in good faith. Consistent with Rule 2a-4 of the 40 Act, estimates may be used where necessary or appropriate. The Company's obligations with regard to the prices received from outside pricing services and designated brokers or other outside sources, is to exercise reasonable care in the supervision of the pricing agent. The Company is not the guarantor of the securities prices received from such agents and the Company is not liable to the Fund for potential errors in valuing a Fund's assets or calculating the net asset value per share of such

Fund or Class when the calculations are based upon such prices. All of the above sources of prices used as described are deemed by the Company to be authorized sources of security prices. The Company provides daily to the adviser the securities prices used in calculating the net asset value of the fund, for its use in preparing exception reports for those prices on which the adviser has comment. Further, upon receipt of the exception reports generated by the adviser, the Company diligently pursues communication regarding exception reports with the designated pricing agents.

- B. Determine the net asset value per share of each Fund and/or Class, at the time and in the manner from time to time determined by the Board and as set forth in the Prospectus and Statement of Additional Information ("Prospectus") of each Fund;
- C. Calculate the net income of each of the Funds, if any;
- D. Calculate capital gains or losses of each of the Funds resulting from sale or disposition of assets, if any;
- E. Maintain the general ledger and other accounts, books and financial records of the Trust, including for each Fund, and/or Class, as required under Section 31(a) of the 1940 Act and the Rules thereunder in connection with the services provided by the Company;
- F. Preserve for the periods prescribed by Rule 31a-2 under the 1940 Act the records to be maintained by Rule 31a-1 under the 1940 Act in connection with the services provided by the Company. The Company further agrees that all such records it maintains for the Trust are the property of the Trust and further agrees to surrender promptly to the Trust such records upon the Trust's request;
- G. At the request of the Trust, prepare various reports or other financial documents required by federal, state and other applicable laws and regulations; and
- H. Such other similar services as may be reasonably requested by the Trust.

### Article 3. Compensation and Allocation of Expenses.

- A. The Funds will compensate the Company for its services rendered pursuant to Section One of this Agreement in accordance with the fees agreed upon from time to time between the parties hereto. Such fees do not include out-of-pocket disbursements of the Company for which the Funds shall reimburse the Company upon receipt of a separate invoice. Out-of-pocket disbursements shall include, but shall not be limited to, the items agreed upon between the parties from time to time.
- B. The Fund and/or the Class, and not the Company, shall bear the cost of: custodial expenses; membership dues

in the Investment Company Institute or any similar organization; transfer agency expenses; investment advisory expenses; costs of printing and mailing stock certificates, Prospectuses, reports and notices; administrative expenses; interest on borrowed money; brokerage commissions; taxes and fees payable to federal, state and other governmental agencies; fees of Trustees or Directors of the Trust; independent auditors expenses; Federated Administrative Services and/or Federated Administrative Services, Inc. legal and audit department expenses billed to Federated Services Company for work performed related to the Trust, the Funds, or the Classes; law firm expenses; or other expenses not specified in this Article 3 which may be properly payable by the Funds and/or classes.

- C. The compensation and out-of-pocket expenses shall be accrued by the Fund and shall be paid to the Company no less frequently than monthly, and shall be paid daily upon request of the Company. The Company will maintain detailed information about the compensation and out-of-pocket expenses by Fund and Class.
- D. Any schedule of compensation agreed to hereunder, as may be adjusted from time to time, shall be dated and signed by a duly authorized officer of the Trust and/or the Funds and a duly authorized officer of the Company.
- E. The fee for the period from the effective date of this Agreement with respect to a Fund or a Class to the end of the initial month shall be prorated according to the proportion that such period bears to the full month period. Upon any termination of this Agreement before the end of any month, the fee for such period shall be prorated according to the proportion which such period bears to the full month period. For purposes of determining fees payable to the Company, the value of the Fund's net assets shall be computed at the time and in the manner specified in the Fund's Prospectus.
- F. The Company, in its sole discretion, may from time to time subcontract to, employ or associate with itself such person or persons as the Company may believe to be particularly suited to assist it in performing services under this Section One. Such person or persons may be third-party service providers, or they may be officers and employees who are employed by both the Company and the Funds. The compensation of such person or persons shall be paid by the Company and no obligation shall be incurred on behalf of the Trust, the Funds, or the Classes in such respect.

SECTION TWO: Shareholder Recordkeeping.

#### Article 4. Terms of Appointment.

Subject to the terms and conditions set forth in this Agreement, the Trust hereby appoints the Company to act as, and the Company agrees to act as, transfer agent and dividend disbursing agent for each Fund's Shares, and agent in connection with any accumulation, open-account or similar plans provided to the shareholders of any Fund ("Shareholder(s)"), including without limitation any periodic investment plan or periodic withdrawal program.

As used throughout this Agreement, a "Proper Instruction" means a writing signed or initialed by one or more person or persons as the Board shall have from time to time authorized. Each such writing shall set forth the specific transaction or type of transaction involved. Oral instructions will be deemed to be Proper Instructions if (a) the Company reasonably believes them to have been given by a person previously authorized in Proper Instructions to give such instructions with respect to the transaction involved, and (b) the Trust, or the Fund, and the Company promptly cause such oral instructions to be confirmed in writing. Proper Instructions may include communications effected directly between electro-mechanical or electronic devices provided that the Trust, or the Fund, and the Company are satisfied that such procedures afford adequate safeguards for the Fund's assets. Proper Instructions may only be amended in writing.

#### Article 5. Duties of the Company.

The Company shall perform the following services in accordance with Proper Instructions as may be provided from time to time by the Trust as to any Fund:

##### A. Purchases

- (1) The Company shall receive orders and payment for the purchase of shares and promptly deliver payment and appropriate documentation therefore to the custodian of the relevant Fund, (the "Custodian"). The Company shall notify the Fund and the Custodian on a daily basis of the total amount of orders and payments so delivered.
- (2) Pursuant to purchase orders and in accordance with the Fund's current Prospectus, the Company shall compute and issue the appropriate number of Shares of each Fund and/or Class and hold such Shares in the appropriate Shareholder accounts.
- (3) For certificated Funds and/or Classes, if a Shareholder or its agent requests a certificate, the Company, as Transfer Agent, shall countersign and mail by first class mail, a certificate to the Shareholder at its address as set forth on the transfer books of the Funds, and/or Classes, subject to any Proper Instructions regarding the delivery of certificates.

- (4) In the event that any check or other order for the purchase of Shares of the Fund and/or Class is returned unpaid for any reason, the Company shall debit the Share account of the Shareholder by the number of Shares that had been credited to its account upon receipt of the check or other order, promptly mail a debit advice to the Shareholder, and notify the Fund and/or Class of its action. In the event that the amount paid for such Shares exceeds proceeds of the redemption of such Shares plus the amount of any dividends paid with respect to such Shares, the Fund and/or the Class or its distributor will reimburse the Company on the amount of such excess.

#### B. Distribution

- (1) Upon notification by the Funds of the declaration of any distribution to Shareholders, the Company shall act as Dividend Disbursing Agent for the Funds in accordance with the provisions of its governing document and the then-current Prospectus of the Fund. The Company shall prepare and mail or credit income, capital gain, or any other payments to Shareholders. As the Dividend Disbursing Agent, the Company shall, on or before the payment date of any such distribution, notify the Custodian of the estimated amount required to pay any portion of said distribution which is payable in cash and request the Custodian to make available sufficient funds for the cash amount to be paid out. The Company shall reconcile the amounts so requested and the amounts actually received with the Custodian on a daily basis. If a Shareholder is entitled to receive additional Shares by virtue of any such distribution or dividend, appropriate credits shall be made to the Shareholder's account, for certificated Funds and/or Classes, delivered where requested; and
- (2) The Company shall maintain records of account for each Fund and Class and advise the Trust, each Fund and Class and its Shareholders as to the foregoing.

#### C. Redemptions and Transfers

- (1) The Company shall receive redemption requests and redemption directions and, if such redemption requests comply with the procedures as may be described in the Fund Prospectus or set forth in Proper Instructions, deliver the appropriate instructions therefor to the Custodian. The Company shall notify the Funds on a daily basis

of the total amount of redemption requests processed and monies paid to the Company by the Custodian for redemptions.

- (2) At the appropriate time upon receiving redemption proceeds from the Custodian with respect to any redemption, the Company shall pay or cause to be paid the redemption proceeds in the manner instructed by the redeeming Shareholders, pursuant to procedures described in the then-current Prospectus of the Fund.
- (3) If any certificate returned for redemption or other request for redemption does not comply with the procedures for redemption approved by the Fund, the Company shall promptly notify the Shareholder of such fact, together with the reason therefor, and shall effect such redemption at the price applicable to the date and time of receipt of documents complying with said procedures.
- (4) The Company shall effect transfers of Shares by the registered owners thereof.
- (5) The Company shall identify and process abandoned accounts and uncashed checks for state escheat requirements on an annual basis and report such actions to the Fund.

#### D. Recordkeeping

- (1) The Company shall record the issuance of Shares of each Fund, and/or Class, and maintain pursuant to applicable rules of the Securities and Exchange Commission ("SEC") a record of the total number of Shares of the Fund and/or Class which are authorized, based upon data provided to it by the Fund, and issued and outstanding. The Company shall also provide the Fund on a regular basis or upon reasonable request with the total number of Shares which are authorized and issued and outstanding, but shall have no obligation when recording the issuance of Shares, except as otherwise set forth herein, to monitor the issuance of such Shares or to take cognizance of any laws relating to the issue or sale of such Shares, which functions shall be the sole responsibility of the Funds.
- (2) The Company shall establish and maintain records pursuant to applicable rules of the SEC relating to the services to be performed hereunder in the form and manner as agreed to by the Trust or the Fund to include a record for each Shareholder's account of the following:
  - (a) Name, address and tax identification number (and whether such number has been

- certified);
  - (b) Number of Shares held;
  - (c) Historical information regarding the account, including dividends paid and date and price for all transactions;
  - (d) Any stop or restraining order placed against the account;
  - (e) Information with respect to withholding in the case of a foreign account or an account for which withholding is required by the Internal Revenue Code;
  - (f) Any dividend reinvestment order, plan application, dividend address and correspondence relating to the current maintenance of the account;
  - (g) Certificate numbers and denominations for any Shareholder holding certificates;
  - (h) Any information required in order for the Company to perform the calculations contemplated or required by this Agreement.
- (3) The Company shall preserve any such records required to be maintained pursuant to the rules of the SEC for the periods prescribed in said rules as specifically noted below. Such record retention shall be at the expense of the Company, and such records may be inspected by the Fund at reasonable times. The Company may, at its option at any time, and shall forthwith upon the Fund's demand, turn over to the Fund and cease to retain in the Company's files, records and documents created and maintained by the Company pursuant to this Agreement, which are no longer needed by the Company in performance of its services or for its protection. If not so turned over to the Fund, such records and documents will be retained by the Company for six years from the year of creation, during the first two of which such documents will be in readily accessible form. At the end of the six year period, such records and documents will either be turned over to the Fund or destroyed in accordance with Proper Instructions.

#### E. Confirmations/Reports

- (1) The Company shall furnish to the Fund periodically the following information:
  - (a) A copy of the transaction register;
  - (b) Dividend and reinvestment blotters;
  - (c) The total number of Shares issued and outstanding in each state for "blue sky" purposes as determined according to Proper Instructions delivered from time to time by

- the Fund to the Company;
- (d) Shareholder lists and statistical information;
  - (e) Payments to third parties relating to distribution agreements, allocations of sales loads, redemption fees, or other transaction- or sales-related payments;
  - (f) Such other information as may be agreed upon from time to time.
- (2) The Company shall prepare in the appropriate form, file with the Internal Revenue Service and appropriate state agencies, and, if required, mail to Shareholders, such notices for reporting dividends and distributions paid as are required to be so filed and mailed and shall withhold such sums as are required to be withheld under applicable federal and state income tax laws, rules and regulations.
- (3) In addition to and not in lieu of the services set forth above, the Company shall:
- (a) Perform all of the customary services of a transfer agent, dividend disbursing agent and, as relevant, agent in connection with accumulation, open-account or similar plans (including without limitation any periodic investment plan or periodic withdrawal program), including but not limited to: maintaining all Shareholder accounts, mailing Shareholder reports and Prospectuses to current Shareholders, withholding taxes on accounts subject to back-up or other withholding (including non-resident alien accounts), preparing and filing reports on U.S. Treasury Department Form 1099 and other appropriate forms required with respect to dividends and distributions by federal authorities for all Shareholders, preparing and mailing confirmation forms and statements of account to Shareholders for all purchases and redemptions of Shares and other conformable transactions in Shareholder accounts, preparing and mailing activity statements for Shareholders, and providing Shareholder account information; and
  - (b) provide a system which will enable the Fund to monitor the total number of Shares of each Fund and/or Class sold in each state ("blue sky reporting"). The Fund shall by Proper Instructions (i) identify to the Company those transactions and assets to be



treated as exempt from the blue sky reporting for each state and (ii) verify the classification of transactions for each state on the system prior to activation and thereafter monitor the daily activity for each state. The responsibility of the Company for each Fund's and/or Class's state blue sky registration status is limited solely to the recording of the initial classification of transactions or accounts with regard to blue sky compliance and the reporting of such transactions and accounts to the Fund as provided above.

#### F. Other Duties

- (1) The Company shall answer correspondence from Shareholders relating to their Share accounts and such other correspondence as may from time to time be addressed to the Company;
- (2) The Company shall prepare Shareholder meeting lists, mail proxy cards and other material supplied to it by the Fund in connection with Shareholder Meetings of each Fund; receive, examine and tabulate returned proxies, and certify the vote of the Shareholders;
- (3) The Company shall establish and maintain facilities and procedures for safekeeping of stock certificates, check forms and facsimile signature imprinting devices, if any; and for the preparation or use, and for keeping account of, such certificates, forms and devices.

### Article 6. Duties of the Trust.

#### A. Compliance

The Trust or Fund assume full responsibility for the preparation, contents and distribution of their own and/or their classes' Prospectus and for complying with all applicable requirements of the Securities Act of 1933, as amended (the "1933 Act"), the 1940 Act and any laws, rules and regulations of government authorities having jurisdiction.

#### B. Share Certificates

The Trust shall supply the Company with a sufficient supply of blank Share certificates and from time to time shall renew such supply upon request of the Company. Such blank Share certificates shall be properly signed, manually or by facsimile, if authorized by the Trust and shall bear the seal of the Trust or facsimile thereof; and notwithstanding the death, resignation or removal of any officer of the Trust authorized to sign certificates, the Company may continue to countersign certificates which bear the manual or facsimile signature of such officer until

otherwise directed by the Trust.

C. Distributions

The Fund shall promptly inform the Company of the declaration of any dividend or distribution on account of any Fund's shares.

Article 7. Compensation and Expenses.

A. Annual Fee

For performance by the Company pursuant to Section Two of this Agreement, the Trust and/or the Fund agree to pay the Company an annual maintenance fee for each Shareholder account as agreed upon between the parties and as may be added to or amended from time to time. Such fees may be changed from time to time subject to written agreement between the Trust and the Company. Pursuant to information in the Fund Prospectus or other information or instructions from the Fund, the Company may sub-divide any Fund into Classes or other sub-components for recordkeeping purposes. The Company will charge the Fund the same fees for each such Class or sub-component the same as if each were a Fund.

B. Reimbursements

In addition to the fee paid under Article 7A above, the Trust and/or Fund agree to reimburse the Company for out-of-pocket expenses or advances incurred by the Company for the items agreed upon between the parties, as may be added to or amended from time to time. In addition, any other expenses incurred by the Company at the request or with the consent of the Trust and/or the Fund, will be reimbursed by the appropriate Fund.

C. Payment

The compensation and out-of-pocket expenses shall be accrued by the Fund and shall be paid to the Company no less frequently than monthly, and shall be paid daily upon request of the Company. The Company will maintain detailed information about the compensation and out-of-pocket expenses by Fund and Class.

D. Any schedule of compensation agreed to hereunder, as may be adjusted from time to time, shall be dated and signed by a duly authorized officer of the Trust and/or the Funds and a duly authorized officer of the Company.

Article 8. Assignment of Shareholder Recordkeeping.

Except as provided below, no right or obligation under this Section Two may be assigned by either party without the written consent of the other party.

A. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

B. The Company may without further consent on the part of

the Trust subcontract for the performance hereof with (A) State Street Bank and its subsidiary, Boston Financial Data Services, Inc., a Massachusetts Trust ("BFDS"), which is duly registered as a transfer agent pursuant to Section 17A(c)(1) of the Securities Exchange Act of 1934, as amended, or any succeeding statute ("Section 17A(c)(1)"), or (B) a BFDS subsidiary duly registered as a transfer agent pursuant to Section 17A(c)(1), or (C) a BFDS affiliate, or (D) such other provider of services duly registered as a transfer agent under Section 17A(c)(1) as Company shall select; provided, however, that the Company shall be as fully responsible to the Trust for the acts and omissions of any subcontractor as it is for its own acts and omissions; or

- C. The Company shall upon instruction from the Trust subcontract for the performance hereof with an Agent selected by the Trust, other than BFDS or a provider of services selected by Company, as described in (2) above; provided, however, that the Company shall in no way be responsible to the Trust for the acts and omissions of the Agent.

### SECTION THREE: Custody Services Procurement

#### Article 9. Appointment.

The Trust hereby appoints Company as its agent to evaluate and obtain custody services from a financial institution that (i) meets the criteria established in Section 17(f) of the 1940 Act and (ii) has been approved by the Board as eligible for selection by the Company as a custodian (the "Eligible Custodian"). The Company accepts such appointment.

#### Article 10. The Company and Its Duties.

Subject to the review, supervision and control of the Board, the Company shall:

- A. evaluate the nature and the quality of the custodial services provided by the Eligible Custodian;
- B. employ the Eligible Custodian to serve on behalf of the Trust as Custodian of the Trust's assets substantially on the terms set forth as the form of agreement in Exhibit 2;
- C. negotiate and enter into agreements with the Custodians for the benefit of the Trust, with the Trust as a party to each such agreement. The Company shall not be a party to any agreement with any such Custodian;
- D. establish procedures to monitor the nature and the quality of the services provided by the Custodians;
- E. continuously monitor the nature and the quality of services provided by the Custodians; and
- F. periodically provide to the Trust (i) written reports on the activities and services of the Custodians; (ii)

the nature and amount of disbursement made on account of the Trust with respect to each custodial agreement; and (iii) such other information as the Board shall reasonably request to enable it to fulfill its duties and obligations under Sections 17(f) and 36(b) of the 1940 Act and other duties and obligations thereof.

Article 11. Fees and Expenses.

A. Annual Fee

For the performance by the Company pursuant to Section Three of this Agreement, the Trust and/or the Fund agree to pay the Company an annual fee as agreed upon between the parties.

B. Reimbursements

In addition to the fee paid under Section 11A above, the Trust and/or Fund agree to reimburse the Company for out-of-pocket expenses or advances incurred by the Company for the items agreed upon between the parties, as may be added to or amended from time to time. In addition, any other expenses incurred by the Company at the request or with the consent of the Trust and/or the Fund, will be reimbursed by the appropriate Fund.

C. Payment

The compensation and out-of-pocket expenses shall be accrued by the Fund and shall be paid to the Company no less frequently than monthly, and shall be paid daily upon request of the Company. The Company will maintain detailed information about the compensation and out-of-pocket expenses by Fund.

D. Any schedule of compensation agreed to hereunder, as may be adjusted from time to time, shall be dated and signed by a duly authorized officer of the Trust and/or the Funds and a duly authorized officer of the Company.

Article 12. Representations.

The Company represents and warrants that it has obtained all required approvals from all government or regulatory authorities necessary to enter into this arrangement and to provide the services contemplated in Section Three of this Agreement.

SECTION FOUR: General Provisions.

Article 13. Documents.

A. In connection with the appointment of the Company under this Agreement, the Trust shall file with the Company the following documents:

- (1) A copy of the Charter and By-Laws of the Trust and all amendments thereto;
- (2) A copy of the resolution of the Board of the Trust authorizing this Agreement;
- (3) Specimens of all forms of outstanding Share

certificates of the Trust or the Funds in the forms approved by the Board of the Trust with a certificate of the Secretary of the Trust as to such approval;

- (4) All account application forms and other documents relating to Shareholders accounts; and
- (5) A copy of the current Prospectus for each Fund.

B. The Fund will also furnish from time to time the following documents:

- (1) Each resolution of the Board of the Trust authorizing the original issuance of each Fund's, and/or Class's Shares;
- (2) Each Registration Statement filed with the SEC and amendments thereof and orders relating thereto in effect with respect to the sale of Shares of any Fund, and/or Class;
- (3) A certified copy of each amendment to the governing document and the By-Laws of the Trust;
- (4) Certified copies of each vote of the Board authorizing officers to give Proper Instructions to the Custodian and agents for fund accountant, custody services procurement, and shareholder recordkeeping or transfer agency services;
- (5) Specimens of all new Share certificates representing Shares of any Fund, accompanied by Board resolutions approving such forms;
- (6) Such other certificates, documents or opinions which the Company may, in its discretion, deem necessary or appropriate in the proper performance of its duties; and
- (7) Revisions to the Prospectus of each Fund.

#### Article 14. Representations and Warranties.

##### A. Representations and Warranties of the Company

The Company represents and warrants to the Trust that:

- (1) It is a business trust duly organized and existing and in good standing under the laws of the State of Delaware.
- (2) It is duly qualified to carry on its business in the State of Delaware.
- (3) It is empowered under applicable laws and by its charter and by-laws to enter into and perform this Agreement.
- (4) All requisite corporate proceedings have been taken to authorize it to enter into and perform its obligations under this Agreement.
- (5) It has and will continue to have access to the necessary facilities, equipment and personnel to perform its duties and obligations under this Agreement.
- (6) It is in compliance with federal securities law

requirements and in good standing as a transfer agent.

B. Representations and Warranties of the Trust

The Trust represents and warrants to the Company that:

- (1) It is an investment company duly organized and existing and in good standing under the laws of its state of organization;
- (2) It is empowered under applicable laws and by its Charter and By-Laws to enter into and perform its obligations under this Agreement;
- (3) All corporate proceedings required by said Charter and By-Laws have been taken to authorize it to enter into and perform its obligations under this Agreement;
- (4) The Trust is an open-end investment company registered under the 1940 Act; and
- (5) A registration statement under the 1933 Act will be effective, and appropriate state securities law filings have been made and will continue to be made, with respect to all Shares of each Fund being offered for sale.

Article 15. Standard of Care and Indemnification.

A. Standard of Care

The Company shall be held to a standard of reasonable care in carrying out the provisions of this Contract. The Company shall be entitled to rely on and may act upon advice of counsel (who may be counsel for the Trust) on all matters, and shall be without liability for any action reasonably taken or omitted pursuant to such advice, provided that such action is not in violation of applicable federal or state laws or regulations, and is in good faith and without negligence.

B. Indemnification by Trust

The Company shall not be responsible for and the Trust or Fund shall indemnify and hold the Company, including its officers, directors, shareholders and their agents employees and affiliates, harmless against any and all losses, damages, costs, charges, counsel fees, payments, expenses and liabilities arising out of or attributable to:

- (1) The acts or omissions of any Custodian, Adviser, Sub-adviser or other party contracted by or approved by the Trust or Fund,
- (2) The reliance on or use by the Company or its agents or subcontractors of information, records and documents in proper form which
  - (a) are received by the Company or its agents or subcontractors and furnished to it by or on behalf of the Fund, its Shareholders or

investors regarding the purchase, redemption or transfer of Shares and Shareholder account information;

- (b) are received by the Company from independent pricing services or sources for use in valuing the assets of the Funds; or
  - (c) are received by the Company or its agents or subcontractors from Advisers, Sub-advisers or other third parties contracted by or approved by the Trust of Fund for use in the performance of services under this Agreement;
  - (d) have been prepared and/or maintained by the Fund or its affiliates or any other person or firm on behalf of the Trust.
- (3) The reliance on, or the carrying out by the Company or its agents or subcontractors of Proper Instructions of the Trust or the Fund.
- (4) The offer or sale of Shares in violation of any requirement under the federal securities laws or regulations or the securities laws or regulations of any state that such Shares be registered in such state or in violation of any stop order or other determination or ruling by any federal agency or any state with respect to the offer or sale of such Shares in such state.
- Provided, however, that the Company shall not be protected by this Article 15.A. from liability for any act or omission resulting from the Company's willful misfeasance, bad faith, negligence or reckless disregard of its duties of failure to meet the standard of care set forth in 15.A. above.

### C. Reliance

At any time the Company may apply to any officer of the Trust or Fund for instructions, and may consult with legal counsel with respect to any matter arising in connection with the services to be performed by the Company under this Agreement, and the Company and its agents or subcontractors shall not be liable and shall be indemnified by the Trust or the appropriate Fund for any action reasonably taken or omitted by it in reliance upon such instructions or upon the opinion of such counsel provided such action is not in violation of applicable federal or state laws or regulations. The Company, its agents and subcontractors shall be protected and indemnified in recognizing stock certificates which are reasonably believed to bear the proper manual or facsimile signatures of the officers of the Trust or the Fund, and the proper countersignature of any former transfer agent or

registrar, or of a co-transfer agent or co-registrar.

#### D. Notification

In order that the indemnification provisions contained in this Article 15 shall apply, upon the assertion of a claim for which either party may be required to indemnify the other, the party seeking indemnification shall promptly notify the other party of such assertion, and shall keep the other party advised with respect to all developments concerning such claim. The party who may be required to indemnify shall have the option to participate with the party seeking indemnification in the defense of such claim. The party seeking indemnification shall in no case confess any claim or make any compromise in any case in which the other party may be required to indemnify it except with the other party's prior written consent.

#### Article 16. Termination of Agreement.

This Agreement may be terminated by either party upon one hundred twenty (120) days written notice to the other. Should the Trust exercise its rights to terminate, all out-of-pocket expenses associated with the movement of records and materials will be borne by the Trust or the appropriate Fund. Additionally, the Company reserves the right to charge for any other reasonable expenses associated with such termination. The provisions of Article 15 shall survive the termination of this Agreement.

#### Article 17. Amendment.

This Agreement may be amended or modified by a written agreement executed by both parties.

#### Article 18. Interpretive and Additional Provisions.

In connection with the operation of this Agreement, the Company and the Trust may from time to time agree on such provisions interpretive of or in addition to the provisions of this Agreement as may in their joint opinion be consistent with the general tenor of this Agreement. Any such interpretive or additional provisions shall be in a writing signed by both parties and shall be annexed hereto, provided that no such interpretive or additional provisions shall contravene any applicable federal or state regulations or any provision of the Charter. No interpretive or additional provisions made as provided in the preceding sentence shall be deemed to be an amendment of this Agreement.

#### Article 19. Governing Law.

This Agreement shall be construed and the provisions hereof interpreted under and in accordance with the laws of the Commonwealth of Massachusetts

#### Article 20. Notices.

Except as otherwise specifically provided herein, Notices and other writings delivered or mailed postage prepaid to



the Trust at Federated Investors Tower, Pittsburgh, Pennsylvania, 15222-3779, or to the Company at Federated Investors Tower, Pittsburgh, Pennsylvania, 15222-3779, or to such other address as the Trust or the Company may hereafter specify, shall be deemed to have been properly delivered or given hereunder to the respective address.

#### Article 21. Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original.

#### Article 22. Limitations of Liability of Trustees and Shareholders of the Trust.

The execution and delivery of this Agreement have been authorized by the Trustees of the Trust and signed by an authorized officer of the Trust, acting as such, and neither such authorization by such Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, and the obligations of this Agreement are not binding upon any of the Trustees or Shareholders of the Trust, but bind only the appropriate property of the Fund, or Class, as provided in the Declaration of Trust.

#### Article 23. Limitations of Liability of Trustees and Shareholders of the Company.

The execution and delivery of this Agreement have been authorized by the Trustees of the Company and signed by an authorized officer of the Company, acting as such, and neither such authorization by such Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, and the obligations of this Agreement are not binding upon any of the Trustees or Shareholders of the Company, but bind only the property of the Company as provided in the Declaration of Trust.

#### Article 24. Assignment.

This Agreement and the rights and duties hereunder shall not be assignable with respect to the Trust or the Funds by either of the parties hereto except by the specific written consent of the other party.

#### Article 25. Merger of Agreement.

This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject hereof whether oral or written.

#### Article 26. Successor Agent.

If a successor agent for the Trust shall be appointed by the Trust, the Company shall upon termination of this Agreement deliver to such successor agent at the office of the Company all properties of the Trust held by it hereunder. If no such successor agent shall be appointed, the Company shall at its office upon receipt of Proper

Instructions deliver such properties in accordance with such instructions.

In the event that no written order designating a successor agent or Proper Instructions shall have been delivered to the Company on or before the date when such termination shall become effective, then the Company shall have the right to deliver to a bank or trust company, which is a "bank" as defined in the 1940 Act, of its own selection, having an aggregate capital, surplus, and undivided profits, as shown by its last published report, of not less than \$2,000,000, all properties held by the Company under this Agreement. Thereafter, such bank or trust company shall be the successor of the Company under this Agreement.

Article 27. Force Majeure.

The Company shall have no liability for cessation of services hereunder or any damages resulting therefrom to the Fund as a result of work stoppage, power or other mechanical failure, natural disaster, governmental action, communication disruption or other impossibility of performance.

Article 28. Assignment; Successors.

This Agreement shall not be assigned by either party without the prior written consent of the other party, except that either party may assign to a successor all of or a substantial portion of its business, or to a party controlling, controlled by, or under common control with such party. Nothing in this Article 28 shall prevent the Company from delegating its responsibilities to another entity to the extent provided herein.

Article 29. Severability.

In the event any provision of this Agreement is held illegal, void or unenforceable, the balance shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their names and on their behalf under their seals by and through their duly authorized officers, as of the day and year first above written.

ATTEST: INVESTMENT COMPANIES (listed on Exhibit 1)

/s/ John W. McGonigle \_\_\_\_\_  
John W. McGonigle  
Secretary

By: \_\_\_/s/ John F. Donahue \_\_\_  
John F. Donahue  
Chairman

ATTEST: FEDERATED SERVICES COMPANY

/s/ Jeannette Fisher-Garber  
Jeannette Fisher-Garber  
Secretary

By: /s/ James J. Dolan \_\_\_\_\_  
James J. Dolan  
President

Exhibit 1

Federated Stock Trust

SK

HOUSTON, HOUSTON & DONNELLY  
ATTORNEYS AT LAW  
2510 CENTRE CITY TOWER

WILLIAM McC. HOUSTON PITTSBURGH, PA. 15222

FRED CHALMERS HOUSTON, JR. \_\_\_\_\_

THOMAS J. DONNELLY

JOHN F. MECK

(412) 471-5828

FRED CHALMERS HOUSTON

FAX (412) 471-0736

(1914 - 1971)

MARIO SANTILLI, JR.

THEODORE M. HAMMER

December 15, 1994

Federated Stock Trust  
Federated Investors Tower  
Pittsburgh, PA 15222-3779

Gentlemen:

You have requested our opinion in connection with the registration by Federated Stock Trust ("Trust") of an additional 9,032,374 Shares of Beneficial Interest ("Shares") pursuant to Post-effective Amendment No. 22 to the Trust's registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 (File No. 2-75756). The subject Post-effective Amendment will be filed pursuant to Paragraph (b) of Rule 485 and become effective pursuant to said Rule immediately upon filing.

As counsel we have participated in the organization of the Trust and its registration under the Investment Company Act. We have also participated in the preparation and filing of the Trust's amended registration statement under the Securities Act of 1933 referred to above. We have examined and are familiar with the provisions of the written Declaration of Trust dated December 30, 1981, ("Declaration of Trust"), the Bylaws of the Trust and such other documents and records deemed relevant. We have also reviewed questions of law and consulted with counsel

thereon as deemed necessary or appropriate by us for the purposes of this opinion.

On the basis of the foregoing, it is our opinion that:

1. The Trust is duly organized and validly existing pursuant to the Declaration of Trust.

2. The Shares which are currently being registered by the Registration Statement referred to above may be legally and validly issued from time to time in accordance with the Declaration of Trust upon receipt of consideration sufficient to comply with the provisions of Article III, Section 3, of the Declaration of Trust and subject to compliance with the Securities Act of 1933, as amended, the Investment Company Act of 1940, as amended, and applicable state laws regulating the sale of securities. Such Shares, when so issued, will be fully paid and non-assessable.

3. Post-effective Amendment No. 22 does not contain disclosures which would render it ineligible to become effective pursuant to Paragraph (b) of Rule 485.

We hereby consent to the filing of this opinion as a part of the Trust's registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and as a part of any application or registration statement filed under the securities laws of the States of the United States. We further consent to the reference to this opinion and the reference to us as counsel to the Trust in the prospectus, registration statements and applications.

Very truly yours,

Houston, Houston & Donnelly

By: /s/ Thomas J. Donnelly

TJD:heh

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