

MANAGING YOUR MONEY



A Mutual Fund That Offers Value Opportunities And Diversity

(NAPSA)—Some investors think that finding bargains in the stock market is the secret to financial success. Others claim that having a diverse portfolio is the key. Fortunately, there is a mutual fund that settles the debate by offering investors both value opportunities and diversity—along with paying any dividends quarterly.

This fund seeks attractively priced stocks of leading companies from different sectors that appear to be temporarily undervalued. Fund shareholders can have a stake in telephone, oil, electric, software and pharmaceutical companies, along with department stores and medical laboratories. This kind of diversity positions investors to take advantage of growth in a wide range of sectors at the same time.

The fund is called Federated American Leaders Fund, Inc. and is managed by Federated Investors, Inc. It seeks to provide investors with both growth of capital and income. Typically, it represents all 11 sectors of the S&P 500, an unmanaged index of common stocks. It also pays any dividends quarterly, which can be received in cash or can be reinvested to buy additional shares.

When researching candidates for the \$2.9 billion fund, the fund's management team identifies as many as 1,000 stocks as potential candidates. Before a stock is added to the fund, the managers evaluate factors such as its performance, its absolute and relative valuation to other stocks and fundamental factors such as price-to-earnings data, cash flow and the company's management.



Finally, stocks judged as undervalued are selected and held for long-term price appreciation. When the managers believe a stock is showing signs of decline or its price has increased sharply, the position is reduced or sold.

As of the first quarter of 2002, 21.7 percent of the fund's holdings were in the financial sector, 15.5 percent were in the industrial sector and 12.4 percent were in the energy sector.

To learn more about Federated American Leaders Fund, ask for a prospectus containing more complete information from your investment professional or call Federated Investors at 1-800-341-7400. Please read the prospectus carefully before investing.

Federated funds are distributed by Federated Securities Corp. Visit www.federatedinvestors.com for current fund performance.

The fund is a managed portfolio and its holdings are subject to change. Mutual funds are subject to investment risk including possible loss of principal. (7/02)