

## Striking A Balance Between Growth And Value

(NAPSA)—For many investors, selecting a mutual fund is like choosing from a menu where substitutions are not allowed.

Should they select a growth fund that has the potential for rapid growth, but also carries a higher level of volatility?

Or should they choose what's known as a value fund? This type of mutual fund usually consists of stocks that are temporarily undervalued by the market. While their rate of growth might not be as dramatic as a growth stock, they often compensate for that by paying a higher dividend.

A type of mutual fund is available that eliminates this conflict by blending both growth and value stocks in a single investment product.

One example of what is known as a blended fund is the \$1.4 billion Federated Capital Appreciation Fund from Federated Investors, Inc.

Designed for investors who are pursuing long-term financial goals, it blends a mixture of growth and value stocks from a mixture of mid- and large-cap companies.

This strategic allocation offers investors an opportunity to take part in the movements of the market without constantly rebalancing their portfolio.

For instance, in 1999, large-cap growth stocks accounted for most of the market's gain. In 2000, the market shifted and mid-cap stocks surged to the forefront. Because of its configuration, Federated Capital



**Blended mutual funds offer investors a combination of both growth and value stocks.**

tal Appreciation Fund was positioned to take advantage of both movements.

The fund's managers use a three-stage process when selecting the stocks for the fund.

First, some 1,500 stocks with market caps over \$500 million are analyzed to identify those with the most attractive growth potential.

Then the stocks are screened to find those that are inexpensive, compared to their actual value.

Lastly, the managers identify companies with superior products, services and management.

To learn more about Federated Capital Appreciation Fund, ask for a prospectus containing more complete information from your investment professional or call 1-800-341-7400. Please read it carefully before investing.

Federated funds are distributed by Federated Securities Corp. Visit their Web site at [www.federatedinvestors.com](http://www.federatedinvestors.com) or call for current fund performance.