

FEDERATED SHORT-TERM U.S. GOVERNMENT SECURITIES FUND

Investment – Dividend Series
Federated International Funds plc

Simplified Prospectus

30 April 2010

This Simplified Prospectus contains key information about Federated International Funds plc (the “Company”) which is an umbrella fund with segregated liability between funds established as an open-ended investment company with variable capital organised under the laws of Ireland.

The Company is regulated by the Financial Regulator pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 as amended, and was incorporated on 31 December 1990 under Registration Number 168193 and authorised by the Financial Regulator on 18 January 1991.

The Company currently has ten funds (each a “Fund”), which are listed below together with a list of the series issued in relation to each Fund. The Company may from time to time create additional Funds and Series.

Fund	Date approved by the Financial Regulator
<i>Federated High Income Advantage Fund</i>	
U.S. Dollar Shares - Institutional Service Series	20 September 1993
Euro Shares - Institutional Series	24 March 2005
<i>Federated Short-Term Euro Fund</i>	
Institutional Service Series	29 October 1999
Institutional Series	29 October 1999
Accumulating Shares - Institutional Service Series	9 June 2003
Accumulating Shares - Institutional Series	10 December 2002
<i>Federated Short-Term U.S. Government Securities Fund</i>	
Institutional Services - Dividend Series	4 June 1991
Institutional Series	20 December 2002
Investment - Dividend Series	4 June 1991
Investment - Growth Series	7 January 1992
<i>Federated Short-Term U.S. Prime Fund</i>	
Institutional Service Series	20 December 1993
Institutional Series	12 February 1998
Investment - Dividend Series	4 February 2005
Institutional Services - Dividend Series	4 February 2005
Accumulating Shares - Institutional Series	22 February 2007
<i>Federated Short-Term U.S. Treasury Securities Fund</i>	
Institutional Series	20 December 2002
Institutional Service Series	14 April 1992
<i>Federated U.S. Bond Fund</i>	
Euro Shares – Institutional Series	22 December 2004
<i>Federated Kaufmann Growth Fund</i>	
Class A (dis) Shares – USD	22 February 2007
Class C (dis) Shares – USD	5 March 2007
<i>Federated Market Opportunity Value Fund</i>	
Class A (dis) Shares – USD	22 February 2007
Class C (dis) Shares – USD	22 February 2007
<i>Federated Strategic Value Equity Fund</i>	
Class A (dis) Shares – USD	22 February 2007
Class C (dis) Shares – USD	22 February 2007
<i>Federated MDT All Cap U.S. Stock Fund</i>	
Class A (dis) Shares – USD	5 June 2009

Each class of shares is the subject of an individual simplified prospectus. This simplified prospectus relates only to Investment – Dividend Series (hereinafter, the “**Series**”) of Federated Short-Term U.S. Government Securities Fund (hereinafter, the “**Fund**”). This simplified prospectus does not comprise a description of all the classes of Shares and Funds of the Company currently existing, for which separate simplified prospectuses are available.

The base currency of the Fund is U.S. dollar.

The Funds are fully described in the full prospectus (“Prospectus”), dated 5 June 2009, as amended by supplemental prospectus dated 30 April 2010, and as may be amended from time to time. Potential investors are advised to read the Prospectus before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Company are set forth in the Prospectus.

Capitalised terms shall have the same meaning as in the Prospectus.

Investment Objective	To achieve current income while maintaining stability of principal and liquidity.
Investment Policy	<p>The Company pursues the investment objective of the Fund by investing in a portfolio of short-term U.S. Treasury and U.S. government agency securities. These investments include repurchase agreements collateralised fully by U.S. Treasury and U.S. government agency securities. The maximum weighted average maturity of the securities in the Fund's portfolio is not expected to exceed 60 days. The Fund intends to invest in securities issued or guaranteed by U.S. government sponsored entities ("GSEs"), including GSE securities that are not backed by the full faith and credit of the United States. These GSEs include the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Federal Home Loan Bank System. These GSEs are, however, supported through federal subsidies, loans or other benefits. The Fund may also invest in GSE securities that are backed by the full faith and credit of the United States, such as those issued or guaranteed by the Government National Mortgage Association. Finally, the Fund may invest in GSE securities that have no explicit financial support, but that are regarded as having implied support because the federal government sponsors their activities. Such GSEs include the Farm Credit System and the Financing Corporation.</p> <p>The types of securities in which the Fund may invest include the following transferable securities listed or traded on Regulated Markets (the Fund may also invest in Eligible Collective Investment Schemes):</p> <ul style="list-style-type: none"> ■ Fixed Income Securities <ul style="list-style-type: none"> U.S. Treasury Securities U.S. Government Agency Securities ■ Variable Rate U.S. Government Securities <ul style="list-style-type: none"> Resets of Interest U.S. Government Agency Mortgage Backed Securities (permitted investment with effect from 1 July 2009) ■ Eligible Collective Investment Schemes <p>The Company has been authorised by the Financial Regulator to invest up to 100% of the Fund's assets in U.S. government securities on the basis that such securities will be comprised of at least six different issues and any one issue shall not account for more than 30% of the total assets of the Fund.</p> <p>The securities in which the Fund invests are restricted to securities which comply with one of the following criteria: (a) have a maturity at issuance of up to and including 397 days; (b) have a residual maturity of up to and including 397 days; (c) undergo regular yield adjustments in line with money market conditions at least every 397 days; and/or (d) the risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity of up to and including 397 days or are subject to a yield adjustment at least every 397 days.</p>

	<p>Although the Regulations permit the Fund to invest in financial derivative instruments subject to the conditions and limitations outlined in the Regulations, laid down by the Financial Regulator from time to time, the Fund will not invest in financial derivative instruments. Prior to the Fund engaging in financial derivative instrument transactions a risk management process will be submitted to the Financial Regulator in accordance with the Financial Regulator's Guidance Note 3/03.</p> <p>A more detailed description of securities and investment techniques is set out in the Prospectus.</p>
Risk Profile	<p>The Fund will invest in low risk short-term instruments. Accordingly, it is expected that the Fund will carry a low degree of risk. However, the value of the Shares may go down as well as up and therefore, it is possible to lose money by investing in the Fund. The Fund may take a credit risk on the parties with which it trades.</p> <p>The types of securities in which the Fund invests are subject to the following risks. Shareholders' attention is drawn to these factors and other special considerations. This does not purport to be an exhaustive list of the risk factors relating to an investment in the Fund and Shareholders' attention is drawn to the description of the instruments and risks set out in the Prospectus section entitled "<i>Securities in Which the Funds Invest</i>".</p> <p>Interest Rate Risks. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities.</p> <p>Credit Risks. Credit risk is the possibility that an issuer of a fixed income security will default on a security by failing to pay interest or principal when due. If the issuer defaults, the Fund will lose money.</p> <p>Call Risks. Call risk is the possibility that an issuer may redeem a fixed income security before maturity (a call) at a price below its current market price. An increase in the likelihood of a call may reduce the security's price. If a fixed income security is called, the Fund may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favourable characteristics.</p> <p>Prepayment Risks. Unscheduled prepayments of principal create risks that can adversely affect a Fund holding mortgage backed securities.</p> <p>Money Market Fund Risk. There may be a difference between the nature of a deposit and the nature of an investment in the Fund, and the principal invested in the Fund is capable of fluctuation.</p> <p>Investment Risk. There can be no assurance that a Fund will achieve its investment objective. The value of Shares may rise or fall, as the capital value of the securities in which the Fund invests may fluctuate.</p> <p>The Fund will invest in low risk short-term instruments. Accordingly, it is expected that the Fund will carry a low degree of risk. However, the value of the Shares may go down as well as up and therefore, it is possible to lose money by investing in the Fund.</p>

	<p>Risks of Investing in Eligible Collective Investment Schemes. As a unitholder or shareholder of another collective investment scheme, the Fund will bear, along with other unitholders or shareholders, its portion of the costs and expenses of the other collective investment schemes, including management and/or other fees.</p> <p>Umbrella Structure of the Company and Cross Liability Risk. Under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.</p> <p>Risks of Government Intervention in Financial Markets. The recent instability in the financial markets has led the U.S. and other governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets. The Adviser will monitor developments and seek to manage the Fund's portfolio in a manner consistent with achieving the Fund's investment objectives, but there can be no assurance that it will be successful in doing so.</p> <p>A more detailed description of the risk factors and some additional risk factors that apply to the Fund is set out in the Prospectus.</p>																						
<p>Performance Data</p>	<p>The following bar chart represents the total annual return(s) for the Fund for the fiscal year ended 31 December. Please note that past performance is not a guide to nor a guarantee of the future returns. Returns are calculated net of tax. Performance data does not include subscription and redemption charges.</p> <div data-bbox="461 1197 1423 1685"> <p style="text-align: center;">Federated Short-Term U.S. Government Securities Fund - Investment - Dividend Series</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Return (%)</th> </tr> </thead> <tbody> <tr><td>00</td><td>5.41%</td></tr> <tr><td>01</td><td>3.14%</td></tr> <tr><td>02</td><td>0.83%</td></tr> <tr><td>03</td><td>0.16%</td></tr> <tr><td>04</td><td>0.34%</td></tr> <tr><td>05</td><td>2.19%</td></tr> <tr><td>06</td><td>4.03%</td></tr> <tr><td>07</td><td>4.19%</td></tr> <tr><td>08</td><td>1.50%</td></tr> <tr><td>09</td><td>0.01%</td></tr> </tbody> </table> <p>Average annual return Past 3 years: 1.89% Past 5 years: 2.37% Past 10 years: 2.16%</p> </div>	Year	Annual Return (%)	00	5.41%	01	3.14%	02	0.83%	03	0.16%	04	0.34%	05	2.19%	06	4.03%	07	4.19%	08	1.50%	09	0.01%
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<p>Profile of a Typical Investor</p>	<p>The Fund is suitable for investors seeking to achieve current income while maintaining stability of principal and liquidity and a short-term investment.</p>																						
<p>Distribution Policy</p>	<p>It is the policy of the Directors so far as possible to declare dividends of the Fund's net investment income daily and pay them monthly. Dividends are automatically reinvested on payment dates in additional Shares purchased on such payment dates unless cash payments are requested. The Fund does not expect to realise significant net capital gains.</p>																						

Fees and Expenses

Shareholder Expenses (expenses paid directly by an investor)

Initial Charge: None.

Redemption Charge: None. Your Financial Intermediary may charge customary fees and commissions.

Conversion Charge: In the case of exchanges to the Equity Funds, your Financial Intermediary may impose a sales charge and/or advance commission, if applicable and not previously paid. In the case of exchanges to the Federated High Income Advantage Fund, your Financial Intermediary may impose a sales charge, if applicable and not previously paid.

Annual Operating Expenses (expenses that are deducted from Fund assets)

The following are maximum fees that may be charged out of the Fund's assets:

	Percentage of Average Net Assets
Management Fee	1.00%
Custodian Fee	0.01%
Administrative Fee	0.015%
Operational Support Services Fee*	0.075% or 0.15% (depending on the aggregate assets of the Company)

* *The Manager has agreed to bear the cost of this service from its management fee. This agreement is voluntary and may be changed at any time.*

The Fund also bears other operating expenses including transfer agency fees, translation charges and cash management fees. These operational expenses are detailed in the Prospectus.

Note: The Manager has currently undertaken to limit the aggregate annual operating expenses of the Fund attributable to 1.08% of the average daily NAV of the Shares, including the management fee but excluding interest, taxes, brokerage commissions, insurance premiums, the costs associated with registering the Company, the Fund or the Shares with any governmental or regulatory authority or with any stock market or Regulated Market and extraordinary expenses. The Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon notice in writing to the Company.

Total Expense Ratio

The Total Expense Ratio (“**TER**”) expresses the sum of all costs and expenses actually paid out of a Fund's assets after reimbursements and waivers as a percentage of the NAV of the Fund attributable to the Series. It includes management fees and other expenses.

For the fiscal year ended 31 December 2009

Investment-Dividend Series	
Total Expense Ratio*	0.49%

* *The Manager has agreed to waive a portion of its management fee and reimburse other operating expenses to limit fund expenses. Such waiver and reimbursement is voluntary and may be changed by the Manager at any time, upon prior notice to the Company. The Manager has currently undertaken to limit the aggregate annual operating expenses (as more particularly described in the Prospectus) to 1.08% of the average daily NAV of the Shares.*

The previous years' TER is available at the registered office of the Manager and the Company.

	<p>Portfolio Turnover Rate</p> <p>The Portfolio Turnover Rate (“PTR”) provides an indication of the level of transactions carried out by the Fund during the fiscal year.</p> <p>PTR for the fiscal year ended 31 December 2009 was 753.50%.*</p> <p>The previous years’ PTRs are available at the registered office of the Manager and the Company.</p> <p>* <i>Money market funds, including the Fund, have high portfolio turnover rates due to the short-term investments they are required to hold.</i></p>
Taxation	<p>The Company is resident in Ireland for tax purposes and is not subject to Irish taxation charges on income and capital gains. No Irish stamp duty is payable by the Company on the issue, subscription, holding, switching, redemption or transfer of Shares.</p> <p>Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Company.</p>
Publication of Share Price	<p>Sale and redemption prices will be made public at the registered office of the Manager, on the internet at http://fmnl.federatedinvestors.com (such information will relate to the NAV per Share for the previous Dealing Day and is available for information only), in the Financial Times on each Dealing Day and notified immediately to the Irish Stock Exchange.</p>
How to Buy/Sell Units/Shares	<p>Subscription applications may be made through the Financial Intermediary or through the Administrator. Redemption applications may be made through the Financial Intermediary or directly from the Administrator. Conversion applications may be made through the Manager.</p> <p>You can invest in Shares on any Dealing Day subject to the Fund’s Dealing Deadline (normally 4:00 p.m. U.S. Eastern Time).</p> <p>Redemptions may be made on any Dealing Day subject to the Fund’s Dealing Deadline (normally 4:00 p.m. U.S. Eastern Time). Redemption requests are only effective upon acceptance by the Administrator.</p> <p>The minimum initial investment in the Fund is U.S.\$10,000. However, an account may be opened with a smaller amount as long as the account reaches a value of U.S.\$10,000 within 90 days of the opening of the account.</p> <p>Subsequent investment in the Fund must be at least U.S.\$1,000. Accounts established through investment professionals may be subject to a smaller minimum investment amount. Keep in mind that investment professionals may charge you fees for their services in connection with your Share transactions.</p>
Information for Investors in the Federal Republic of Germany	<p>Société Générale S.A., Frankfurt branch, Neue Mainzer Straße 46-50 D-60311, Frankfurt, Germany, has agreed to act as paying and information agent in the Federal Republic of Germany (the “German Paying and Information Agent”).</p> <p>Redemption and conversion requests in respect of the Shares may be submitted to the German Paying and Information Agent. Any payments to the Shareholders (redemption proceeds, distributions (if any) and other payments) may, upon request of the Shareholders, be paid via the German Paying and Information Agent.</p>

	<p>The relevant applicable full and simplified prospectuses, the Memorandum and Articles of Association and the annual and semi-annual reports may be obtained free of charge in paper form at the office of the German Paying and Information Agent.</p> <p>The issue and redemption prices as well as any notices to the Shareholders will be published on each stock exchange day in the German “Börsen-Zeitung.” The issue and redemption prices as well as any notices to Shareholders may be obtained at the German Paying and Information Agent on each bank business day in Frankfurt am Main, Germany.</p> <p>The Memorandum and Articles of Association of the Company, the Investment Advisory Agreement, the Administration Agreement, the Paying Agency Agreement and any annual or semi-annual reports, together with copies of the Regulations and the UCITS Notices issued by the Financial Regulator under the Regulations may be obtained and are available for inspection free of charge at the office of the German Paying and Information Agent.</p>
Additional Important Information	<p>Manager Federated International Management Limited</p> <p>Custodian BNY Mellon Trust Company (Ireland) Limited</p> <p>Adviser Federated Investment Counseling</p> <p>Administrator BNY Mellon Fund Services (Ireland) Limited</p> <p>Promoter Federated Investors, Inc.</p> <p>Auditors Ernst & Young, Chartered Accountants</p> <p>German Paying and Information Agent Société Générale S.A., Frankfurt branch</p> <p>The Prospectus, Memorandum and Articles of Association of the Company, material contracts and any annual or semi-annual reports, together with copies of the Regulations and the UCITS Notices issued by the Financial Regulator under the Regulations, are available for inspection at c/o BNY Mellon Fund Services (Ireland) Limited, Guild House, Guild Street, International Financial Services Centre, Dublin 1, Ireland. Copies of the Memorandum and Articles of Association and any annual or semi-annual reports are available from the Manager free of charge.</p>

