

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

BILTMORE FUNDS

CIK: **881299** | State of Incorporation: **MA** | Fiscal Year End: **1231**
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Business Address
*FEDERATED INVESTORS
TWR
PITTSBURGH PA 15222
4122881900*

PRESIDENT'S MESSAGE

Dear Shareholder:

I am pleased to present the Semi-Annual Report of the Biltmore U.S. Treasury Money Market Fund (the "Fund") for the six-month period ending May 31, 1994. These pages provide you with complete financial information--including an investment review by the portfolio manager and a complete list of investments--for the Fund.

The Fund puts your money to work pursuing current income through a portfolio of U.S. Treasury money market securities.

As you will see, assets in the Fund during the six-month reached nearly \$98 million. During the six-month period, the Fund paid \$0.02 per share in dividends, while maintaining a stable share value of \$1.00.*

Thank you for your confidence in the Fund. We'll continue to keep you up to date on your investment, and provide your account with the highest level of service possible.

Sincerely,

John W. McGonigle
President
July 15, 1994

* As a money market mutual fund, the Fund is managed to pursue a stable share price of \$1.00. Although there is no guarantee that it will do so. An investment in the Fund is neither insured nor guaranteed by the U.S. Government.

INVESTMENT REVIEW

BILTMORE U.S. TREASURY MONEY MARKET FUND

Increased inflation concerns prompted a sharp rise in short-term interest rates during the period between November 30, 1993 and May 31, 1994. Fixed income investors responded to the Federal Reserve Board's tightening of rates by adopting defensive positions through investments in money market funds. Inflows of nearly \$30 billion into money market funds during the six-month period resulted in a weighted average portfolio maturity of 44 days among all money funds, the lowest average since October, 1990. The rising interest rate environment also provided investors with the highest money market fund returns since August, 1992.

The Fund's portfolio manager adopted a defensive investment strategy during the period. This was accomplished by increasing liquidity in expectation of the next adjustment in rates by the Federal Reserve Board, while shortening the maturity of the portfolio's holdings. The average maturity of the Fund was slightly greater than the IBC/Donoghue's Money Fund Report* average at November 30, 1993. By May 31, 1994, however, the Fund's average maturity was in line with the IBC/Donoghue's Money Fund Report average. Average maturity targets are established based on expectations of the U.S. economy, the Fund's investment adviser's market rate forecast, and the average maturity of the Fund versus a peer group. The average maturity of the Fund will always be 90 days or less. The Fund's average maturity at May 31, 1994 was 42 days.

Fund assets increased 19% during the six-month period, from \$82.3 million to \$97.6 million. Also during the six-month period ended May 31, 1994, the Fund's seven-day net yield for Institutional Shares increased from 2.81% to 3.68% and from 2.51% to 3.38% for Investment Shares, as compared with the IBC/Donoghue's Money Fund Report average of 3.38%.

** This index is unmanaged.

BILTMORE U.S. TREASURY MONEY MARKET FUND
PORTFOLIO OF INVESTMENTS
MAY 31, 1994
(UNAUDITED)

<TABLE>
<CAPTION>
PRINCIPAL

AMOUNT		VALUE
<C>	<S>	<C>

U.S. GOVERNMENT OBLIGATIONS--48.7%		

	U.S. TREASURY BILLS	
\$48,000,000	6/2/94-3/9/95	\$47,526,283

*REPURCHASE AGREEMENTS--51.6%		

22,341,830	Barclays De Zoete Wedd, Inc., 4.20%, dated 5/31/94, due 6/1/94	22,341,830

20,000,000	Daiwa Securities America, Inc., 4.23%, dated 5/31/94, due 6/1/94	20,000,000

4,000,000	Kidder, Peabody & Co., Inc., 4.20%, dated 5/31/94, due 6/1/94	4,000,000

4,000,000	Morgan Stanley & Co., 4.20%, dated 5/31/94, due 6/1/94	4,000,000

	TOTAL REPURCHASE AGREEMENTS (NOTE 2B)	50,341,830

	TOTAL INVESTMENTS, AT AMORTIZED COST	\$97,868,113+

</TABLE>

+ Also represents cost for federal tax purposes.

* The repurchase agreements are fully collateralized by U.S. Treasury obligations based on market prices at the date of the portfolio.

Note: The categories of investments are shown as a percentage of net assets (\$97,589,706) at May 31, 1994.

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<S>	<C>	<C>

ASSETS:		

Investments in repurchase agreements (Note 2B)	\$50,341,830	

Investments in other securities (Note 2A)	47,526,283	

Total investments, at amortized cost and value		\$97,868,113

Interest receivable		5,890

Deferred expenses (Note 2F)		11,131

Total assets		97,885,134

LIABILITIES:		

Dividends payable	278,804	

Accrued expenses	16,624	

Total liabilities		295,428

NET ASSETS for 97,589,706 shares of beneficial interest outstanding		\$97,589,706

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share		

Institutional Shares (\$77,912,233 / 77,912,233 shares of beneficial interest outstanding)		\$1.00

Investment Shares (\$19,677,473 / 19,677,473 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
 STATEMENT OF OPERATIONS
 SIX MONTHS ENDED MAY 31, 1994
 (UNAUDITED)

	<C>	<C>	<C>
<TABLE>			
<S>			
INVESTMENT INCOME:			
Interest income (Note 2C)			\$1,483,443
EXPENSES:			
Investment advisory fee (Note 4)		\$220,797	
Trustees' fees		2,711	
Administrative personnel and services fees (Note 4)		47,393	
Custodian fees (Note 4)		8,832	
Transfer and dividend disbursing agent fees and expenses (Note 4)		28,784	
Fund share registration costs		22,657	
Auditing fees		8,307	
Legal fees		8,621	
Printing and postage		23,041	
Portfolio accounting fees (Note 4)		28,201	
Insurance premiums		6,984	
Distribution services fee (Note 4)		37,290	
Miscellaneous		7,365	
Total expenses		450,983	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$198,717		
Waiver of administrative personnel and services fees (Note 4)	25,319		
Waiver of distribution services fee (Note 4)	9,323		
Reimbursement of other operating expenses by Administrator (Note 4)	26,278	259,637	
Net expenses			191,346
Net investment income			\$1,292,097
</TABLE>			

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
 STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$1,292,097	\$1,900,006
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		

Dividends to shareholders from net investment income		
Institutional shares	(1,038,878)	(1,826,489)
Investment shares	(253,219)	(73,517)
Change in net assets resulting from distribution to shareholders	(1,292,097)	(1,900,006)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sale of shares	179,044,884	288,944,990
Cost of shares redeemed	(163,749,538)	(262,058,559)
Change in net assets from Fund share transactions	15,295,346	26,886,431
Change in net assets	15,295,346	26,886,431
NET ASSETS:		
Beginning of period	82,294,360	55,407,929
End of period	\$97,589,706	\$82,294,360

</TABLE>

* Six months ended May 31, 1994 (unaudited).

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS			
Net investment income	0.02	0.03	0.02
LESS DISTRIBUTIONS			
Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.02)
NET ASSET VALUE, END OF PERIOD	\$1.00	\$1.00	\$1.00
TOTAL RETURN***	1.51%	2.91%	1.90%
RATIOS TO AVERAGE NET ASSETS			
Expenses	0.37% (a)	0.28%	0.17% (a)
Net investment income	2.98% (a)	2.87%	3.24% (a)
Expense waiver/reimbursement (b)	0.52% (a)	0.63%	0.71% (a)
SUPPLEMENTAL DATA			
Net assets, end of period (000 omitted)	\$77,912	\$65,353	\$55,408

</TABLE>

* For the period from May 7, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INVESTMENT SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS		

Net investment income	0.01	0.01

LESS DISTRIBUTIONS		

Dividends to shareholders from net investment income	(0.01)	(0.01)

NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00

TOTAL RETURN***	1.36%	1.42%

RATIOS TO AVERAGE NET ASSETS		

Expenses	0.67% (a)	0.65% (a)

Net investment income	2.68% (a)	2.50% (a)

Expense waiver/reimbursement (b)	0.62% (a)	0.73% (a)

SUPPLEMENTAL DATA		

Net assets, end of period (000 omitted)	\$19,677	\$16,941

</TABLE>

* For the period from May 12, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended, (the "Act"), as an open-end, management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein are only those of the Biltmore U.S. Treasury Money Market Fund

(the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

The Fund offers two classes of shares: Institutional Shares and Investment Shares. Investment Shares are identical in all respects to Institutional Shares, except that Investment Shares are sold pursuant to a distribution plan (the "Plan") adopted in accordance with the Act's Rule 12b-1.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

A. INVESTMENT VALUATIONS--U.S. government obligations are generally valued at the mean between the over-the-counter bid and asked prices as furnished by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.

B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

The Fund will only enter into repurchase agreements with banks and other recognized financial institutions, such as broker/dealers, which are deemed by the Fund's adviser to be creditworthy pursuant to guidelines established by the Board of Trustees ("Trustees").

C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--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"). Distributions to shareholders are recorded on the ex-dividend date.

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

E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. A Fund 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.

F. DEFERRED EXPENSES-- The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.

G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value) for each class of shares. At May 31, 1994, capital paid-in aggregated \$97,589,706. Transactions in Fund shares were as follows:

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
<S>	<C>	<C>
INSTITUTIONAL SHARES		
Shares sold	152,618,840	268,967,543

Shares redeemed	(140,059,551)	(259,022,528)

Net change resulting from Institutional Shares transactions	12,559,289	9,945,015
<hr/>		
<CAPTION>		
	YEAR ENDED NOVEMBER 30,	
	1994*	1993**
<S>	<C>	<C>
INVESTMENT SHARES		
Shares sold	26,426,044	19,977,447
<hr/>		
Shares redeemed	(23,689,987)	(3,036,031)
<hr/>		
Net change resulting from Investment Shares transactions	2,736,057	16,941,416
<hr/>		
Total net change from Fund transactions	15,295,346	26,886,431
<hr/>		

</TABLE>

* Six months ended May 31, 1994.

** For the period from May 12, 1993 (date of initial public investment) to November 30, 1993.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

DISTRIBUTION PLAN--The Fund has adopted the Plan pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the assets of the Fund to finance activities intended to result in the sale of the Fund's Investment Shares. The Plan provides that the Fund may incur distribution expenses up to .40 of 1% of the average daily net assets of the Investment Shares, annually, to compensate FSC.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses \$33,032 were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period following May 14, 1992 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$4,555 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS, FSC and FServ.

TRUSTEES

OFFICERS

<TABLE>

<S>	<C>
James A. Hanley	John W. McGonigle
Malcolm T. Hopkins	President and Treasurer
Samuel E. Hudgins	Ronald M. Petnuch
J. Berkley Ingram, Jr.	Vice President and Assistant Treasurer

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I am pleased to present the Semi-Annual Report of the Biltmore Money Market Fund (the "Fund") for the six-month period ending May 31, 1994. These pages provide you with complete financial information--including an investment review by the Fund's portfolio manager and a complete list of investments--for the Fund.

The Fund puts your cash to work by pursuing current income through a portfolio of bank, corporate and government money market securities.

As you will see, assets in the Fund totaled nearly \$157 million at the end of the period. During the period, the Fund paid \$0.02 per share in dividends, while maintaining a stable share value of \$1.00.*

Thank you for your confidence in the Fund. We'll continue to keep you up to date on your investment, and provide your account with the highest level of service possible.

Sincerely,

John W. McGonigle
President
July 15, 1994

* As a money market mutual fund, the Fund is managed to pursue a stable share price of \$1.00, although there is no guarantee that it will do so. An investment in the Fund is neither insured nor guaranteed by the U.S. Government.

INVESTMENT REVIEW

BILTMORE MONEY MARKET FUND (THE "FUND")

Increased inflation concerns prompted a sharp rise in short-term interest rates during the period between November 30, 1993 and May 31, 1994. Fixed income investors responded to the Federal Reserve Board's tightening of rates by adopting defensive positions through investment in money market funds. Inflows of nearly \$30 billion into money market funds during the six-month period resulted in a weighted average portfolio maturity of 44 days among all money funds, the lowest average since October, 1990. The rising interest rate environment also provided investors with the highest money market fund returns since August, 1992.

The Fund's portfolio manager adopted a defensive investment strategy during the period. This was accomplished by increasing liquidity and shortening maturities. The Fund's portfolio mix of overnight investments and time deposits outperformed comparable short-term holdings in U.S. Treasury issues, while providing the liquidity necessary to maintain portfolio targets. The Fund's average maturity was slightly greater than the IBC/Donoghue's Money Fund Report* average at the beginning of the six-month period. By May 31, 1994, however, the average maturity was in line with the IBC/Donoghue's Money Fund Report average. Average maturity targets are established based on expectations of the U.S. economy, the Fund's investment adviser's market rate forecast, and the average maturity of the Fund versus a peer group. The average maturity of the Fund will always be 90 days or less. The Fund's average maturity at May 31, 1994 was 43 days.

Fund assets decreased 16% during the six-month period, from \$186.9 million to \$156.8 million. Also during the six-month period ended May 31, 1994, the Fund's seven-day net yield for Institutional Shares increased from 2.95% to 3.68%, and from 2.65% to 3.38% for Investment Shares, as compared with the IBC/Donoghue's Money Fund Report average of 3.45%.

* This index is unmanaged.

BILTMORE MONEY MARKET FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>
 PRINCIPAL AMOUNT

<C>	<S>	<C>	VALUE
*COMMERCIAL PAPER--28.3%			
BANKING--6.4%			
\$ 5,000,000	NBD Bank, N.A., 3.31%, 6/20/94	\$	4,999,936
5,000,000	Trust Company Bank, 4.95%, 11/15/94		4,970,904
	Total		9,970,840
FINANCE--AUTOMOTIVE--3.8%			
6,000,000	Ford Motor Credit Corp., 4.33%, 6/10/94		5,993,520
FINANCE--FOOD & BEVERAGE--4.1%			
6,535,000	Bass Finance, 3.81%, 6/10/94		6,528,824
FINANCE--MISCELLANEOUS--7.0%			
6,000,000	BellSouth Capital Funding Corp., 3.77%, 6/22/94		5,986,875
5,000,000	USAA Capital Corp., 4.27%, 6/1/94		5,000,000
	Total		10,986,875
FOOD & BEVERAGE--7.0%			
5,000,000	Coca Cola Co., 4.33%, 7/19/94		4,971,267
6,000,000	Sara Lee Corp., 3.77%, 6/6/94		5,996,875
	Total		10,968,142
TOTAL COMMERCIAL PAPER			
			44,448,201
TIME DEPOSITS--40.5%			
6,000,000	ABN-AMRO Bank, 3.95%, 6/6/94		5,999,665
5,000,000	Bank of Hawaii, 4.31%, 6/27/94		5,000,000
5,000,000	Bank of New York, 5.00%, 11/15/94		5,000,000
7,000,000	CIBC New York, 3.76%-3.95%, 6/6/94-6/22/94		6,999,257
6,000,000	First Alabama Bank, 4.00%, 6/2/94		6,000,000
5,000,000	First Union National Bank, 4.28%, 6/17/94		5,000,000
6,000,000	NAT West, New York, 3.93%-4.19%, 6/30/94-8/31/94		5,996,868

</TABLE>

BILTMORE MONEY MARKET FUND

<TABLE> <CAPTION> PRINCIPAL AMOUNT			VALUE
<C>	<S>		<C>

TIME DEPOSITS--CONTINUED			
\$	5,000,000	Norwest Bank, 4.31%, 6/17/94	\$ 5,000,000
	5,000,000	Robobank, 4.47%, 10/27/94	4,989,078
	2,500,000	Royal Bank of Scotland, 3.63%, 6/1/94	2,500,000
	5,000,000	Societe Generale Bank, 3.80%, 6/6/94	5,000,007
	6,000,000	Toronto-Dominion Bank, 4.25%, 6/20/94	6,000,000
		TOTAL TIME DEPOSITS	63,484,875

U.S. TREASURY BILLS--17.7%			
	28,000,000	6/30/94-11/25/94	27,738,211

**REPURCHASE AGREEMENT--13.4%			
	21,051,180	Barclays De Zoete Wedd, Inc., 4.20%, dated 5/31/94, due 6/1/94 (Note 2B)	21,051,180
		TOTAL INVESTMENTS, (AT AMORTIZED COST)	\$ 156,722,467+

</TABLE>

* Each issue shows the rate of discount at the time of purchase for discount issues, or the coupon for interest bearing issues.

** The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio.

+ Also represents cost for federal tax purposes.

Note: The categories of investments are shown as a percentage of net assets (\$156,787,220) at May 31, 1994.

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

BILTMORE MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<TABLE> <S>	<C>	<C>
ASSETS:		
Investment in repurchase agreement (Note 2B)	\$ 21,051,180	
Investments in other securities (Note 2A)	135,671,287	
Total investments, at amortized cost and value	\$ 156,722,467	
Interest receivable		396,361
Prepaid/deferred expenses (Note 2F)		97,088
Total assets		157,215,916

LIABILITIES:		
Dividends payable		428,696
NET ASSETS for 156,787,220 shares of beneficial interest outstanding	\$ 156,787,220	

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share:		
Institutional Shares (net assets of \$120,016,049 / 120,016,049 shares of beneficial interest outstanding)		\$1.00

Investment Shares (net assets of \$36,771,171 / 36,771,171 shares of beneficial interest outstanding)

\$1.00

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

BILTMORE MONEY MARKET FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

<TABLE>

<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2C)			\$ 2,735,406
EXPENSES:			
Investment advisory fee (Note 4)		\$ 401,042	
Trustees' fees		1,875	
Administrative personnel and services fees (Note 4)		86,619	
Custodian fees (Note 4)		16,042	
Transfer and dividend disbursing agent fees and expenses (Note 4)		14,838	
Fund share registration costs		17,542	
Auditing fees		4,422	
Legal fees		8,363	
Printing and postage		9,792	
Portfolio accounting fees (Note 4)		14,960	
Insurance premiums		4,163	
Distribution services fees (Note 4)		38,671	
Miscellaneous		5,677	
Total expenses		624,006	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 280,730		
Waiver of administrative personnel and services fees (Note 4)	46,534		
Waiver of distribution services fees (Note 4)	9,668		
Reimbursement of other operating expenses by Administrator (Note 4)	26,456	363,388	
Net expenses			260,618
Net investment income			\$ 2,474,788

</TABLE>

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

BILTMORE MONEY MARKET FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

<S>	<C>	YEAR ENDED NOVEMBER 30, 1994*	<C>	1993
INCREASE (DECREASE) IN NET ASSETS:				

OPERATIONS--

Net investment income	\$	2,474,788	\$	4,207,488
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--				
Dividends to shareholders from net investment income:				
Institutional Shares		(2,187,499)		(4,068,438)
Investment Shares		(287,289)		(139,050)
Change in net assets resulting from distributions to shareholders		(2,474,788)		(4,207,488)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--				
Net proceeds from sale of shares		286,107,498		523,338,578
Cost of shares redeemed		(316,252,437)		(424,210,993)
Change in net assets from Fund share transactions		(30,144,939)		99,127,585
Change in net assets		(30,144,939)		99,127,585
NET ASSETS:				
Beginning of period		186,932,159		87,804,574
End of period	\$	156,787,220	\$	186,932,159

*Six months ended May 31, 1994 (unaudited).
(See Notes which are an integral part of the Financial Statements)
</TABLE>

BILTMORE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
INCOME FROM INVESTMENT OPERATIONS			
Net investment income	0.02	0.03	0.02
LESS DISTRIBUTIONS			
Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.02)
NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
TOTAL RETURN***	1.57%	3.05%	1.71%
RATIOS TO AVERAGE NET ASSETS			
Expenses	0.28% (a)	0.25%	0.14% (a)
Net investment income	3.08% (a)	3.00%	3.38% (a)
Expense waiver/reimbursement (b)	0.42% (a)	0.56%	0.65% (a)
SUPPLEMENTAL DATA			
Net assets, end of period (000 omitted)	\$120,016	\$177,090	\$84,698

</TABLE>

* Reflects operations for the period from June 2, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INVESTMENT SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
<S>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS			

Net investment income	0.01	0.03	0.01

LESS DISTRIBUTIONS			

Dividends to shareholders from net investment income	(0.01)	(0.03)	(0.01)

NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

TOTAL RETURN***	1.42%	2.74%	1.48%

RATIOS TO AVERAGE NET ASSETS			

Expenses	0.58% (a)	0.55%	0.48% (a)

Net investment income	2.96% (a)	2.70%	3.44% (a)

Expense waiver/reimbursement (b)	0.52% (a)	0.66%	0.75% (a)

SUPPLEMENTAL DATA			

Net assets, end of period (000 omitted)	\$36,771	\$9,842	\$3,106

</TABLE>

* Reflects operations for the period from June 9, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE MONEY MARKET FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein are only those of the Biltmore Money Market Fund (the "Fund").

The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated, and a shareholder's interest is limited to the portfolio in which shares are held.

The Fund offers two classes of shares: Institutional Shares and Investment Shares. Investment Shares are identical in all respects to Institutional Shares, except that Investment Shares are sold pursuant to a distribution plan (the "Plan") adopted in accordance with the Act's Rule 12b-1.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

A. INVESTMENT VALUATIONS--The Fund's use of the amortized cost method to value its portfolio securities is in accordance with Rule 2a-7 under the Act.

B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--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"). Distributions to shareholders are recorded on the ex-dividend date.

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

E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.

F. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.

G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value) for each class of shares. At May 31, 1994, capital paid-in aggregated \$156,787,220. Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
<S>	<C>	<C>
INSTITUTIONAL SHARES		
Shares sold	241,775,360	508,765,112

Shares redeemed	(298,849,373)	(416,373,470)

Net change resulting from Institutional Share transactions	(57,074,013)	92,391,642
--	--------------	------------

</TABLE>

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
<S>	<C>	<C>
INVESTMENT SHARES		
Shares sold	44,332,138	14,573,466

Shares redeemed	(17,403,064)	(7,837,523)

Net change resulting from Investment Share transactions	26,929,074	6,735,943

Total net change resulting from Fund transactions	(30,144,939)	99,127,585

</TABLE>

* Six months ended May 31, 1994

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

DISTRIBUTION PLAN--The Trust has adopted the Plan pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Fund to finance activities intended to result in the sale of the Fund's Investment Shares. The Plan provides that the Fund may incur distribution expenses up to .40 of 1% of the average daily net assets of the Investment Shares, annually, to compensate FSC.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$65,357) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period following June 2, 1992 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$5,308 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS, FSC and FServ.

TRUSTEES	OFFICERS
-----	-----

<TABLE>	
<S>	<C>
James A. Hanley	John W. McGonigle
Malcolm T. Hopkins	President and Treasurer
Samuel E. Hudgins	Ronald M. Petnuch

J. Berkley Ingram, Jr.
D. Dean Kaylor

Vice President and Assistant Treasurer
Joseph M. Huber
Secretary
Mark A. Sheehan
Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I am pleased to present the Semi-Annual Report of the Biltmore Tax-Free Money Market Fund (the "Fund") for the six-month period ending May 31, 1994. These pages provide you with complete financial information--including an investment review by the Fund's portfolio manager and a complete list of investments--for the Fund.

The Fund puts your money to work pursuing current, tax-free income* through a portfolio of high quality money market securities. These securities are issued by municipalities across the country.

As you'll see, assets in the Fund reached \$131 million. During the period, the Fund paid \$0.01 per share in federally tax-free dividends, while maintaining a stable share value of \$1.00.**

Thank you for your confidence in the Fund. We'll continue to keep you up to date on your investment, and provide your account with the highest level of service possible.

Sincerely,

John W. McGonigle
President
July 15, 1994

* Income may be subject to the federal alternative minimum tax and state and local taxes.

** As a money market mutual fund, the Fund is managed to pursue a stable share price of \$1.00, although there is no guarantee that it will do so. An investment in the Fund is neither insured or guaranteed by the U.S. Government.

INVESTMENT REVIEW

BILTMORE TAX-FREE MONEY MARKET FUND

The municipal bond market has been hampered by rising interest rates, a strengthening economy and fears of higher inflation. As rates have moved higher, municipal bond refundings and the steady inflow of new cash have abruptly declined, further weakening the bond market. From November 30, 1993 to May 31, 1994, the IBC/Donoghue's Money Fund Report* had a total annualized return of 2.30%.

The Fund invests primarily in a diversified portfolio of municipal securities maturing in 397 days or less, and the Fund's average maturity is 90 days or less. The Fund had an average maturity of 43 days during the six-month period ended May 31, 1994, versus 45 days for the IBC/Donoghue's Money Fund Report.

On May 31, 1994, the Fund had a seven-day net yield of 2.52% for Institutional Shares and 2.22% for Investment Shares. Net assets of the Fund totaled \$131 million, an increase from \$83 million on November 30, 1993. At the end of the six-month period, demand notes represented 62% of the Fund's portfolio, with another 33% in general obligation market notes and 5% in tax-exempt commercial paper.

* This index is unmanaged.

BILTMORE TAX-FREE MONEY MARKET FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--99.1%			
ALABAMA--8.8%			
\$ 2,165,000	Alabama HFA Weekly VRDNs (SouthTrust Bank of Alabama LOC)	A-1	\$ 2,165,000
4,700,000	Birmingham City, AL, Weekly VRDNs (First Alabama Bank LOC)	SP-1+	4,700,000
3,200,000	Huntsville, AL, Health Care Authority, Weekly VRDNs (Amsouth Bank LOC)	A-1+	3,200,000
1,500,000	Mobile, AL, IDB Weekly VRDNs (Swiss Bank LOC)	A-1+	1,500,000
	Total		11,565,000
ARKANSAS--2.8%			
775,000	Arkansas Hospital Equipment Finance Authority Weekly VRDNs (Credit Suisse LOC)	A-1+	775,000
725,000	Fayetteville, AR, Weekly VRDNs (Public Facility)/ (Mitsubishi Bank Ltd LOC)	VMIG1	725,000
2,200,000	University of Arkansas Weekly VRDNs (Board of Trustees)/ (First Union LOC)	A-1+	2,200,000
	Total		3,700,000
CALIFORNIA--1.5%			
1,000,000	San Francisco Unified School District, CA, 3.50%, 8/12/94	SP-1+	1,000,860
1,000,000	Visalia, CA, Weekly VRDNs (Convention Central Project)/ Mitsubishi Ltd LOC)	A-1+	1,000,000
	Total		2,000,860
CONNECTICUT--0.5%			
700,000	Connecticut State Economic Recovery Notes Weekly VRDNs (Series B)	VMIG1	700,000

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			
DISTRICT OF COLUMBIA--0.8%			
\$ 1,000,000	District of Columbia Hospital Revenue Weekly VRDNs (Columbia Hospital For Women 1988 A)/(Mitsubishi International LOC)	VMIG1	\$ 1,000,000
FLORIDA--7.1%			

2,500,000	Broward County, FL, HFA Weekly VRDNs (Welleby Apt. Project)/(Bank of America N.T. & S.A. LOC)	VMIG1	2,500,000
4,100,000	Collier County, FL, HFA Monthly VRDNs (River Beach Project)/(Morgan Guaranty LOC)	VMIG1	4,100,000
900,000	Florida Escambia County Facility Authority Weekly VRDNs (Florida Convalescent Center Project)/(Toronto Dominion LOC)	P-1	900,000
850,000	Polk County, FL, IDA Weekly VRDNs (Florida Convalescent Center Project)/(Toronto Dominion LOC)	P-1	850,000
1,000,000	St. Lucie County, FL, Weekly VRDNs (Florida Power & Light Project)	P-1	1,000,000
	Total		9,350,000

GEORGIA--10.6%			
2,000,000	Burke County, GA, Development Pollution Authority, 3.15%, 6/7/94 (Credit Suisse LOC)	P-1	2,000,000
4,000,000	Cobb County, GA, 3.50%, 12/30/94	SP-1	4,013,633
5,000,000	De Kalb Private Hospital Authority, GA, (Englestone Childrens' Hospital)/(Trust Company Bank LOC)	A-1+	5,000,000
1,000,000	Housing Authority of Fulton County, GA, 3.10%, 8/1/94, (First Mutual Savings--Florida--LOC)	A-1+	1,000,000
1,895,000	Marietta, GA, HFA VRDNs (Falls at Bells Ferry)/(Guardian S&L LOC)	VMIG1	1,895,000
	Total		13,908,633

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>

SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			

ILLINOIS--11.3%			
\$ 1,000,000	Chicago, IL, GO Weekly VRDNs (Canadian Imperial Bank LOC)	VMIG1	\$ 1,000,000
1,000,000	Illinois Development Finance Authority Revenue Weekly VRDNs (National Westminster LOC)	VMIG1	1,000,000
1,500,000	Illinois Development Finance Authority Revenue Weekly VRDNs (LaSalle National Bank LOC)	AA-	1,500,000
3,000,000	Illinois Development Finance Authority Revenue Weekly VRDNs (Northern Trust Co. LOC)	AA-	3,000,000
5,200,000	Illinois State, 9.00%, 9/1/97 (pre-refunded 9/1/94) @ 102)	AA-	5,390,052
3,000,000	Illinois State, Weekly VRDNs (Toll Highway Authority)/(Societe Generale LOC)	VMIG1	3,000,000
	Total		14,890,052

INDIANA--1.6%			
2,100,000	Indianapolis, IN, Weekly VRDNs (Canal Square Project)/(Societe Generale LOC)	VMIG1	2,100,000

IOWA--2.4%			
600,000	Indianola, IA, IDR Monthly VRDNs (HY-VEE Foods)/(Swiss Bank LOC)	A-1+	600,000
2,500,000	Iowa State, 3.25%, 6/30/94 (Union Bank of Switzerland LOC)	MIG1	2,500,771

	Total		3,100,771
	KANSAS--1.3%		
1,750,000	Burlington, KS, Pollution Control Revenue, 3.15%, 9/8/94 (Deutsche Bank LOC)	AAA	1,750,000
	KENTUCKY--0.8%		
1,000,000	City of Georgetown, KY, Educational Institution Weekly VRDNs (PNC Bank, Kentucky, LOC)	VMIG1	1,000,000

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT <C>	<S>	CREDIT RATING: MOODY'S OR S&P* <C>	VALUE <C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			
	LOUISIANA--3.5%		
\$ 1,500,000	Calcasieu Parish, LA, IDR Pollution Control Weekly VRDNs (National Westminster Bank LOC)	P-1	\$ 1,500,000
1,100,000	Lake Charles Harbor & Terminal District, LA, Weekly VRDNs (National Westminster Bank LOC)	P-1	1,100,000
2,000,000	Louisiana State Sales Tax Revenue Daily VRDNs (FGIC Insured)/(Swiss Bank LOC)	VMIG1	2,000,000
	Total		4,600,000
	MAINE--1.5%		
2,000,000	Maine State Turnpike Authority, 3.15%, 10/3/94	MIG1	2,003,331
	MARYLAND--5.3%		
6,000,000	Maryland Health Higher Education Facility Anne Arundel Hospital Weekly VRDNs (Mellon Bank LOC)	VMIG1	6,000,000
1,000,000	Maryland State, 6.40%, 7/15/94	NR	1,004,774
	Total		7,004,774
	MASSACHUSETTS--4.6%		
6,000,000	Massachusetts State, Daily VRDNs (Series E) (ABN--AMRO LOC)	VMIG1	6,000,000
	MICHIGAN--3.6%		
4,600,000	Michigan State Hospital Finance Authority Revenue, 11.25%, 6/1/94 (Prerefunded)	AAA	4,692,000
	MISSISSIPPI--3.0%		
3,900,000	Perry County, MS, Daily VRDNs (Leaf River Forest Project)/(Credit Suisse LOC)	P-1	3,900,000
	NORTH CAROLINA--1.9%		
2,500,000	North Carolina Eastern Municipal Power, 3.15%, 6/7/94 (UBS & Morgan Guaranty LOC)	A-1+	2,500,000

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT <C>	<S>	CREDIT RATING: MOODY'S OR S&P* <C>	VALUE <C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			
OHIO--0.8%			
\$ 1,000,000	Centerville, OH, Health Care Revenue Weekly VRDNs (PNC Bank LOC)	VMIG1	\$ 1,000,000
PENNSYLVANIA--2.3%			
2,000,000	Pennsylvania State University, 3.00%, 12/5/94	SP-1+	2,002,692
1,000,000	Sewickley Valley Hospital Authority, PA, 3.00%, 12/15/94 (PNC Bank LOC)	VMIG1	1,001,954
Total			3,004,646
RHODE ISLAND--1.5%			
2,000,000	Rhode Island State, 3.25%, 6/30/94	SP-1+	2,000,767
TENNESSEE--9.2%			
2,000,000	Nashville, TN, Health & Education Weekly VRDNs (NationsBank LOC)	A-1+	2,000,000
3,000,000	Nashville, TN, FHA Weekly VRDNs (NationsBank LOC)	A-1+	3,000,000
1,000,000	Shelby County, TN, 6.10%, 8/1/94 (Prerefunded)	AAA	1,006,095
1,000,000	Shelby County, TN, 6.25%, 8/1/94 (Prerefunded)	AAA	1,032,280
5,000,000	Tennessee State, Weekly VRDNs	SP-1	5,000,000
Total			12,038,375
TEXAS--6.9%			
1,000,000	Dallas, TX, 9.50%, 6/1/94 (Prerefunded)	AAA	1,000,000
1,000,000	Fort Worth, TX, 8.70%, 3/1/95	AAA	1,040,544
1,000,000	Lower Neches Valley Authority Texan, 6-Month Put (Chevron Guaranty)	A-1+	1,000,000
1,860,000	San Antonio, TX, Electric & Gas Revenue, 9.60%, 2/1/95 (Prerefunded)	AAA	1,964,627
4,000,000	Texas State, 3.25%, 8/31/94	SP-1+	4,004,530
Total			9,009,701

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT OR SHARES <C>	<S>	CREDIT RATING: MOODY'S OR S&P* <C>	VALUE <C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			
VIRGINIA--1.1%			
\$ 1,500,000	Harrisonburg, VA, HFA, yearly put (Rolling Brook Village Apartments)/(Guardian S & L LOC)	VMIG1	\$ 1,500,000
WASHINGTON--2.3%			

3,000,000	Port Anacortes, WA, IDA, 2.70%, 8/9/94	P-1	3,000,000
	WYOMING--2.1%		
2,700,000	Uinta County, WY, Pollution Control Revenue Daily VRDNs (Chevron Guaranty)	P-1	2,700,000
	TOTAL SHORT-TERM MUNICIPAL BONDS		130,018,910
REGULATED INVESTMENT COMPANIES--0.2%			
265,813	Fidelity Tax-Exempt Money Market Fund Instruments Portfolio (at net asset value) (Note 2A)		265,813
	TOTAL INVESTMENTS, AT AMORTIZED COST		\$ 130,284,723+

</TABLE>

+ Also represents cost for federal tax purposes.

* Please refer to the Appendix of the Statement of Additional Information for an explanation of the credit ratings.

Note: The categories of investments are shown as a percentage of net assets (\$131,242,102) at May 31, 1994.

BILTMORE TAX-FREE MONEY MARKET FUND

The following abbreviations are used throughout this portfolio:

GO--General Obligation
 FGIC--Financial Guaranty Insurance Company
 FHA--Federal Housing Authority
 HFA--Housing Finance Authority
 IDA--Industrial Development Authority
 IDB--Industrial Development Board
 IDR--Industrial Development Revenue
 LOC--Letter(s) of Credit
 VRDNs--Variable Rate Demand Notes

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

BILTMORE TAX-FREE MONEY MARKET FUND
 STATEMENT OF ASSETS AND LIABILITIES
 MAY 31, 1994
 (UNAUDITED)

	<C>	<C>
<TABLE>		
<S>		
ASSETS:		
Investments in securities, at amortized cost and value (Note 2A)		\$ 130,284,723
Cash		7,932
Interest receivable		1,164,378
Deferred expenses (Note 2E)		49,888
Total assets		131,506,921
LIABILITIES:		
Payable to Adviser		264,819
NET ASSETS for 131,242,102 shares of beneficial interest outstanding		\$ 131,242,102
NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share:		
Institutional Shares (\$93,273,581 / 93,273,581 shares of beneficial interest outstanding)		\$1.00
Investment Shares (\$37,968,521 / 37,968,521 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

BILTMORE TAX-FREE MONEY MARKET FUND
 STATEMENT OF OPERATIONS
 SIX MONTHS ENDED MAY 31, 1994
 (UNAUDITED)

	<C>	<C>	<C>
<TABLE>			
<S>			
INVESTMENT INCOME:			
Interest income (Note 2B)			\$ 1,386,699
EXPENSES:			
Investment advisory fee (Note 4)		\$ 273,000	
Trustees' fees		1,718	
Administrative personnel and services fees (Note 4)		58,335	
Custodian fees (Note 4)		10,920	
Transfer and dividend disbursing agent fees and expenses (Note 4)		15,777	
Fund share registration costs		11,072	
Auditing fees		4,830	
Legal fees		8,382	
Printing and postage		11,704	
Portfolio accounting fees (Note 4)		16,180	
Insurance premiums		4,168	
Distribution services fee (Note 4)		63,520	
Miscellaneous		5,066	
Total expenses		484,672	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 191,100		
Waiver of administrative personnel and services fees (Note 4)	31,039		
Waiver of distribution services fee (Note 4)	15,880		
Reimbursement of other operating expenses by Administrator (Note 4)	25,445	263,464	
Net expenses			221,208
Net investment income			\$ 1,165,491
</TABLE>			

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

BILTMORE TAX-FREE MONEY MARKET FUND
 STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		

Net investment income	\$ 1,165,491	\$ 1,687,496
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2B)--		
Dividends to shareholders from net investment income:		
Institutional Shares	(859,547)	(1,400,375)
Investment Shares	(305,944)	(287,121)
Change in net assets from distributions to shareholders	(1,165,491)	(1,687,496)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Proceeds from sale of shares	145,788,735	202,842,602
Cost of shares redeemed	(97,791,212)	(186,567,848)
Change in net assets from Fund share transactions	47,997,523	16,274,754
Change in net assets	47,997,523	16,274,754
NET ASSETS:		
Beginning of period	83,244,579	66,969,825
End of period	\$ 131,242,102	\$ 83,244,579

</TABLE>

* Six months ended May 31, 1994 (unaudited).

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

BILTMORE TAX-FREE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
	<C>	<C>	<C>
INVESTMENT SHARES			
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
INCOME FROM INVESTMENT OPERATIONS			
Net investment income	0.01	0.02	0.01
LESS DISTRIBUTIONS			
Dividends to shareholders from net investment income	(0.01)	(0.02)	(0.01)
NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
TOTAL RETURN***	1.10%	2.30%	1.49%
RATIOS TO AVERAGE NET ASSETS			
Expenses	0.32% (a)	0.29%	0.16% (a)
Net investment income	2.22% (a)	2.28%	2.71% (a)
Expense waiver/reimbursement (b)	0.45% (a)	0.60%	0.78% (a)
SUPPLEMENTAL DATA			
Net assets, end of period (000 omitted)	\$93,274	\$59,269	\$61,632

</TABLE>

* Reflects operations for the period from May 14, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE TAX-FREE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INVESTMENT SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
<S>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS			

Net investment income	0.01	0.02	0.01

LESS DISTRIBUTIONS			

Dividends to shareholders from net investment income	(0.01)	(0.02)	(0.01)

NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

TOTAL RETURN***	0.95%	1.99%	1.29%

RATIOS TO AVERAGE NET ASSETS			

Expenses	0.62% (a)	0.59%	0.50% (a)

Net investment income	1.92% (a)	1.98%	2.37% (a)

Expense waiver/reimbursement (b)	0.55% (a)	0.70%	0.88% (a)

SUPPLEMENTAL DATA			

Net assets, end of period (000 omitted)	\$37,969	\$23,976	\$5,338

</TABLE>

* Reflects operations for the period from May 20, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE TAX-FREE MONEY MARKET FUND

NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein are only those of the Biltmore Tax-Free Money Market Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

The Fund offers two classes of shares: Institutional Shares and Investment Shares. Investment Shares are identical in all respects to Institutional Shares, except that Investment Shares are sold pursuant to a distribution plan (the "Plan") adopted in accordance with the Act's Rule 12b-1.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. INVESTMENT VALUATIONS--The Fund's use of the amortized cost method to value its portfolio securities is in accordance with Rule 2a-7 under the Act. Investments in other regulated investment companies are valued at net asset value.
- B. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--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"). Distributions to shareholders are recorded on the ex-dividend date.
- C. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its tax-exempt income. Accordingly, no provisions for federal tax are necessary.

At November 30, 1993, the Fund, for federal tax purposes, had a capital loss carryforward of \$406, which will reduce the Fund's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of the distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal tax. Pursuant to the Code, such capital loss carryforward will expire in 2001.

- D. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.
- E. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- F. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value) for each class of shares. At May 31, 1994, capital paid-in aggregated \$131,242,102. Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
INSTITUTIONAL SHARES		
<S>	<C>	<C>
Shares sold	97,888,689	157,797,806
Shares redeemed	(63,883,671)	(160,161,423)
Net change resulting from Institutional Share transactions	34,005,018	(2,363,617)

<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
INVESTMENT SHARES		
<S>	<C>	<C>
Shares sold	47,900,046	45,044,796
Shares redeemed	(33,907,541)	(26,406,425)
Net change resulting from Investment Share transactions	13,992,505	18,638,371
Total net change resulting from Fund transactions	47,997,523	16,274,754

* Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

DISTRIBUTION PLAN--The Trust has adopted the Plan pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Fund to finance activities intended to result in the sale of the Fund's Investment Shares. The Plan provides that the Fund may incur distribution expenses up to .40 of 1% of the average daily net assets of the Investment Shares, annually, to compensate FSC.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$59,661) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period following May 14, 1992 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$5,183 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS, FSC, and FServ.

TRUSTEES

OFFICERS

<TABLE>

<S>

James A. Hanley
Malcolm T. Hopkins
Samuel E. Hudgins
J. Berkley Ingram, Jr.
D. Dean Kaylor

<C>

John W. McGonigle
President and Treasurer
Ronald M. Petnuch
Vice President and Assistant Treasurer
Joseph M. Huber
Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I'm pleased to present the Semi-Annual Report to Shareholders of the Biltmore Equity Fund (the "Fund") for the six-month period ended May 31, 1994. The Report begins with a brief commentary on the stock market from the Fund's portfolio manager. Following the commentary are a complete listing of the Fund's portfolio of investments and its financial statements.

On your behalf, the Fund pursues growth of principal and income by investing in a diversified portfolio of blue-chip stocks issued by some of America's largest and best-known companies. At the end of the period, the Fund's portfolio included such names as Nike Inc., General Electric Co., Baxter International, Inc., Circuit City Stores, Inc., and Sara Lee Corp., to name just a few.

Dividends paid to the Fund's shareholders totaled \$0.09 per share for the six-month reporting period. Capital gains totaled \$0.08 per share. During the same time, total assets increased from \$62.0 million to \$70.3 million, and the Fund's net asset value rose from \$10.28 at the beginning of the period to \$10.32 at the period's end.

Thank you for your confidence in the Biltmore Equity Fund. We look forward to keeping you informed about your investment. As always, we welcome your comments and suggestions.

Sincerely,

John W. McGonigle
President
July 15, 1994

INVESTMENT REVIEW

Repeated interest rate increases by the Federal Reserve Board and concerns about corporate profitability over the first five months of this year touched off a long-awaited correction in the equity markets. During the six-month period between November 30, 1993 and May 31, 1994, the Standard & Poor's Corporation Daily Stock Price Index of 500 Common Stocks (the "S&P 500" or the "Index")* had a total return of 0.1%. The period was also characterized by volatility in the equity market and a decline in the heavy flow of investor monies into mutual funds.

Although many stocks in the S&P 500 advanced during the six-month period, the return for the Index was constrained by the poor performances of stocks in the consumer non-durables and utility sectors. During the six-month period ended May 31, 1994, the Biltmore Equity Fund (the "Fund") was overweighted in the technology, capital goods, and materials and services sectors. These stocks have been among the market's best performers during the past two years, and are expected to continue to benefit from the dramatic expansion of emerging markets and new economies around the world. In response to the higher interest rates, the Fund's portfolio managers also adopted a slightly more defensive position by increasing holdings of finance and utility stocks. These equities, which have been hit especially hard by the market since February 1994, were less volatile and brought the Fund's sector weightings more in line with the market.

On May 31, 1994, the Fund's largest holdings were Royal Dutch Petroleum (2.7%); FMC Corp. (2.2%); the Federal National Mortgage Association (2.1%); Loews Corp. (1.9%); and MAPCO (1.9%). At May 31, the Fund had net assets of \$70.3 million and a net asset value of \$10.32 per share, and the Fund's 30-day SEC yield was 1.85%**.

* This index is unmanaged.

** Performance quoted represents past performance. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

BILTMORE EQUITY FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>

COMMON STOCKS--87.5%		

CAPITAL GOODS--8.1%		
12,200	Ametek, Inc.	\$ 167,750
1,600	Browning-Ferris Industries, Inc.	46,400
2,100	Caterpillar, Inc.	224,437
1,100	Cooper Industries, Inc.	39,875
11,500	Dover Corp.	610,937
44	*Gardner Denver Machinery, Inc.	410
18,030	General Electric Co.	894,739
11,440	Giddings & Lewis Inc.	251,680
1,200	Halliburton Co.	36,450
29,490	Harsco Corp.	1,220,149
23,651	Honeywell, Inc.	742,050
17,785	Keystone International, Inc.	393,493
28,679	York International	1,032,444
	Total	5,660,814

CONSUMER DURABLES--1.3%		
3,800	Ford Motor Co.	219,450
15,000	LADD Furniture, Inc.	135,000
15,299	Stanley Works	592,836
	Total	947,286

CONSUMER NON-DURABLES--25.1%		
31,808	Abbott Laboratories	950,264
6,300	American Brands, Inc.	204,750
6,730	American Cyanamid Co.	350,801
9,987	American Home Products Co.	579,246

</TABLE>

BILTMORE EQUITY FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>

COMMON STOCKS--CONTINUED

CONSUMER NON-DURABLES--CONTINUED

1,200	American Stores Co.	\$	30,000
11,600	Avon Products, Inc.		682,950
3,600	Baxter International, Inc.		92,700
3,100	Becton, Dickinson & Co.		118,187
31,540	Bergen Brunswig Corp., Cl. A		559,835
14,680	Bristol-Myers Squibb Co.		801,895
4,400	Circuit City Stores, Inc.		85,250
8,326	Coca-Cola Co.		336,162
3,250	Columbia/HCA Healthcare Corp.		129,187
7,064	CPC International, Inc.		342,604
1,100	Donnelley (R.R.) & Sons, Co.		30,250
1,600	Dow Jones & Co.		58,200
9,735	Dun & Bradstreet Corp.		567,064
43,346	Fruit of the Loom, Inc., Cl. A		1,273,289
6,400	IBP Inc.		164,000
35,000	*International Dairy Queen Inc., Cl. A		621,250
35,562	Lee Enterprises, Inc.		1,142,429
3,300	Lilly (Eli) & Co.		189,337
11,200	Limited Inc.		197,400
15,238	Loews Corp.		1,356,182
22,800	Melville Corp.		926,250
10,300	Merck & Co.		314,150
10,887	Nike, Inc., Cl. B		642,333
17,280	PepsiCo, Inc.		622,080
3,600	Pfizer, Inc.		229,500
18,088	Philip Morris Cos., Inc.		890,834
7,854	Russell Corp.		234,638
2,000	Sara Lee Corp.		42,750

</TABLE>

BILTMORE EQUITY FUND

<TABLE>
 <CAPTION>
 SHARES VALUE
 <C> <S> <C>

COMMON STOCKS--CONTINUED

CONSUMER NON-DURABLES--CONTINUED

2,600	Sears, Roebuck & Co.	\$	131,625
800	Service Corp., International		19,600

6,000	Stanhome, Inc.	204,000
15,396	Surgical Care Affiliates	203,997
10,077	*Toys R Us, Inc.	357,733
42,770	Unifi, Inc.	1,095,981
5,005	Unilever N.V.	525,525
4,700	Upjohn Co.	150,988
7,000	UST, Inc.	176,750
	Total	17,631,966
	ENERGY--11.1%	
18,800	Amoco Corp.	1,106,850
17,200	Baker Hughes, Inc.	341,850
10,848	Coastal Corp.	306,456
8,000	Dresser Industries, Inc.	181,000
14,473	Exxon Corp.	882,853
21,510	MAPCO, Inc.	1,344,375
24,261	Phillips Petroleum Co.	788,482
17,467	Royal Dutch Petroleum Co.	1,866,786
16,028	Schlumberger, Ltd.	917,603
1,500	Unocal Corp.	41,438
	Total	7,777,693
	FINANCE--11.2%	
14,226	AMBAC, Inc.	569,040
34,422	American Express Co.	950,908
9,676	American International Group, Inc.	903,497
1,200	Citicorp	47,400
18,479	Federal Home Loan Mortgage Corp.	1,071,782

</TABLE>

BILTMORE EQUITY FUND

<TABLE>

<CAPTION>

SHARES

<C> <S>

VALUE

<C>

COMMON STOCKS--CONTINUED

FINANCE--CONTINUED

17,440	Federal National Mortgage Association	\$ 1,456,240
4,400	KeyCorp	143,000
6,884	Lehman Brothers Holdings	123,919
5,700	MBIA, Inc.	327,037
2,000	Morgan (J.P.) & Co., Inc.	132,000
10,916	*Providian Corp.	341,125

8,900	Salomon, Inc.	455,013
19,413	SunTrust Banks	956,090
6,600	Unitrin Inc.	269,362
1,000	Wells Fargo & Co.	156,875
	Total	7,903,288
MATERIALS & SERVICES--11.3%		
8,148	Aluminum Company of America	575,452
1,400	Ball Corp.	40,250
20,811	Crane Co.	538,485
7,231	Dow Chemical Co.	493,516
11,400	Equifax, Inc.	317,775
32,031	*FMC Corp.	1,545,496
23,263	Hanson PLC	447,813
6,362	International Paper Co.	440,568
5,400	Monsanto Co.	441,450
15,842	NCH Corp.	920,816
25,700	Potash Corp. Saskatchewan Inc.	664,987
60,434	Praxair, Inc.	1,231,343
15,152	Sonoco Products Co.	306,828
201	Tyco International, Ltd.	9,547
	Total	7,974,326

</TABLE>

BILTMORE EQUITY FUND

<TABLE>		<CAPTION>	
SHARES		VALUE	
<C>	<S>		<C>
COMMON STOCKS--CONTINUED			
FINANCE--CONTINUED			
TECHNOLOGY--11.2%			
13,863	American Telephone & Telegraph, Inc.	\$	755,534
9,768	Avnet, Inc.		328,449
21,800	Boeing Co.		1,010,975
3,658	*Cisco Systems, Inc.		90,536
7,031	*Computer Sciences Corp.		304,970
5,200	*Cray Research, Inc.		107,900
26,800	*Digital Equipment Corp.		592,950
2,100	Ericsson (LM) Tel Co. Cl. B		105,525
11,964	General Motors Corp. Cl. E		420,236
7,602	Hewlett-Packard Co.		596,757

4,600	International Business Machines, Inc.	290,950
18,827	MCI Communications Corp.	451,848
12,272	*Microsoft Corp.	659,620
8,850	Northern Telecom Ltd.	275,456
6,800	*Novell, Inc.	120,700
11,300	Raytheon Co.	703,425
10,227	Xerox Corp.	1,027,814
	Total	7,843,645
	TRANSPORTATION--1.3%	
1,995	Conrail, Inc.	109,476
16,442	Delta Air Lines, Inc.	750,166
2,300	Ryder System, Inc.	55,487
	Total	915,129
	UTILITIES--6.9%	
10,983	*Airtouch Communications, Inc.	267,711
3,400	ALLTEL Corp.	88,825
16,396	BellSouth Corp.	975,562

</TABLE>

BILTMORE EQUITY FUND

<TABLE>		<CAPTION>	
PRINCIPAL AMOUNT OR SHARES			VALUE
<C>	<S>		<C>
COMMON STOCKS--CONTINUED			
UTILITIES--CONTINUED			
5,400	Carolina Power & Light Co.		131,625
40,732	GTE Corp.	\$	1,257,601
13,101	NYNEX Corp.		494,563
9,300	Pacific Gas & Electric Co.		238,313
12,386	Pacific Telesis Group		376,225
22,421	Pennsylvania Power & Light Co.		496,065
8,992	Scana Corp.		394,524
3,000	U.S. West, Inc.		120,375
	Total		4,841,389
	TOTAL COMMON STOCKS (IDENTIFIED COST \$60,102,592)		61,495,536
U.S. TREASURY OBLIGATIONS--1.6%			
U.S. TREASURY BILLS			
\$ 1,125,000	6/16/94		1,123,287
**REPURCHASE AGREEMENT--10.2%			

7,200,544	PaineWebber, Inc., 4.20%, dated 5/31/94, due 6/1/94 (at amortized cost) (Note 2B)	7,200,544
-----		-----
	TOTAL INVESTMENTS (IDENTIFIED COST \$68,426,423)	\$ 69,819,367+
-----		-----

</TABLE>

* Non-income producing securities.

** The repurchase agreement is fully collateralized by U.S. Treasury obligations based on market prices at the date of the portfolio.

+ The cost of investments for federal tax purposes amounts to \$68,426,423. The net unrealized appreciation of investments on a federal tax cost basis amounts to \$1,392,944, which is comprised of \$3,915,371 appreciation and \$2,522,427 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$70,302,718) at May 31, 1994.

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

BILTMORE EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

	<C>	<C>

ASSETS:		
Investment in repurchase agreement (Note 2B)	\$ 7,200,544	
Investments in other securities (Note 2A)	62,618,823	
Total investments, at value (identified and tax cost \$68,426,423)		\$ 69,819,367
Cash		74,955
Dividends and interest receivable		214,218
Receivable for investments sold		189,998
Receivable for Fund shares sold		179,497
Deferred expenses (Note 2F)		17,904
Total assets		70,495,939

LIABILITIES:		
Payable for investments purchased	166,705	
Payable for Fund shares redeemed	998	
Payable for daily variation margin on open futures contracts (Note 2G)	750	
Accrued expenses	24,768	
Total liabilities		193,221
NET ASSETS for 6,813,432 shares of beneficial interest outstanding		\$ 70,302,718

NET ASSETS CONSIST OF:		
Paid-in capital		\$ 68,207,813
Net unrealized appreciation (depreciation) of investments (net of futures of \$13,069)		1,406,013
Accumulated net realized gain (loss) on investments		452,950
Undistributed net investment income		235,942
Total Net Assets		\$ 70,302,718

NET ASSET VALUE and Redemption Proceeds Per Share: (\$70,302,718 / 6,813,432 SHARES OF BENEFICIAL INTEREST OUTSTANDING)		\$10.32

COMPUTATION OF OFFERING PRICE:

Offering Price Per Share (100/95.5 of \$10.32)*

\$10.81

</TABLE>

* See "What Shares Cost" in the prospectus.

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

BILTMORE EQUITY FUND
 STATEMENT OF OPERATIONS
 SIX MONTHS ENDED MAY 31, 1994
 (UNAUDITED)

	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income			\$ 146,583
Dividend income			719,055
Total income (Note 2C)			865,638
EXPENSES:			
Investment advisory fee (Note 4)		\$ 223,355	
Trustees' fees			257
Administrative personnel and services fees (Note 4)			37,500
Custodian fees (Note 4)			6,382
Transfer and dividend disbursing agent fees and expenses (Note 4)			14,980
Fund share registration costs			9,315
Auditing fees			7,939
Legal fees			2,476
Printing and postage			8,146
Portfolio accounting fees (Note 4)			25,430
Insurance premiums			2,596
Miscellaneous			921
Total expenses			339,297
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 31,908		
Waiver of administrative personnel and services fees (Note 4)		3,250	
Reimbursement of other operating expenses by Administrator (Note 4)	20,158	55,316	
Net expenses			283,981
Net investment income			581,657
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investment transactions (identified cost basis)			495,268
Net change in unrealized appreciation (depreciation) of investments			295,424
Net realized and unrealized gain (loss) on investments			790,692
Change in net assets resulting from operations			\$ 1,372,349

</TABLE>

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

BILTMORE EQUITY FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S>	YEAR ENDED NOVEMBER 30,	
	<C> 1994**	<C> 1993*
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 581,657	\$ 758,251
Net realized gain (loss) on investment transactions (\$495,268 and \$473,233 net gains respectively, as computed for federal tax purposes)	495,268	431,177
Change in unrealized appreciation (depreciation) of investments	295,424	1,110,589
Change in net assets resulting from operations	1,372,349	2,300,017
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income	(565,198)	(538,768)
Distributions to shareholders from net realized gain on investment transactions	(473,495)	--
Change in net assets from distributions to shareholders	(1,038,693)	(538,768)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sale of shares	17,738,396	75,870,874
Net asset value of shares issued to shareholders electing to receive payment of dividends in Fund shares	1,031,073	538,767
Cost of shares redeemed	(10,797,646)	(16,173,651)
Change in net assets from Fund share transactions	7,971,823	60,235,990
Change in net assets	8,305,479	61,997,239
NET ASSETS:		
Beginning of period	61,997,239	--
End of period (including undistributed net investment income of \$235,942 and \$219,483, respectively)	\$ 70,302,718	\$ 61,997,239

</TABLE>

* For the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

BILTMORE EQUITY FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

<S>	YEAR ENDED NOVEMBER 30,	
	<C> 1994**	<C> 1993*
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.28	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income	0.09	0.12

Net realized and unrealized gain (loss) on investments	0.12	0.25
Total from investment operations	0.21	0.37
LESS DISTRIBUTIONS		
Dividends to shareholders from net investment income	(0.09)	(0.09)
Distributions to shareholders from net realized gain on investment transactions	(0.08)	--
Total distributions	(0.17)	(0.09)
NET ASSET VALUE, END OF PERIOD	\$ 10.32	\$ 10.28
TOTAL RETURN***	2.07%	3.68%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.89% (a)	0.81% (a)
Net investment income	1.82% (a)	2.18% (a)
Expense waiver/reimbursement (b)	0.17% (a)	0.32% (a)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)	\$70,303	\$61,997
Portfolio turnover rate	19%	50%

</TABLE>

* Reflects operations for the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE EQUITY FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Equity Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. INVESTMENT VALUATIONS--Listed equity securities are valued at the last sales price reported on national securities exchanges. Unlisted securities, short-term obligations and private placement securities are generally valued at the prices provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.

B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

- C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Dividend income and distributions 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").
- D. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable income. Accordingly, no provisions for federal tax are necessary.
- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.
- F. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- G. FUTURES--Upon entering into a financial futures contract with a broker, the Fund is required to deposit in a segregated account an amount ("initial margin") of cash or U.S. government securities equal to a percentage of the contract value. The Fund agrees to receive from or pay to the broker an amount of cash equal to a specific dollar amount times the difference between the closing value and the price at which the contract was made. On a daily basis, the value of the financial futures contract is determined and any difference between such value and the original futures contract value is reflected in the "daily variation margin" account. Daily variation margin adjustments, arising from this "marking to market" process, are recorded by the Fund as unrealized gains or losses.

The Fund may decide to close its position on a contract at any time prior to the contract's expiration. When a contract is closed, the Fund recognizes a realized gain or loss. Risks of entering into futures contracts include the possibility that a change in the value of the contract may not correlate with changes in the value of the underlying securities.

At May 31, 1994, the Fund had outstanding futures contracts as set out below:

<TABLE>
<CAPTION>

EXPIRATION DATE	CONTRACTS TO DELIVER/RECEIVE	POSITION	NET UNREALIZED APPRECIATION (DEPRECIATION)
<S> June 16, 1994	<C> 5	S&P 500	<C> \$ 13,069

</TABLE>

- H. OTHER--Investment transactions are accounted for on the trade date.
- (3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

<TABLE>
 <CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
Shares sold	1,727,092	7,567,265
Shares issued to shareholders in payment of dividends declared	99,688	52,851
Shares redeemed	(1,044,358)	(1,589,106)
Net change resulting from Fund share transactions	782,422	6,031,010

</TABLE>

* The period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .70 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$33,130) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five-year period following April 3, 1993 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$1,104 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

<TABLE>

<S>	<C>
PURCHASES	\$ 16,192,837
SALES	\$ 10,506,701

</TABLE>

TRUSTEES OFFICERS

<TABLE>

<S>

James A. Hanley
Malcolm T. Hopkins
Samuel E. Hudgins
J. Berkley Ingram, Jr.
D. Dean Kaylor

<C>

John W. McGonigle
President and Treasurer
Ronald M. Petnuch
Vice President and Assistant Treasurer
Joseph M. Huber
Secretary
Mark A. Sheehan
Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I'm pleased to present the Semi-Annual Report to Shareholders of the Biltmore Fixed Income Fund (the "Fund") for the six-month period ended May 31, 1994. The Report begins with a brief commentary on the bond market from the Fund's portfolio manager. Following the commentary are a complete listing of the Fund's portfolio of investments and its financial statements.

On your behalf, the Fund pursues a high level of total return through a diversified portfolio of high-grade corporate bonds issued by some of America's leading companies, as well as U.S. government bonds. At the end of the period, the Fund's portfolio included such well-known corporate names as Coca Cola, Motorola, Inc., Xerox Corp., and General Electric Capital Corp., to name just a few.

Dividends paid to the Fund's shareholders totaled \$0.27 per share for the six-month reporting period. Capital gains totaled \$0.06 per share.

While the Fund's net asset value began the period at \$10.00, it ended the period at \$9.28, due to increased volatility in the financial markets early in the year brought on by rising interest rates. Total Fund assets stood at \$139.1 million on the last day of the period.

We look forward to keeping you informed about your investment in the Fund. As always, we welcome your comments and suggestions.

Sincerely,

John W. McGonigle
President
July 15, 1994

INVESTMENT REVIEW

The bond market has been hampered by rising interest rates, a strengthening economy and fears of higher inflation. As rates have moved higher, municipal bond refundings and the steady flow of cash into bond mutual funds have also declined, further weakening the bond market. From November 30, 1993 to May 31, 1994, the Lehman Brothers Aggregate Bond Index* had a total return that fell 3.13%.

The Biltmore Fixed Income Fund (the "Fund") maintained an average maturity in line with the market until March, when interest rates began moving higher. At that point, investment strategy for the Fund became more aggressive. By the end of May, maturities were 15% greater than the market. The Fund's portfolio also was overweighted in shorter and longer maturities, and underweighted in intermediate maturities, to take advantage of a flattening of the yield curve.

On May 31, 1994, net assets totaled \$139.1 million, down slightly from \$140.3 million on November 30, 1993. The net asset value per share of the Fund decreased during

the period from \$10.00 to \$9.28. The 30-day SEC yield increased from 4.39% to 5.74% during the period.** The Fund ended the period with an average duration of 5.48 years.

* This index is unmanaged.

** Performance quoted represents past performance. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

BILTMORE FIXED INCOME FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>
 PRINCIPAL AMOUNT

<C>	<S>	<C>	VALUE

ASSET-BACKED SECURITIES--1.6%			

\$ 653,422	Ford Credit Trust, 4.85%, 1/15/98	\$	645,660
1,020,451	GMAC Grantor Trust, 4.00%, 9/15/98		1,000,042
634,163	USAA Auto Loan Grantors Trust, 3.90%, 3/15/99		620,091
	TOTAL ASSET-BACKED SECURITIES (IDENTIFIED COST, \$2,312,009)		2,265,793

CORPORATE BONDS--26.8%			

BANKING--7.6%			
1,000,000	BankAmerica Corp., 6.00%, 7/15/97		974,120
4,000,000	Bankers Trust NY Corp., 4.70%, 7/1/96		3,863,720
1,500,000	Branch Banking & Trust Co., 4.75%, 5/15/96		1,455,660
4,500,000	NationsBank Corp., 4.75%-5.375%, 8/15/96-4/15/2000		4,309,360
	Total		10,602,860

BEVERAGES--0.6%			
350,000	Coca Cola Co., 7.875%, 9/15/98		361,477
500,000	Pepsico, Inc., 7.625%, 12/18/98		508,065
	Total		869,542

CHEMICALS--1.3%			
240,000	DuPont (E.I.) de Nemours & Co., 7.00%, 4/16/97		242,117
1,672,000	Monsanto Co., 7.09%, 12/15/2000		1,629,481
	Total		1,871,598

DRUGS--1.5%			
1,215,000	American Home Products, 6.875%, 4/15/97		1,219,824
850,000	Pfizer, Inc., 6.50%, 2/1/97		847,433
	Total		2,067,257

ELECTRONICS--0.5%			
605,000	Motorola, Inc., 8.40%, 8/15/2031		650,278

</TABLE>

BILTMORE FIXED INCOME FUND

<TABLE> <CAPTION> PRINCIPAL AMOUNT			VALUE
<C>	<S>		<C>
CORPORATE BONDS--CONTINUED			
FINANCE--7.9%			
\$ 670,000	Barclays American Corp., 9.125%, 12/1/97		\$ 712,210
2,330,000	Beneficial Corp., 6.15%-10.00%, 1/15/96-12/1/2021		2,433,348
240,000	European Investment Bank, 4.905%, 11/21/94		239,479
665,000	Exxon Capital Corp., 6.50%-7.875%, 4/15/96-7/15/99		660,239
1,495,000	General Electric Capital Corp., 1.00%-9.50%, 8/24/95-5/1/2018		1,520,572
1,000,000	IBM Credit Corp., 5.00%, 5/10/96		971,680
315,000	International Bank for Reconstruction & Development, 9.00%, 11/15/95		328,394
1,100,000	Nationwide Life Insurance Co., 6.50%, 2/15/2004		995,445
1,000,000	Norwest Financial, Inc., 6.25%, 3/15/99		961,070
630,000	TransAmerica Financial Corp., 9.25%, 6/30/97		669,847
1,500,000	U.S. West Capital Funding, Inc., 8.00%, 10/15/96		1,534,755
	Total		11,027,039
HOME FURNISHINGS--0.2%			
240,000	Armstrong World Industries, Inc., 9.75%, 4/15/2008		263,618
MISCELLANEOUS--1.3%			
770,000	Italy Republic, 6.875% Yankee Bond, 9/27/2023		641,903
1,400,000	Korea Electric Power Corp., 6.375% Yankee Bond, 12/1/2003		1,214,626
	Total		1,856,529
OFFICE EQUIPMENT--2.0%			
2,750,000	Xerox Corp., 7.01%, 4/30/99		2,706,963
OIL & GAS--0.3%			
350,000	Mobil Corp., 8.375%, 2/12/2001		367,469
POLLUTION CONTROL--1.5%			
2,000,000	Waste Management, Inc., 7.875%, 8/15/96		2,046,860
SECURITIES--0.7%			
1,080,000	Morgan Stanley Group, Inc., 5.65%, 6/15/97		1,038,528

</TABLE>

BILTMORE FIXED INCOME FUND

<TABLE> <CAPTION> PRINCIPAL AMOUNT			VALUE
<C>	<S>		<C>
CORPORATE BONDS--CONTINUED			

UTILITIES--1.4%		
\$ 2,000,000	Public Service Electric & Gas Co., 6.00%-7.125%, 11/1/97-1/1/98	\$ 1,932,740
TOTAL CORPORATE BONDS (IDENTIFIED COST, \$39,345,681)		37,301,281
U.S. GOVERNMENT AGENCIES--19.5%		
FEDERAL HOME LOAN BANKS--1.2%		
1,000,000	4.00%, 7/8/96	975,313
750,000	7.75%, 2/26/97	769,365
Total		1,744,678
FEDERAL HOME LOAN MORTGAGE CORP.--2.3%		
37,406	12.50%, 2/1/2010-4/1/2014	42,876
44,608	11.00%, 10/1/2010-10/1/2015	49,176
7,550	10.00%, 1/1/2019-2/1/2019	8,010
60,312	9.50%, 7/1/2016-2/1/2019	63,233
5,866	9.00%, 9/1/2017-1/1/2019	6,042
16,613	8.50%, 5/1/2017-8/1/2017	16,857
193,960	8.00%, 1/1/2008-1/1/2019	193,927
999,790	7.50%, 2/1/2023	973,225
941,261	7.00%, 6/1/2008	916,552
1,000,000	5.00%, 12/15/2000	988,125
Total		3,258,023
FEDERAL NATIONAL MORTGAGE ASSOCIATION--5.0%		
5,128	12.50%, 9/1/2013-8/1/2014	5,846
9,234	10.00%, 1/1/2019-2/1/2019	9,889
11,439	9.50%, 7/1/2016-2/1/2019	12,057
6,453	9.00%, 1/1/2017-8/1/2018	6,677
4,302	8.50%, 2/1/2017-2/1/2019	4,364
93,161	8.00%, 11/1/2008-9/1/2009	92,605
2,546,820	7.50%, 4/1/2007-1/1/2023	2,508,756

</TABLE>

BILTMORE FIXED INCOME FUND

<TABLE>		
<CAPTION>		
PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>
U.S. GOVERNMENT AGENCIES--CONTINUED		
FEDERAL NATIONAL MORTGAGE ASSOCIATION--CONTINUED		
\$ 2,600,000	6.05%, 6/30/2003	\$ 2,389,946
2,008,466	6.00%, 1/1/2009	1,862,210
Total		6,892,350
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION--10.0%		

67,898	12.25%, 8/15/2013-4/15/2014	76,555
6,835	11.50%, 6/15/2013-12/15/2017	7,834
146,064	11.00%, 8/15/2015-12/15/2015	165,143
152,442	10.50%, 10/15/2000-8/15/2017	166,481
18,875	10.00%, 1/15/2019-2/15/2019	20,207
1,558,108	9.50%, 6/15/2001-11/15/2020	1,643,854
2,546,524	9.00%, 5/15/2016-1/15/2021	2,641,106
1,401,185	8.50%, 5/15/2016-6/15/2022	1,425,165
2,668,139	8.00%, 2/15/2017-9/15/2022	2,651,586
4,245,189	7.50%, 2/15/2022-1/15/2024	4,099,239
959,900	7.00%, 6/15/2023	897,507
64,799	5.50%, 8/15/98	63,222
Total		13,857,899
ISRAEL STATE U.S. GOVERNMENT--0.6%		
1,000,000	5.625%, 9/15/2003	879,490
PRIVATE EXPORT FUNDING CORP.--0.4%		
500,000	8.40%, 7/31/2001	527,660
TOTAL U.S. GOVERNMENT AGENCIES (IDENTIFIED COST, \$27,923,225)		27,160,100
U.S. TREASURY OBLIGATIONS--48.9%		
U.S. TREASURY BONDS--25.8%		
1,176,000	9.375%, 2/15/2006	1,368,935
530,000	8.125%, 5/15/2021	562,049
28,383,000	7.875%, 2/15/2021	29,269,969

</TABLE>

BILTMORE FIXED INCOME FUND

<TABLE>		<CAPTION>	
PRINCIPAL AMOUNT		VALUE	
<C>	<S>	<C>	<C>
U.S. TREASURY OBLIGATIONS--CONTINUED			
U.S. TREASURY BONDS--CONTINUED			
\$ 1,423,000	7.50%, 11/15/2016	\$ 1,406,322	
3,495,000	7.125%, 2/15/2023	3,331,714	
Total		35,938,989	
U.S. TREASURY NOTES--23.1%			
1,095,000	9.125%, 5/15/99	1,201,938	
120,000	8.75%, 10/15/97	128,024	
1,530,000	8.00%, 10/15/96	1,589,762	
1,085,000	7.875%, 7/15/96-8/15/2001	1,129,949	

2,445,000	7.50%, 11/15/2001-5/15/2002	2,505,521
1,215,000	6.50%, 11/30/1996	1,222,399
750,000	6.375%, 8/15/2002	716,370
7,895,000	6.25%, 2/15/2003	7,442,301
1,545,000	6.00%, 10/15/99	1,488,747
500,000	5.875%, 2/15/2004	455,390
1,145,000	5.75%, 10/31/97-8/15/2003	1,046,646
1,500,000	5.125%, 11/30/98	1,408,830
1,500,000	4.375%, 11/15/96	1,438,590
4,690,000	4.25%, 5/15/96	4,542,687
5,850,000	3.875%, 8/31/95	5,733,000
Total		32,050,154
TOTAL U.S. TREASURY OBLIGATIONS (IDENTIFIED COST, \$73,868,040)		67,989,143

</TABLE>

BILTMORE FIXED INCOME FUND

PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>
*REPURCHASE AGREEMENT--1.5%		
\$ 2,092,375	PaineWebber, Inc., 4.20%, dated 5/31/94, due 6/1/94 (AT AMORTIZED COST) (NOTE 2B)	\$ 2,092,375
TOTAL INVESTMENTS (IDENTIFIED COST \$145,541,330)		\$ 136,808,692+

</TABLE>

* 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 cost of investments for federal tax purposes amounts to \$145,541,330. The net unrealized depreciation of investments on a federal tax cost basis amounts to \$8,732,638, which is comprised of \$38,959 appreciation and \$8,771,597 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$139,074,358) at May 31, 1994.

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

BILTMORE FIXED INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<S>	<C>	<C>
ASSETS:		
Investments in securities, at value (Notes 2A and 2B) (identified and tax cost, \$145,541,330)		\$ 136,808,692
Receivable for investments sold		3,369,250
Interest receivable		2,126,759
Receivable for Fund shares sold		150,066

Deferred expenses (Note 2F)		39,860
Total assets		142,494,627
LIABILITIES:		
Payable for investments purchased	\$ 3,383,050	
Payable for Fund shares redeemed	15,330	
Accrued expenses	21,889	
Total liabilities		3,420,269
NET ASSETS for 14,982,283 shares of beneficial interest outstanding	\$	139,074,358
NET ASSETS CONSIST OF:		
Paid-in capital	\$	149,429,974
Net unrealized appreciation (depreciation) of investments		(8,732,638)
Accumulated net realized gain (loss) on investments		(1,692,525)
Undistributed net investment income		69,547
Total Net Assets	\$	139,074,358
NET ASSET VALUE and Redemption Proceeds Per Share: (\$139,074,358 / 14,982,283 shares of beneficial interest outstanding)		\$9.28
COMPUTATION OF OFFERING PRICE:		
Offering Price Per Share (100/95.5 of \$9.28)*		\$9.72

</TABLE>

*See "What Shares Cost" in the prospectus.

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

BILTMORE FIXED INCOME FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2C)		\$	4,388,057
EXPENSES:			
Investment advisory fee (Note 4)	\$	416,022	
Trustees' Fees		2,026	
Administrative personnel and services fee (Note 4)		74,597	
Custodian fees (Note 4)		13,867	
Transfer and dividend disbursing agent fees and expenses (Note 4)		14,246	
Fund share registration costs		11,604	
Auditing fees		7,568	
Legal fees		4,393	
Printing and postage		7,406	
Portfolio accounting fees (Note 4)		31,705	
Insurance premiums		2,526	
Miscellaneous		163	

Total expenses		586,123
Deduct--		
Waiver of investment advisory fee (Note 4)	\$ 69,337	
Reimbursement of other operating expenses by Administrator (Note 4)	24,493	93,830
Net expenses		492,293
Net investment income		3,895,764
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investment transactions (identified cost basis)		(1,665,870)
Net change in unrealized appreciation (depreciation) of investments		(7,759,001)
Net realized and unrealized gain/(loss) on investments		(9,424,871)
Change in net assets resulting from operations	\$	(5,529,107)

</TABLE>

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

BILTMORE FIXED INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 3,895,764	\$ 4,138,174
Net realized gain (loss) on investment transactions (\$1,665,870 net loss and \$893,605 net gain, respectively, as computed for federal tax purposes)	(1,665,870)	866,743
Change in unrealized appreciation (depreciation) of investments	(7,759,001)	(973,637)
Change in net assets resulting from operations	(5,529,107)	4,031,280
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income	(3,895,764)	(4,059,588)
Distributions to shareholders from net realized gain on investment transactions	(893,398)	--
Distributions in excess of net investment income	(9,039)	--
Change in net assets from distributions to shareholders	(4,798,201)	(4,059,588)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sale of shares	20,139,164	150,258,206
Net asset value of shares issued to shareholders electing to receive payment of dividends in Fund shares	4,728,488	4,052,129
Cost of shares redeemed	(15,791,355)	(13,956,658)
Change in net assets from Fund share transactions	9,076,297	140,353,677
Change in net assets	(1,251,011)	140,325,369
NET ASSETS:		
Beginning of period	140,325,369	--

End of period (including undistributed net investment income of \$69,547 and \$78,586 respectively)	\$ 139,074,358	\$ 140,325,369
---	----------------	----------------

</TABLE>

*For the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

**Six months ended May 31, 1994 (unaudited).

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

BILTMORE FIXED INCOME FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	<C> 1994**	<C> 1993*
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.00	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income	0.27	0.31
Net realized and unrealized gain (loss) on investments	(0.66)	(0.01)
Total from investment operations	(0.39)	0.30
LESS DISTRIBUTIONS		
Dividends to shareholders from net investment income	(0.27)	(0.30)
Distributions to shareholders from net realized gain on investment transactions	(0.06)	--
Total distributions	(0.33)	(0.30)
NET ASSET VALUE, END OF PERIOD	\$ 9.28	\$ 10.00
TOTAL RETURN***	(3.94%)	3.02%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.71 (a)	0.68% (a)
Net investment income	5.62 (a)	5.44% (a)
Expense waiver/reimbursement (b)	0.14 (a)	0.19% (a)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)	\$139,074	\$140,325
Portfolio turnover rate	76%	149%

</TABLE>

* Reflects operations for the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1994

(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Fixed Income Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

A. INVESTMENT VALUATIONS--U.S. government obligations are generally valued at the mean between the over-the-counter bid and asked prices as furnished by an independent pricing service. Corporate bonds (and other fixed income and asset-backed securities) are valued at the last sale price reported on national securities exchanges on that day, if available. Otherwise, corporate bonds (and other fixed income and asset-backed securities) and short-term obligations are valued at the prices provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.

B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

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

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.

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

E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.

F. DEFERRED EXPENSES--Costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using

the straight-line method over a period of five years from the Fund's commencement date.

G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
Shares sold	2,100,838	15,019,817
Shares issued to shareholders in payment of dividends declared	487,831	402,730
Shares redeemed	(1,637,613)	(1,391,320)
Net change resulting from Fund share transactions	951,056	14,031,227

</TABLE>

* The period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .60 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$31,369) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five-year period following April 3, 1993 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$2,091 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

<TABLE>

<S>	<C>
PURCHASES	\$ 113,751,178
SALES	\$ 102,353,902

</TABLE>

TRUSTEES OFFICERS

<TABLE>

<S>	<C>
James A. Hanley	John W. McGonigle
Malcolm T. Hopkins	President and Treasurer
Samuel E. Hudgins	Ronald M. Petnuch
J. Berkley Ingram, Jr.	Vice President and Assistant Treasurer
D. Dean Kaylor	Joseph M. Huber
	Secretary
	Mark A. Sheehan
	Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I'm pleased to present the Semi-Annual Report to Shareholders of the Biltmore Equity Index Fund (the "Fund") for the six-month period ended May 31, 1994. The Report begins with a brief commentary on the stock market from the Fund's portfolio manager. Following the commentary are a complete listing of the Fund's portfolio of investments and its financial statements.

On your behalf, the Fund pursues a total return that approximates that of the Standard & Poor's 500 Composite Stock Price Index--a classic benchmark of stock market performance. The Fund invests in a portfolio of blue-chip stocks issued by some of America's largest, best-known companies. At the end of the period, the Fund's portfolio included such names as Honeywell, Inc., Westinghouse Electric Corp., General Motors Corp., Maytag Corp., Anheuser-Busch Companies, Inc. and Blockbuster Entertainment Corp., to name a few.

Dividends paid to the Fund's shareholders totaled \$0.11 per share for the six-month reporting period. Capital gains totaled \$0.02 per share. During the same time, total assets increased from \$149.3 million to \$167.9 million.

While the Fund's net asset value began the period at \$10.47, it ended the period at \$10.34, due to increased volatility in the financial markets early in the year, brought on by rising interest rates.

Thank you for pursuing classic stock market performance through the Fund. We look forward to keeping you informed about your investment. As always, we welcome your comments and suggestions.

Sincerely,

John W. McGonigle
 President
 July 15, 1994

INVESTMENT REVIEW

Repeated interest rate increases by the Federal Reserve Board and concerns about corporate profitability over the first five months of this year touched off a long-awaited correction in the equity markets. During the six-month period between November 30, 1993 and May 31, 1994, the Standard & Poor's 500 Composite Stock Price Index (the "S&P 500" or the "Index")* had a total return of 0.1%. The period was also characterized by volatility in the equity market and a decline in the heavy flow of investor monies into mutual funds.

Although many stocks in the S&P 500 advanced during the six-month period, the return for the Index was constrained by the poor performances of stocks in the consumer non-durables and utility sectors. The Biltmore Equity Index Fund (the "Fund") owned all 500 stocks in the S&P 500 as of May 31, 1994.

During the six-month period, the Fund's portfolio manager began using Index futures contracts. This allowed the Fund to more closely track the performance of the S&P 500, while simultaneously managing the cash position required to handle cash flow into and out of the Fund. On May 31, 1994, the Fund had net assets of \$167.9 million, and a net asset value of \$10.34 per share. The 30-day SEC yield was 2.02%.**

* This index is unmanaged.

** Performance quoted represents past performance. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

BILTMORE EQUITY INDEX FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>

SHARES		VALUE
<C>	<S>	<C>

COMMON STOCKS--85.5%		

	CAPITAL GOODS--4.3%	

638	Briggs & Stratton Corp.	\$ 48,169

8,458	Browning-Ferris Industries, Inc.	245,282

4,481	Caterpillar, Inc.	478,907

1,476	Cincinnati Milacron Inc.	30,258

766	*Clark Equipment Co.	49,311

5,035	Cooper Industries, Inc.	182,519

1,632	Cummins Engine Co., Inc.	69,972

3,702	Deere & Co.	258,214

2,518	Dover Corp.	133,769

3,137	Eaton Corp.	172,535

9,930	Emerson Electric Co.	605,730

1,572	Foster Wheeler Corp.	59,146

75,198	General Electric Co.	3,731,701

1,498	Giddings & Lewis, Inc.	32,956

2,255	Grainger (W.W.) Inc.	146,857

5,920	Honeywell, Inc.	185,740

4,974	Illinois Tool Works Inc.	202,690

4,640	Ingersoll-Rand Co.	162,400

1,712	PACCAR Inc.	84,744

2,142	Parker-Hannifin Corp.	92,374

1,846	Raychem Corp.	68,071

15,476	Westinghouse Electric Corp.	201,188

550	Zurn Industries, Inc.	11,619

Total 7,254,152

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>

COMMON STOCKS--CONTINUED		

CONSUMER DURABLES--3.7%		
1,637	Armstrong World Industries, Inc.	\$ 79,804
637	Bassett Furniture Industries, Inc.	17,358
3,693	Black & Decker Corp.	68,321
3,441	Brunos, Inc.	25,162
15,519	Chrysler Corp.	770,130
3,684	Cooper Tire & Rubber Co.	97,626
2,165	Dana Corp.	111,498
4,970	Dillard Department Stores, Inc.	154,070
2,569	Echlin, Inc.	69,684
21,906	Ford Motor Co.	1,265,071
31,322	General Motors Corp.	1,683,558
5,477	Genuine Parts Co.	191,010
6,613	Goodyear Tire and Rubber Co.	256,254
1,120	Harnischfeger Industries, Inc.	21,700
2,003	Jostens, Inc.	33,801
1,428	Kaufman & Broad Home Corp.	23,205
4,723	Maytag Corp.	87,966
9,089	*McCaw Cellular Communications, Cl. A	468,083
1,393	Morrison Knudsen Corp.	29,079
2,185	National Services Industries, Inc.	55,991
3,225	*Navistar International Corp.	53,616
865	Outboard Marine Corp.	20,003
2,684	Pep Boys-Manny, Moe & Jack	83,875
1,213	Pulte Corp.	28,657
613	SPX Corp.	9,272
494	Skyline Corp.	8,769
1,966	Stanley Works (The)	76,183

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER DURABLES--CONTINUED		
1,354	Timken Co.	\$ 44,344
1,251	TRINOVA Corp.	43,785
2,010	*Western Atlas, Inc.	85,927
3,105	Whirlpool Corp.	166,506
	Total	6,130,308
CONSUMER NON-DURABLES--27.5%		
36,069	Abbott Laboratories, Inc.	1,077,561
1,268	Alberto-Culver Co., Cl. B	25,835
11,161	Albertson's, Inc.	313,903
2,917	Allergan Pharmaceuticals Inc.	72,196
8,889	American Brands, Inc.	288,892
3,961	American Cyanamid Co.	206,467
3,256	American Greetings Corp., Cl. A	91,575
13,669	American Home Products Co.	792,802
6,256	American Stores Co.	156,400
11,835	Anheuser-Busch Companies, Inc.	643,528
14,378	Archer-Daniels-Midland Co.	346,869
3,177	Avon Products, Inc.	187,046
2,066	*Bally Entertainment Group	13,945
2,291	Bard (C.R.), Inc.	54,411
2,604	Bausch & Lomb, Inc.	128,898
12,172	Baxter International, Inc.	313,429
3,328	Becton, Dickinson & Co.	126,880
3,601	*Beverly Enterprises, Inc.	48,613
4,641	Block (H&R), Inc.	197,823
9,936	Blockbuster Entertainment Corp.	280,692
6,216	Borden, Inc.	83,139

</TABLE>

BILTMORE EQUITY INDEX FUND

<CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER NON-DURABLES--CONTINUED		
22,576	Bristol-Myers Squibb Co.	\$ 1,233,214

3,045	Brown-Forman Corp., Cl. B	89,066
771	Brown Group, Inc.	29,202
4,198	Brunswick Corp.	103,901
682	CBS, Inc.	178,002
6,622	CPC International Inc.	321,167
11,095	Campbell Soup Co.	409,128
679	Capital Cities/ABC, Inc.	502,290
4,526	Charming Shoppes, Inc.	42,997
4,232	Circuit City Stores, Inc.	81,995
2,387	Clorox Co.	122,632
57,255	Coca-Cola Co.	2,311,671
6,820	Colgate-Palmolive Co.	390,445
14,775	Columbia HCA/Healthcare Corp.	587,306
10,037	Comcast Corp., Cl. A	175,020
1,893	Community Psychiatric Centers	27,449
11,063	ConAgra, Inc.	319,444
1,677	Coors (Adolph) Co.	33,121
3,150	Dayton-Hudson Corp.	247,669
2,070	Dial Corp.	94,185
23,587	Disney (Walt) Co. (The)	1,020,138
6,819	Donnelley (R.R.) & Sons Co.	187,523
4,380	Dow Jones & Co., Inc.	159,323
7,804	Dun & Bradstreet Corp.	454,583
14,529	Eastman Kodak Co.	681,047
1,626	Fleming Companies, Inc.	40,447
6,467	Gannett Co., Inc.	341,943

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER NON-DURABLES--CONTINUED		
6,389	Gap, Inc. (The)	\$ 277,123
7,017	General Mills, Inc.	384,181
1,021	*Genesco, Inc.	3,701
3,055	Gerber Products Co.	154,659
2,632	Giant Food, Inc., Cl. A	56,588
9,720	Gillette Co.	677,970

1,685	Great Atlantic & Pacific Tea Co., Inc.	40,229
1,473	Handleman Co.	15,834
1,356	Harland (John H.) Co.	30,171
1,406	Hartmarx Corp.	9,139
3,865	Hasbro, Inc.	127,545
11,148	Heinz (H.J.) Co.	380,425
1,806	Helmerich & Payne	28,372
3,976	Hershey Foods Corp.	170,968
2,108	Hilton Hotels Corp.	117,258
19,739	Home Depot, Inc.	890,722
4,989	International Flavors & Fragrances, Inc.	192,076
3,313	Interpublic Group of Cos., Inc.	107,673
28,436	Johnson & Johnson	1,258,293
17,995	K-Mart Corp.	269,925
10,068	Kellogg Co.	527,311
1,640	*King World Productions Inc.	65,600
2,410	Knight-Ridder, Inc.	135,864
4,727	*Kroger Co.	112,857
4,280	Lehman Brothers Holdings	77,036
12,900	Lilly (Eli) & Co.	740,138
16,000	Limited, Inc. (The)	282,000

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>
<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER NON-DURABLES--CONTINUED		
3,584	Liz Claiborne, Inc.	\$ 78,400
904	Long's Drug Stores, Inc.	29,832
6,469	Loew's, Inc.	203,812
1,201	Luby's Cafeterias, Inc.	28,224
2,740	Manor Care, Inc.	70,897
7,387	Mattell, Inc.	194,832
10,951	May Department Stores Co.	424,351
15,561	McDonald's Corp.	964,782
2,176	McGraw-Hill, Inc.	143,616
1,775	McKesson Corp.	147,103
2,523	Medtronic, Inc.	207,517

4,642	Melville Corp.	188,581
1,624	Mercantile Stores Co., Inc.	56,840
56,527	Merck & Co., Inc.	1,724,074
654	Merideth Corp.	28,531
2,151	Morton International Inc.	176,382
1,296	*National Educational Corp.	7,128
568	*National Intergroup, Inc.	10,224
7,312	National Medical Enterprises, Inc.	119,734
4,659	New York Times Co. (The), Cl. A	118,804
3,334	Nike, Inc., Cl. B	196,706
3,615	Nordstrom, Inc.	159,512
1,915	Ogden Corp.	42,130
643	Oshkosh B. Gosh, Inc.	8,038
10,386	Penney (J.C.) Co., Inc.	530,984
34,962	PepsiCo, Inc.	1,258,632
4,590	Pet Inc.	81,473

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>
 <CAPTION>
 SHARES VALUE
 <C> <S> <C>

COMMON STOCKS--CONTINUED

CONSUMER NON-DURABLES--CONTINUED

13,729	Pfizer, Inc.	\$ 875,224
38,642	Philip Morris Cos., Inc.	1,903,118
3,943	Pioneer Hi-Bred International Inc.	136,034
2,062	Polaroid Corp.	64,437
9,581	*Price/Costco Inc.	126,948
30,083	Proctor & Gamble Co.	1,695,929
2,982	Quaker Oats Co.	199,421
4,578	Ralston Purina Co.	156,797
3,723	Reebok International Ltd.	117,274
3,883	Rite-Aid Corp.	78,145
2,659	Rollins Environmental Services	12,298
7,069	Rubbermaid Inc.	197,048
1,804	Russell Corp.	53,895
2,354	*Ryan's Family Steakhouses, Inc.	18,244
2,543	Safety-Kleen Corp.	40,688
2,046	St. Jude Medical Inc.	54,730

21,004	Sara Lee Corp.	448,961
8,508	Schering-Plough Corp.	555,147
16,429	Seagram Co., Ltd.	486,709
15,459	Sears, Roebuck & Co.	782,612
3,699	Service Corp. International	90,625
998	Shared Medical Systems Corp.	22,954
1,790	*Shoney's Inc.	30,206
775	Spring Industries, Inc.	23,638
2,216	Stride Rite Corp.	30,193
3,130	SuperValu Stores, Inc.	100,160
9,739	Syntex Corp.	225,214

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>
 <CAPTION>
 SHARES VALUE
 <C> <S> <C>

COMMON STOCKS--CONTINUED

CONSUMER NON-DURABLES--CONTINUED		
SHARES		VALUE
<C>	<S>	<C>
8,138	Sysco Corp.	\$ 210,571
3,234	TJX Companies, Inc. (The)	78,424
19,818	*Tele-Communications, Inc., Cl. A	413,701
2,436	Temple-Inland Inc.	121,496
16,519	Time Warner Inc.	640,111
5,669	Times Mirror Co.	183,534
12,852	*Toys "R" Us, Inc.	456,246
2,941	Tribune Co.	172,784
9,154	UST Inc.	231,139
7,060	Unilever N.V.	741,300
7,115	U.S. Healthcare, Inc.	286,379
2,474	United States Surgical Corp.	47,006
7,658	Upjohn Co.	246,013
2,841	V.F. Corp.	139,564
101,314	Wal-Mart Stores, Inc.	2,380,879
5,425	Walgreen Co.	221,747
5,960	Warner-Lambert Co.	419,435
4,375	Wendy's International, Inc.	76,016
4,718	Whitman Corp.	71,949
3,303	Winn-Dixie Stores, Inc.	149,461
5,814	Woolworth (F.W.) Corp.	91,571

5,131	Wrigley (Wm.), Jr. Co.	262,322
1,503	*Zenith Electronics Corp.	15,218
	Total	46,154,125
	ENERGY--9.6%	
4,082	Amerada-Hess Corp.	202,059
21,903	Amoco Corp.	1,289,539

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
ENERGY--CONTINUED		
2,643	Ashland Oil, Inc.	\$ 98,121
7,024	Atlantic Richfield Co.	708,546
6,189	Baker Hughes, Inc.	123,006
5,744	Burlington Resources, Inc.	239,094
14,354	Chevron Corp.	1,248,798
4,590	Coastal Corp.	129,668
4,094	Consolidated Natural Gas Co.	154,548
7,693	Dresser Industries, Inc.	174,054
2,928	Enserch Corp.	40,992
54,733	Exxon Corp.	3,338,713
3,613	Fluor Corp.	184,263
5,029	Halliburton Co.	152,756
2,276	Kerr-McGee Corp.	102,420
1,461	Louisiana Land & Exploration Co.	59,901
5,906	*Maxus Energy Corp.	27,315
2,346	*McDermott International, Inc.	47,507
17,607	Mobil Corp.	1,426,167
394	NACCO Industries, Inc., Cl. A	22,359
5,393	*Noram Energy Corp.	32,358
13,437	Occidental Petroleum Co.	260,342
4,273	Oryx Energy Co.	74,777
5,256	Panhandle Eastern Corp.	104,463
2,022	Pennzoil Co.	98,320
11,514	Phillips Petroleum Co.	374,205
1,787	Pittston Company	46,015
10,489	Placer Dome Inc.	241,247

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
ENERGY--CONTINUED		
3,958	Santa Fe Energy Resources, Inc.	\$ 35,622
10,718	Schlumberger, Ltd.	613,606
3,831	Sonat, Inc.	109,183
4,694	Sun Co., Inc.	136,713
7,454	Tenneco, Inc.	356,860
11,409	Texaco, Inc.	724,472
12,633	USX Marathon Corp.	216,340
10,632	Unocal Corp.	293,709
4,531	Williams Companies, Inc. (The)	127,434
	Total	16,141,055
FINANCE--10.2%		
4,921	Aetna Life & Casualty Co.	266,349
5,149	Ahmanson (H.F.) & Co.	96,544
1,813	Alexander & Alexander Services	28,781
21,399	American Express Co.	591,147
9,551	American General Corp.	260,265
13,992	American International Group, Inc.	1,306,503
16,538	Banc One Corp.	551,956
4,648	Bank of Boston Corp.	130,144
15,752	BankAmerica Corp.	763,972
3,599	Bankers Trust New York Corp.	253,280
4,293	Barnett Banks, Inc.	198,015
2,283	Beneficial Corp.	84,186
4,567	Boatmen's Bancshares Inc.	152,994
3,173	CIGNA Corp.	218,540
8,076	Chase Manhattan Corp.	304,869
11,111	Chemical Banking Corp.	426,385

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
FINANCE--CONTINUED		
3,863	Chubb Corp.	\$ 311,454
17,004	Citicorp	671,658
2,431	Continental Corp.	43,454
5,755	CoreStates Financial Corp.	154,666
7,494	Dean Witter Discover & Co.	292,266
7,907	Federal Home Loan Mortgage Corp.	458,606
12,044	Federal National Mortgage Association	1,005,674
3,668	First Chicago Corp.	193,945
3,521	First Fidelity Bancorporation	161,966
3,647	First Interstate Bancorp.	291,760
7,417	First Union Corp.	346,745
6,047	Fleet/Norstar Financial Group, Inc.	232,810
3,736	General Reinsurance Corp.	447,386
2,821	Golden West Financial Corp.	111,429
5,797	Great Western Financial Corp.	107,245
4,132	Household International, Inc.	140,488
2,218	Jefferson-Pilot Corp.	111,454
10,802	KeyCorp	351,065
4,139	Lincoln National Corp.	171,251
6,546	MBNA Corp.	172,651
3,233	Marsh & McLennan Cos., Inc.	281,271
2,814	Mellon Bank Corp.	164,619
9,245	Merrill Lynch & Co., Inc.	360,555
8,493	Morgan (J.P.) & Co., Inc.	560,538
7,079	NBD Bancorp, Inc.	210,600
11,880	NationsBank Corp.	657,855
13,615	Norwest Corp.	364,201

</TABLE>

BILTMORE EQUITY INDEX FUND

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
FINANCE--CONTINUED		
10,320	PNC Bank Corp.	\$ 316,050
4,456	*Providian Corp.	139,250

2,774	SAFECO Corp.	152,917
1,862	St. Paul Companies, Inc.	144,538
4,875	Salomon, Inc.	249,234
4,141	Shawmut National Corp.	99,902
5,474	SunTrust Banks, Inc.	269,595
3,248	Torchmark Corp.	136,010
3,410	Transamerica Corp.	182,009
14,089	Travelers Corp.	461,415
3,495	UNUM Corp.	163,828
3,746	USF&G Corp.	45,888
4,381	U.S. Bancorp	122,120
998	USLIFE Corp.	36,427
7,629	Wachovia Corp.	251,757
2,458	Wells Fargo & Co.	385,599
	Total	17,168,081
	MATERIALS & SERVICES--8.6%	
5,030	Air Products & Chemicals, Inc.	212,517
9,871	Alcan Aluminum Ltd.	228,267
2,295	Alco Standard Corp.	133,110
12,490	Allied-Signal, Inc.	438,711
3,894	Aluminum Co. of America	275,014
3,417	*Alza Corp.	84,998
2,257	Bemis, Inc.	55,296
4,677	Bethlehem Steel Corporation	90,032
1,674	Boise Cascade Corp.	34,945

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE> <CAPTION>		
SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
MATERIALS & SERVICES--CONTINUED		
1,387	Centex Corp.	\$ 33,808
4,100	Champion International Co.	133,763
9,173	Corning, Inc.	301,562
1,324	Crane Co.	34,258
3,889	*Crown Cork & Seal Co., Inc.	140,490
4,032	Cyprus Amax Minerals Co.	116,928
3,643	Deluxe Corp.	103,370

12,075	Dow Chemical Co.	824,119
29,856	Du Pont (E.I.) de Nemours & Co., Inc.	1,851,072
4,922	Echo Bay Mines Ltd.	56,603
2,780	Ecolab, Inc.	61,507
4,235	Engelhard Corp.	113,816
1,586	*FMC Corp.	76,525
2,013	Fleetwood Enterprises, Inc.	42,273
2,072	General Signal Corp.	63,714
3,955	Georgia-Pacific Corp.	255,097
1,130	Goodrich (B.F.) Co.	51,839
4,106	Grace (W.R.) & Co.	171,426
3,139	Great Lakes Chemical Corp.	173,037
3,373	Harcourt Gen, Inc.	124,801
1,869	Hercules, Inc.	196,946
6,049	Homestake Mining Co.	117,955
5,246	ITT Corp.	438,041
5,116	Inco Ltd.	130,458
1,776	Inland Steel Industries, Inc.	56,610
5,439	International Paper Co.	376,651
3,597	James River Corp. of Virginia	58,002

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>
 <CAPTION>
 SHARES VALUE
 <C> <S> <C>

COMMON STOCKS--CONTINUED

MATERIALS & SERVICES--CONTINUED		
7,092	Kimberly-Clark Corp.	\$ 400,698
4,837	Louisiana-Pacific Corp.	163,853
5,133	Marriott International, Inc.	145,007
6,737	Masco Industries, Inc.	186,110
2,603	Mead Corp.	116,484
1,232	Milipore Corp.	64,988
19,024	Minnesota Mining & Manufacturing Co.	970,224
5,231	Monsanto Co.	427,634
4,386	Moore Corp. Ltd.	81,689
3,042	Nalco Chemical Co.	100,006
3,470	Newell Co.	157,451
3,763	Newmont Mining Corp.	155,694

3,832	Nucor Corp.	257,223
1,884	*Owens-Corning Fiberglass Corp.	59,817
4,688	PPG Industries, Inc.	350,428
5,116	Pall Corp.	72,903
3,100	Phelps Dodge Corp.	172,050
1,287	Potlatch Corp.	52,767
5,902	Praxair, Inc.	120,253
1,405	Premark International, Inc.	99,755
4,502	*Promus Cos., Inc. (The)	171,639
2,638	Reynolds Metals Co.	121,018
2,981	Rohm & Haas Co.	181,468
3,694	*Rowan Companies, Inc.	29,090
3,263	Scott Paper Co.	155,808
3,912	Sherwin-Williams Co.	123,228
1,878	Snap-On Tools Corp.	65,965

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>

COMMON STOCKS--CONTINUED

MATERIALS & SERVICES--CONTINUED

3,863	Stone Container Corp.	\$ 56,496
2,443	Teledyne, Inc.	44,279
2,042	Tyco International Finance	96,995
3,245	USX-U.S. Steel Group	110,736
3,076	Union Camp Corp.	145,341
6,682	Union Carbide Corp.	180,414
1,937	*Varity Corp.	70,943
21,266	WMX Technologies, Inc.	582,157
2,944	Westvaco Corp.	94,944
9,038	Weyerhaeuser Co.	376,207
3,981	Worthington Industries, Inc.	78,625
	Total	14,497,948
	NON-ENERGY--0.2%	
12,509	Amerian Barrick Resources Corp.	309,598
4,581	ARMCO Inc.	26,913
1,834	ASARCO Inc.	47,684
	Total	384,195

PROCESS INDUSTRIES--0.2%		
2,562	Avery Dennison Corp.	74,298
1,295	Ball Corp.	37,231
3,632	Eastman Chemical Co.	174,790
1,852	Federal Paper Board Co.	43,059
881	First Mississippi Corp.	13,656
	Total	343,034
TECHNOLOGY--10.9%		
4,013	*Advanced Micro Devices, Inc.	108,351
5,029	Amdahl Corp.	33,317

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>		
<CAPTION>		
SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
TECHNOLOGY--CONTINUED		
59,525	American Telephone & Telegraph Corp.	\$ 3,244,112
5,952	*Amgen, Inc.	277,140
4,624	AMP, Inc.	299,404
1,104	*Andrew Corp.	39,744
5,119	Apple Computer, Inc.	149,731
1,056	Autodesk, Inc.	54,384
6,188	Automatic Data Processing, Inc.	330,284
5,087	*Biomet Inc.	49,598
14,974	Boeing Co.	694,419
1,947	*Ceridan Corp.	47,701
11,146	*Cisco Systems, Inc.	275,864
3,642	*COMPAQ Computer Corp.	430,667
7,311	Computer Associates International, Inc.	304,320
2,214	*Computer Sciences Corp.	96,032
1,157	*Cray Research, Inc.	24,008
4,848	*DSC Communications Corp.	107,868
1,536	*Data General Corp.	11,520
5,951	*Digital Equipment Corp.	131,666
2,523	EG&G, Inc.	36,899
1,489	E-Systems, Inc.	59,002
2,740	General Dynamics Corp.	116,107
1,758	Harris Corp.	83,285

11,210	Hewlett-Packard Co.	879,985
18,336	Intel Corp.	1,146,000
2,025	*Intergraph Corp.	18,731
25,498	International Business Machines Corp.	1,612,749
1,781	Johnson Controls Inc.	87,269

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
TECHNOLOGY--CONTINUED		
2,747	Lockheed Corp.	\$ 175,465
3,648	Loral Corp.	130,416
1,917	*Lotus Development Corp.	115,020
1,107	*M/A Communications, Inc.	8,579
23,632	MCI Communications Corp.	567,168
3,377	Mallinckrodt Group, Inc.	100,466
4,200	Martin-Marietta Corp.	182,700
1,733	McDonnell-Douglas Corp.	208,610
24,466	Motorola, Inc.	1,143,785
4,889	*National Semiconductor Co.	94,724
11,055	Northern Telecom, Ltd.	344,087
2,154	Northrop-Grumman Corp.	76,198
13,553	*Novell, Inc.	240,566
12,557	*Oracle Systems Corp.	430,077
1,937	Perkin-Elmer Corp.	56,415
6,958	Pitney Bowes, Inc.	272,232
5,976	Raytheon Co.	372,006
9,717	Rockwell International Corp.	346,168
1,643	Scientific-Atlanta, Inc.	61,407
15,030	Sprint Corp.	571,140
4,251	*Sun Microsystems	88,740
2,815	TRW, Inc.	187,901
4,978	*Tandem Computers, Inc.	57,247
2,812	Tandy Corp.	105,099
1,347	Tektronix, Inc.	38,221
3,992	Texas Instruments, Inc.	320,358
3,887	Textron, Inc.	217,672

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
TECHNOLOGY--CONTINUED		
832	Thomas & Betts Corp.	\$ 52,520
7,177	Unisys Corp.	78,947
5,510	United Technologies Corp.	365,726
4,581	Xerox Corp.	460,390
	Total	18,220,207
TRANSPORTATION--1.6%		
3,332	*AMR Corp.	184,093
3,913	Burlington Northern Inc.	218,150
4,587	CSX Corp.	350,905
3,506	Conrail Inc.	192,392
1,561	Consolidated Freightways, Inc.	40,196
2,207	Delta Air Lines, Inc.	100,694
2,427	*Federal Express Corp.	185,666
6,122	Norfolk Southern Corp.	389,512
1,735	Roadway Services, Inc.	123,619
3,377	Ryder Systems, Inc.	81,470
8,070	Santa Fe Pacific Corp.	183,593
1,077	*UAL (Allegis) Corp.	129,509
9,036	Union Pacific Corp.	533,124
2,600	U.S. Air Group, Inc.	17,550
1,239	Yellow Corp.	23,309
	Total	2,753,782
UTILITIES--8.7%		
21,669	*Airtouch Communications, Inc.	528,182
8,135	American Electric Power Co., Inc.	235,915
23,992	Ameritech Corp.	938,687
6,400	Baltimore Gas & Electric Co.	145,600

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE> <CAPTION> SHARES		VALUE
--------------------------------	--	-------

<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
UTILITIES--CONTINUED		
19,220	Bell Atlantic Corp.	\$ 1,025,867
21,858	BellSouth Corp.	1,300,551
7,086	Carolina Power & Light Co.	172,721
8,305	Central & SouthWest Corp.	182,710
2,229	Columbia Gas System, Inc.	64,084
9,413	Commonwealth Edison Co.	234,148
10,314	Consolidated Edison Co.	284,924
6,482	Detroit Edison Co.	166,912
7,378	Dominion Resources, Inc.	291,431
9,031	Duke Power Co.	325,116
999	Eastern Enterprises	23,726
10,534	Enron Corp.	321,287
10,190	Entergy Corp.	294,236
8,274	FPL Group, Inc.	262,700
41,654	GTE Corp.	1,286,067
5,734	Houston Industries, Inc.	184,921
6,258	Niagara Mohawk Power Corp.	103,257
2,420	NICOR, Inc.	65,038
2,942	Northern States Power Co.	120,254
18,194	NYNEX Corp.	686,823
6,726	Ohio Edison Co.	117,705
1,174	Oneok, Inc.	19,077
9,753	PECO Energy Co.	265,769
2,508	PSI Resources, Inc.	55,176
3,699	Pacific Enterprises	76,292
19,073	Pacific Gas & Electric Co.	488,746
18,548	Pacific Telesis Group	563,396

</TABLE>

BILTMORE EQUITY INDEX FUND

<TABLE>
 <CAPTION>
 SHARES OR
 PRINCIPAL
 AMOUNT

<C>	<S>	<C>	VALUE
-----	-----	-----	-------

COMMON STOCKS--CONTINUED

UTILITIES--CONTINUED			
12,286	PacifiCorp	\$	216,541

1,535	People's Energy Corp.	42,788
10,656	Public Service Enterprise Group, Inc.	295,704
19,737	SCEcorp.	276,318
28,204	Southern Co.	521,774
26,423	Southwestern Bell Corp.	1,086,646
9,826	Texas Utilities Co.	324,258
1,779	Transco Energy Co.	27,130
4,502	Union Electric Co.	151,380
19,380	U.S. West, Inc.	777,623
	Total	14,551,480
	TOTAL COMMON STOCKS (IDENTIFIED COST \$139,777,608)	143,598,367
SHORT-TERM U.S. TREASURY OBLIGATIONS--13.9%		
	U.S. TREASURY BILLS--13.9%	
\$ 23,342,000	6/16/94	23,304,186
**REPURCHASE AGREEMENT--0.3%		
509,092	PaineWebber, Inc., 4.20%, dated 5/31/94, due 6/1/94 (AT AMORTIZED COST) (NOTE 2B)	509,092
	TOTAL INVESTMENTS (IDENTIFIED COST \$163,590,886)	\$ 167,411,645+

</TABLE>

+ The cost of investments for federal tax purposes amounts to \$163,590,886. The net unrealized appreciation of investments on a federal tax basis amounts to \$3,820,759, which is comprised of \$11,249,098 appreciation and \$7,428,339 depreciation at May 31, 1994.

* Non-income producing securities.

** The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio.

Note: The categories of investments are shown as a percentage of net assets (\$167,948,882) at May 31, 1994.

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

BILTMORE EQUITY INDEX FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<S>	<C>	<C>
ASSETS:		
Investments, at value (Notes 2A and 2B) (identified and tax cost, \$163,590,886)	\$	167,411,645
Dividends and interest receivable		548,140
Receivable for Fund shares sold		20,266
Receivable for investments sold		2,075
Deferred expenses (Note 2G)		41,752
Total assets		168,023,878
LIABILITIES:		
Payable for Fund shares redeemed	\$	20,683
Payable for daily variation margin on open futures contracts (Note 2F)		15,150

Accrued expenses	39,163	
Total liabilities		74,996
NET ASSETS for 16,248,832 shares of beneficial interest outstanding	\$	167,948,882
NET ASSETS CONSIST OF:		
Paid-in capital	\$	163,239,033
Net unrealized appreciation (depreciation) of investments and futures contracts (Note 2F)		3,587,198
Accumulated net realized gain (loss) on investments		353,614
Undistributed net investment income		769,037
Total Net Assets	\$	167,948,882
NET ASSET VALUE, AND REDEMPTION PROCEEDS PER SHARE: (net assets of \$167,948,882/16,248,832 shares of beneficial interest outstanding)		
		\$10.34
COMPUTATION OF OFFERING PRICE:		
Offering Price Per Share (100/95.5 of \$10.34)*		\$10.83

</TABLE>

* See "What Shares Cost" in the prospectus.

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

BILTMORE EQUITY INDEX FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

	<C>	<C>	<C>
<TABLE>			
<S>			
INVESTMENT INCOME:			
Dividend Income		\$	2,011,452
Interest income			224,969
Total income (Note 2C)			2,236,421
EXPENSES:			
Investment advisory fee (Note 4)	\$	237,407	
Trustees' Fees		3,948	
Administrative personnel and services fees (Note 4)		85,015	
Custodian fees (Note 4)		6,227	
Transfer and dividend disbursing agent fees and expenses (Note 4)		16,985	
Fund share registration costs		18,513	
Auditing fees		10,358	
Legal fees		11,750	
Printing and postage		9,531	
Portfolio accounting fees (Note 4)		42,354	
Insurance premiums		5,044	
Miscellaneous		6,334	
Total expenses		453,466	
Deduct--			

Waiver of investment advisory fee (Note 4)	\$ 39,568	
Reimbursement of other expenses by Administrator (Note 4)	25,277	64,845
Net expenses		388,621
Net investment income		1,847,800
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS AND FUTURES CONTRACTS:		
Net realized gain (loss) on investments and futures contracts (identified cost basis)		370,145
Net change in unrealized appreciation (depreciation) of investments and futures contracts		(2,439,511)
Net realized and unrealized gain/(loss) on investments and futures contracts		(2,069,366)
Change in net assets resulting from operations		\$ (221,566)

</TABLE>

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

BILTMORE EQUITY INDEX FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

<S>	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 1,847,800	\$ 2,120,028
Net realized gain (loss) on investment transactions (\$370,145 and \$255,390 net gains respectively, as computed for federal tax purposes)	370,145	238,906
Change in unrealized appreciation (depreciation) of investments	(2,439,511)	6,026,709
Change in net assets resulting from operations	(221,566)	8,385,643
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income	(1,635,888)	(1,562,902)
Distributions to shareholders from net realized gain on investment transactions	(255,438)	--
Change in net assets from distributions to shareholders	(1,891,326)	(1,562,902)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sale of shares	25,303,895	164,026,362
Net asset value of shares issued to shareholders electing to receive payment of dividends in Fund shares	1,890,841	1,562,902
Cost of shares redeemed	(6,398,688)	(23,146,279)
Change in net assets from Fund share transactions	20,796,048	142,442,985
Change in net assets	18,683,156	149,265,726
NET ASSETS:		
Beginning of period	149,265,726	--
End of period (including undistributed net investment income of \$769,037 and \$557,126 respectively)	\$ 167,948,882	\$ 149,265,726

</TABLE>

* For the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

BILTMORE EQUITY INDEX FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.47	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income	0.12	0.15
Net realized and unrealized gain (loss) on investments	(0.12)	0.43
Total from investment operations	0.00	0.58
LESS DISTRIBUTIONS		
Dividends to shareholders from net investment income	(0.11)	(0.11)
Distributions to shareholders from net realized gain on investment transactions	(0.02)	--
Total distributions	(0.13)	(0.11)
NET ASSET VALUE, END OF PERIOD	\$ 10.34	\$ 10.47
TOTAL RETURN***	(0.04)%	5.80%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.49 (a)	0.43% (a)
Net investment income	2.33 (a)	2.54% (a)
Expense waiver/reimbursement (b)	0.08 (a)	0.12% (a)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)		
\$167,949		
\$149,266		
Portfolio turnover rate	6%	9%

</TABLE>

* For the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE EQUITY INDEX FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end, management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Equity Index Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. INVESTMENT VALUATIONS--Listed equity securities are valued at the last sales price reported on national securities exchanges. Unlisted securities, short-term obligations and private placement securities are generally valued at the prices provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.
- B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

- C. 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 discounts, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code").
- D. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable income. Accordingly, no provisions for federal income tax are necessary.
- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.
- F. FUTURES CONTRACTS--Upon entering into a financial futures contract with a broker, the Fund is required to deposit, in a segregated account, an amount ("initial margin") of cash or U.S. government securities equal to a percentage of the contract value. The Fund agrees to receive from or pay to the broker an amount of cash equal to a specific dollar amount times the difference between the closing value and the price at which the contract was made. On a daily basis, the value of the financial futures contract is determined and any difference between such value and the original futures contract value is reflected in the "daily variation margin" account. Daily variation margin adjustments, arising from this "marking to market" process, are recorded by the Fund as unrealized gains or losses.

The Fund may decide to close its position on a contract at any time prior to the contract's expiration. When a contract is closed, the Fund recognizes a realized gain or loss. Risks of entering into futures contracts include the possibility that a change in the value of the contract may not correlate with changes in the value of the underlying securities.

At May 31, 1994, the Fund had outstanding futures contracts as set out below:

<TABLE>
<CAPTION>

EXPIRATION DATE	CONTRACTS TO DELIVER/RECEIVE	POSITION	NET
			UNREALIZED APPRECIATION (DEPRECIATION)
<S> 6/16/94	<C> 101	<C> S&P 500	<C> \$(233,561)

- G. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- H. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED	
	1994**	1993*
<S>	<C>	<C>
Shares sold	2,430,732	16,360,663
Shares issued to shareholders in payment of dividends declared	179,528	153,909
Shares redeemed	(613,910)	(2,262,090)
Net change resulting from Fund share transactions	1,996,350	14,252,482

* The period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .30 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee or reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$31,524) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses

during the five year period following April 3, 1993 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$2,140 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

<TABLE>	
<S>	

PURCHASES	\$ 10,130,813

SALES	\$ 11,877,912

</TABLE>

TRUSTEES	OFFICERS

<TABLE>	
<S>	
James A. Hanley	John W. McGonigle
Malcolm T. Hopkins	President and Treasurer
Samuel E. Hudgins	Ronald M. Petnuch
J. Berkley Ingram, Jr.	Vice President and Assistant Treasurer
D. Dean Kaylor	Joseph M. Huber
	Secretary
	Mark A. Sheehan
	Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I'm pleased to present the Semi-Annual Report to Shareholders of the Biltmore Short-Term Fixed Income Fund (the "Fund") for the six-month period ended May 31, 1994. The Report begins with a brief commentary on the bond market from the Fund's portfolio manager. Following the commentary are a complete listing of the Fund's portfolio of investments and its financial statements.

On your behalf, the Fund pursues a high level of current income from a diversified portfolio of short-term, high-grade bonds issued by some of America's leading companies, as well as government agencies.

Dividends paid to the Fund's shareholders totaled \$0.23 per share for the six-month reporting period.

While the Fund's net asset value began the period at \$9.91, it ended the period at \$9.68, due to increased volatility in the financial markets early in the year brought on by rising interest rates. Total Fund assets stood at \$145.6 million on the last day of the reporting period.

We look forward to keeping you informed about your investment in the Fund. As always, we welcome your comments and suggestions.

Sincerely,

John W. McGonigle
President
July 15, 1994

INVESTMENT REVIEW

The bond market was hampered by rising interest rates, a strengthening economy and fears of higher inflation. As rates moved higher, municipal bond refundings and the steady flow of cash into bond mutual funds also declined, further weakening the bond market. From November 30, 1993 to May 31, 1994, the Merrill Lynch 1-3 Year U.S. Treasury Index* had a total return that fell .35%.

Rates on shorter-term securities moved higher during the period, narrowing the spread to longer maturities. The Fund's portfolio manager generally maintained a position in line with the targeted average maturity of 1-1/2 years. Beginning in March, 1994, the weighting of corporate bonds was increased in the Fund's portfolio, as the spread widened between Treasury bonds and corporate issues.

The Fund had net assets of \$145.6 million and a net asset value of \$9.68 on May 31, 1994. The 30-day SEC yield increased from 3.30% to 4.75% during the six-month period**. The average yield to maturity of the securities held in the Fund was 5.69%, and the average maturity of the Fund's portfolio was 1.44 years.

* This index is unmanaged.

**Performance quoted represents past performance. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

BILTMORE SHORT-TERM FIXED INCOME FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>		<CAPTION>	
<C>	PRINCIPAL AMOUNT	<S>	VALUE
ASSET-BACKED SECURITIES--4.9%			
\$	1,325,019	CIT Group Securitization, Series 1993-1, 4.70%, 6/15/2018	\$ 1,288,992
	1,403,964	Ford Credit Grantor Trust, Series 1993-A, 4.85%, 1/15/98	1,387,284
	244,382	GMAC 1992-G, Grantor Trust 4.30%, 11/15/94	244,228
	572,791	GMAC 1993-A, Grantor Trust 4.15%, 3/15/98	565,987
	3,061,353	GMAC 1993-B, Grantor Trust 4.00%, 9/15/98	3,000,126
	461,323	Novus Home Equity Loan, Series 1993-1, 4.89%, 3/15/2003	462,620
	173,939	Shawmut National Grantor Trust, Series 1992-A, 5.55%, 11/15/97	173,231
		TOTAL ASSET-BACKED SECURITIES (IDENTIFIED COST, \$7,253,596)	7,122,468
COLLATERALIZED MORTGAGE OBLIGATIONS--1.5%			
	553,080	Federal Home Loan Mortgage Corp., CMO, Series 1476A, 5.50%, 8/15/97	549,104
	1,571,615	Household Finance Corp., CMO, Series 1992A3, 5.80%, 4/20/2007	1,563,757
		TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (IDENTIFIED COST, \$2,151,955)	2,112,861
CORPORATE BONDS--25.7%			
BANKING--5.4%			
	2,000,000	Bankers Trust NY Corp., 4.70%, 7/1/96	1,931,860
	6,045,000	NationsBank Corp., 4.75%-5.375%, 12/1/95-8/15/96	5,890,986
		Total	7,822,846
CONSUMER PRODUCTS--0.4%			

520,000	Philip Morris Cos., Inc., 8.70%, 8/1/94	522,829
	FINANCE--9.7%	
2,880,000	Beneficial Corp., 9.15%, 7/31/95	2,985,379
3,140,000	European Investment Bank, 4.905%, 11/21/94	3,133,186
520,000	Ford Motor Credit Co., 8.00%, 6/1/94	520,000

</TABLE>

BILTMORE SHORT-TERM FIXED INCOME FUND

<TABLE>

<CAPTION>

PRINCIPAL
AMOUNT

<C>	<S>	<C>
CORPORATE BONDS--CONTINUED		
FINANCE--CONTINUED		
\$ 4,640,000	IBM Credit Corp., 5.00%-6.125%, 11/15/94-5/10/96	\$ 4,608,604
785,000	ITT Financial Corp., 5.00%, 8/15/95	774,819
2,090,000	Norwest Financial, Inc., 7.95%, 6/15/94	2,091,463
	Total	14,113,451
FINANCIAL SERVICES--4.1%		
6,045,000	Merrill Lynch & Co., Inc., 5.00%-6.75%, 3/15/95-12/15/96	5,956,886
FOOD & BEVERAGE--2.3%		
3,500,000	PepsiCo, Inc., 4.60%-5.00%, 6/30/96-2/24/97	3,364,770
OIL & GAS--0.7%		
1,000,000	Shell Oil Co., 7.70%, 2/1/96	1,022,310
POLLUTION CONTROL--2.4%		
3,500,000	Waste Management, 7.875%, 8/15/96	3,582,005
UTILITIES--0.7%		
1,045,000	Virginia Electric & Power Co., 9.375%, 11/1/94	1,062,546
	TOTAL CORPORATE BONDS (IDENTIFIED COST, \$38,548,496)	37,447,643

U.S. TREASURY OBLIGATIONS--60.9%

U.S. TREASURY NOTES		
4,000,000	6.50%, 5/15/97	4,015,640
4,305,000	5.875%, 5/15/95	4,325,190
9,155,000	5.50%, 2/15/95	9,176,423
24,365,000	4.375%, 11/15/96	23,367,497
12,875,000	4.25%, 10/31/94-5/15/96	12,571,572
14,010,000	4.125%, 5/31/95-6/30/95	13,835,425
4,000,000	4.00%, 1/31/96	3,885,640
17,695,000	3.875%, 2/28/95-8/31/95	17,510,562
	TOTAL U.S. TREASURY OBLIGATIONS (IDENTIFIED COST, \$90,247,425)	88,687,949

</TABLE>

BILTMORE SHORT-TERM FIXED INCOME FUND

<TABLE>		<CAPTION>	
PRINCIPAL AMOUNT		VALUE	
<C>	<S>	<C>	<C>

U.S. GOVERNMENT AGENCIES--1.3%			

\$	2,000,000	Federal Home Loan Banks, 4.00%, 7/8/96 (IDENTIFIED COST, \$1,950,156)	\$ 1,950,625

*VARIABLE RATE INSTRUMENTS--2.2%			

FINANCE			

	3,140,000	General Electric Capital Corp., 8.52%, 12/15/94 (IDENTIFIED COST, \$3,348,590)	3,188,387

**REPURCHASE AGREEMENT--2.3%			

	3,417,466	PaineWebber, Inc., 4.20%, dated 5/31/94, due 6/1/94 (at amortized cost) (Note 2B)	3,417,466

		TOTAL INVESTMENTS (IDENTIFIED COST, \$146,917,684)	\$ 143,927,399+

</TABLE>

* Current rate and next demand date shown.

** 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 cost of investments for federal tax purposes amounts to \$146,917,684. The net unrealized depreciation of investments on a federal tax basis amounts to \$2,990,285, which is comprised of \$31,155 appreciation and \$3,021,440 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$145,616,242) at May 31, 1994.

The following abbreviation is used in this portfolio:

CMO--Collateralized Mortgage Obligation

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

BILTMORE SHORT-TERM FIXED INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<TABLE>		<CAPTION>	
<S>	<C>	<C>	<C>
ASSETS:			

Investments in securities at amortized cost and value (Notes 2A and 2B) (identified and tax cost, \$146,917,684)		\$	143,927,399

Receivable for investments sold			11,114,595

Interest receivable			1,474,337

Receivable for Fund shares sold			24,161

Deferred expenses (Note 2F)			44,081

Total assets			156,584,573

LIABILITIES:			

Payable for investments purchased	\$	10,921,383	

Payable for Fund shares redeemed			9,880

Accrued expenses	37,068
Total liabilities	10,968,331
NET ASSETS for 15,041,931 shares of beneficial interest outstanding	\$ 145,616,242
NET ASSETS CONSIST OF:	
Paid-in capital	\$ 150,537,003
Net unrealized appreciation (depreciation) of investments	(2,990,285)
Accumulated net realized gain (loss) on investments	(1,885,987)
Accumulated distributions in excess of net investment income (Note 2C)	(44,489)
Total Net Assets	\$ 145,616,242
NET ASSET VALUE, AND REDEMPTION PROCEEDS PER SHARE:	
(\$145,616,242 / 15,041,931 SHARES OF BENEFICIAL INTEREST OUTSTANDING)	\$9.68
COMPUTATION OF OFFERING PRICE (100/95.5 of \$9.68)*	\$10.14

</TABLE>

*See "What Shares Cost" in the prospectus.

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

BILTMORE SHORT-TERM FIXED INCOME FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

<TABLE>			
<S>			
	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2C)			\$ 3,765,250
EXPENSES:			
Investment advisory fee (Note 4)		\$ 414,564	
Trustees' fees		3,427	
Administrative personnel and services fees (Note 4)		81,181	
Custodian fees (Note 4)		15,075	
Transfer and dividend disbursing agent fees and expenses (Note 4)		17,791	
Fund share registration costs		13,574	
Auditing fees		9,008	
Legal fees		7,281	
Printing and postage		8,138	
Portfolio accounting fees (Note 4)		29,534	
Insurance premiums		3,860	
Miscellaneous		1,265	
Total expenses		604,698	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 113,063		
Reimbursement of other operating expenses by Administrator (Note 4)	19,859	132,922	
Net expenses			471,776

Net investment income	3,293,474

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:	
Net realized gain/(loss) on investment transactions (identified cost basis)	(1,380,830)
Net change in unrealized appreciation/(depreciation) of investments	(1,922,857)
Net realized and unrealized gain/(loss) on investments	(3,303,687)
Change in net assets resulting from operations	\$ (10,213)

</TABLE>

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

BILTMORE SHORT-TERM FIXED INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	<C> 1994**	<C> 1993*
INCREASE (DECREASE) IN NET ASSETS:		

OPERATIONS--		
Net investment income	\$ 3,293,474	\$ 4,214,527
Net realized gain/(loss) on investment transactions (\$1,380,830 and \$493,199 net loss respectively, as computed for federal tax purposes)	(1,380,830)	(505,157)
Change in unrealized appreciation/(depreciation) of investments	(1,922,857)	(1,067,428)
Change in net assets resulting from operations	(10,213)	2,641,942

DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income	(3,293,474)	(4,050,941)
Distributions in excess of net investment income	(208,075)	--
Change in net assets from distributions to shareholders	(3,501,549)	(4,050,941)

FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sales of shares	19,039,672	169,877,616
Net asset value of shares issued to shareholders electing to receive payment of dividends in Fund shares	3,494,896	4,049,570
Cost of shares redeemed	(27,865,740)	(18,059,011)
Change in net assets from Fund share transactions	(5,331,172)	155,868,175
Change in net assets	(8,842,934)	154,459,176

NET ASSETS:		
Beginning of period	154,459,176	--
End of period (including undistributed net investment income of \$0 and \$163,586, respectively)	\$ 145,616,242	\$ 154,459,176

</TABLE>

*For the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

**Six months ended May 31, 1994 (unaudited).

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

BILTMORE SHORT-TERM FIXED INCOME FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 9.91	\$ 10.00

INCOME FROM INVESTMENT OPERATIONS		

Net investment income	0.21	0.27

Net realized and unrealized gain (loss) on investments	(0.21)	(0.10)

Total from investment operations	0.00	0.17

LESS DISTRIBUTIONS		

Dividends to shareholders from net investment income	(0.21)	(0.26)

Distributions in excess of net investment income	(0.02) (c)	--

Total distributions	(0.23)	(0.26)

NET ASSET VALUE, END OF PERIOD	\$9.68	\$9.91

TOTAL RETURN***	(0.03 %)	1.69%

RATIOS TO AVERAGE NET ASSETS		

Expenses	0.63 (a)	0.58% (a)

Net investment income	4.37 (a)	4.78% (a)

Expense waiver/reimbursement (b)	0.18 (a)	0.22% (a)

SUPPLEMENTAL DATA		

Net assets, end of period (000 omitted)	\$145,616	\$154,459

Portfolio turnover rate	62 %	73%

</TABLE>

* Reflects operations for the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

(c) 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.

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

BILTMORE SHORT-TERM FIXED INCOME FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Short-Term Fixed Income Fund

(the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

A. INVESTMENT VALUATIONS--U.S. government obligations are generally valued at the mean between the over-the-counter bid and asked prices as furnished by an independent pricing service. Corporate bonds (and other fixed-income and asset backed securities) are valued at the last sale price reported on national securities exchanges on that day, if available. Otherwise, corporate bonds (and other fixed-income and asset backed securities) and short-term obligations are valued at the prices provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.

B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

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

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.

D. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable income. Accordingly, no provisions for federal tax are necessary. At November 30, 1993, the Fund for federal tax purposes, had a capital loss carryforward of \$493,199 which will reduce the Fund's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of the distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal tax. Pursuant to the Code, such capital loss carryforward will expire in 2001.

E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.

F. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.

G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
Shares sold	1,935,271	16,990,534
Shares issued to shareholders in payment of dividends declared	356,505	407,113
Shares redeemed	(2,835,918)	(1,811,574)
Net change resulting from Fund share transactions	(544,142)	15,586,073

* The period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .55 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$34,484) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five-year period following April 3, 1993 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$1,150 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

PURCHASES	\$ 97,659,696
SALES	\$ 90,002,086

TRUSTEES

OFFICERS

<TABLE>

<S>

James A. Hanley
 Malcolm T. Hopkins
 Samuel E. Hudgins
 J. Berkley Ingram, Jr.
 D. Dean Kaylor

<C>

John W. McGonigle
 President and Treasurer
 Ronald M. Petnuch
 Vice President and Assistant Treasurer
 Joseph M. Huber
 Secretary
 Mark A. Sheehan
 Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees and other information.

PRESIDENT'S MESSAGE

Dear Shareholder:

I'm pleased to present the Semi-Annual Report to Shareholders of the Biltmore Special Values Fund (the "Fund") for the six-month period ended May 31, 1994. The Report begins with a brief commentary on the stock market from the Fund's portfolio manager. Following the commentary are a complete listing of the Fund's portfolio of investments and its financial statements.

On your behalf, the Fund invests in a diversified portfolio of small-company stocks to help your investment grow over the long term. These stocks are selected especially for their potential to grow in value.

Dividends paid to the Fund's shareholders totaled \$0.01 per share for the six-month reporting period. Capital gains totaled \$0.28 per share. During the same period, total assets increased from \$12.1 million to \$14.5 million.

While the Fund's net asset value began the period at \$10.24, it ended the period at \$9.73, due to increased volatility in the financial markets early in the year brought on by rising interest rates.

Thank you for pursuing your long term goals through Biltmore Special Values Fund. We look forward to keeping you informed about your investment. As always, we welcome your comments and suggestions.

Sincerely,

John W. McGonigle
 President
 July 15, 1994

INVESTMENT REVIEW

Repeated interest rate increases by the Federal Reserve Board and concerns about corporate profitability during the first half of the year touched off a long-awaited correction in the equity markets. During the period between November 30, 1993 and May 31, 1994, the Russell 2000 Small Stock Index* had a total return of 0.1%. The period was characterized by volatility in the equity markets and a decline in the heavy flow of investor moneys into mutual funds. As the cash inflows declined, so did interest in initial public offerings.

The Fund's portfolio manager utilized an investment strategy that concentrated on capital preservation by acquiring equities selling below their estimated intrinsic value. On May 31, 1994, the Fund's largest holdings were Potash Corp. (2.1%), Joslyn Manufacturing Co. (2.1%), Capital Guaranty (2.0%), John Nuveen Company (2.0%), and Lindsay Manufacturing (1.9%).

On May 31, 1994, the Fund's net assets totaled \$14.5 million, up from \$12.1 million on November 30, 1993. The net asset value per share decreased during the period from \$10.24 to \$9.73, whereas the 30-day SEC yield on May 31, 1994 was 0.64%.**

* This index is unmanaged.

** Performance quoted represents past performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

BILTMORE SPECIAL VALUES FUND
PORTFOLIO OF INVESTMENTS
MAY 31, 1994
(UNAUDITED)

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>

COMMON STOCKS--92.7%		

CAPITAL GOODS--11.9%		

4,600	Harsco Corp.	\$ 190,325
8,600	* Lindsay Manufacturing Co.	277,350
10,000	Moore Products	147,500
6,500	Puerto Rican Cement	190,937
11,500	Sealright Co., Inc.	158,125
21,000	Sparton Corp.	123,375
3,500	Standex International Corp.	90,562
33,500	*Tyler Corp. Del	188,437
3,000	Velcro Indust. NV	174,000
23,000	Willcox & Gibbs, Inc.	135,125
1,500	York International Corp.	54,000
	Total	1,729,736

COMMERCIAL SERVICES--1.6%		

7,750	*Craig Corp.	96,875
11,250	*Craig Corp., Cl. A, Common Preference	130,781
	Total	227,656

CONSUMER DURABLES--5.1%		

2,000	Allen Organ Co.	72,000
17,000	Boston Acoustics, Inc.	272,000
7,800	Gencorp, Inc.	96,525
25,000	*Instrument Systems Corp.	171,875
3,000	WD 40 Co.	120,000
	Total	732,400

CONSUMER NON-DURABLES--15.9%		

3,000	*Associated Communications	71,250

</TABLE>		

BILTMORE SPECIAL VALUES FUND

<TABLE>
<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER NON-DURABLES--CONTINUED		
4,500	BIC Corp.	\$ 126,562
4,500	*Carson, Pirie, Scott & Co.	83,250
16,000	Enquirer/Star Group, Inc., Cl. A	270,000
8,000	*Fabric Centers of America, Inc.	110,000
7,100	Hancock Fabrics, Inc.	55,912
3,100	House Fabrics, Inc.	18,212
10,000	*International Dairy Queen, Inc.	177,500
12,000	Joslyn Manufacturing Co.	294,000
4,100	Lee Enterprises, Inc.	131,712
17,500	Monk Austin, Inc.	214,375
7,500	Plenum Publishing Corp.	177,187
4,500	Pulitzer Publishing Co.	164,812
15,000	*Scotts Co., Cl. A	260,625
7,000	Texfi Industries, Inc.	24,500
6,248	*Vicorp Restaurants, Inc.	93,720
1,000	Weyco Group, Inc.	34,125
	Total	2,307,742
ENERGY--1.6%		
17,000	*Chiles Offshore Corp.	83,937
2,712	*Enterra Corp.	58,986
17,973	*Pride Petroleum Services, Inc.	90,988
	Total	233,911
ENERGY-MINERALS--0.3%		
5,000	*Global Natural Resources, Inc.	37,500
FINANCE--25.4%		
5,000	American Premier Underwriters	137,500
3,500	Berkley (W.R.) Corp.	135,625

</TABLE>

BILTMORE SPECIAL VALUES FUND

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
FINANCE--CONTINUED		
18,500	Capital Gty. Corp.	\$ 279,812
2,000	Capital Southwest Corp.	77,750

13,000	*Capsure Holdings Corp.	199,875
37,000	*Danielson Holding Co.	259,000
15,000	*Equus II Inc.	204,375
1,400	Fund American Enterprises	91,000
12,500	John Nuveen Co.	278,125
4,000	*Jupiter National, Inc.	174,000
22,000	Lawyers Title Corp.	258,500
7,000	Leucadia National Corp.	263,375
14,500	Mellon Participating Mortgage Trust	58,000
4,800	N S Bancorp, Inc.	144,600
5,000	Stewart Information Services Corp.	96,875
11,500	*Triad Guaranty	175,375
10,000	*United States Banknote Corp.	38,750
11,500	Uslico Corp.	221,375
17,200	Unico American Corp.	83,850
4,500	Unitrin, Inc.	183,656
500	Wesco Financial Corp.	58,250
8,050	*White Riv. Corp.	265,650
	Total	3,685,318
	HEALTH TECHNOLOGY--1.3%	
7,000	St. Jude Medical	187,250
	INDUSTRIAL SERVICES--1.5%	
15,000	*Nabors Industries, Inc.	101,250
9,000	*Cliffs Drilling Co.	114,750
	Total	216,000

</TABLE>

BILTMORE SPECIAL VALUES FUND

<TABLE>		<CAPTION>	
SHARES		VALUE	
<C>	<S>	<C>	
COMMON STOCKS--CONTINUED			
	MATERIAL & SERVICES--17.4%		
5,000	Avemco Corp.	\$	78,125
11,000	*Charter Medical Corp.		272,250
4,000	Cleveland Cliffs, Inc.		141,000
4,000	Engel Homes, Inc.		40,000
8,500	First Mississippi Corp.		131,750
5,800	Forest City Enterprises		213,150
16,000	Furon Co.		248,000

8,500	*Lunar Corp.	109,437
3,800	NCH Corp.	220,875
6,600	New Jersey Steel Corp.	110,550
10,223	*Oceaneering International, Inc.	123,953
11,500	Potash Corp. Saskatchewan, Inc.	297,562
7,200	Ryland Group, Inc.	130,500
22,000	*Saatchi & Saatchi	132,000
8,000	*Sealed Air Corp.	220,000
2,000	Twentieth Century Industry	31,750
1,500	*U.S. Home Corp.	26,625
	Total	2,527,527
	NON-ENERGY MINERALS--1.6%	
10,000	Medusa Corp.	225,000
	PROCESS INDUSTRIES--0.8%	
6,500	*Alltrista Corp.	122,290
	TECHNOLOGY--7.7%	
13,500	*Astrosystems, Inc.	55,687
13,500	*Dynatech Corp.	246,375
5,500	*Ceridian Corp.	134,750
23,000	*Esco Electronics Corp.	241,500

</TABLE>

BILTMORE SPECIAL VALUES FUND

<TABLE>		
<CAPTION>		
PRINCIPAL		VALUE
AMOUNT		
OR SHARES		
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
TECHNOLOGY--CONTINUED		
19,000	Geodynamics Corp.	\$ 147,250
5,000	Gerber Scientific, Inc.	74,375
5,000	*Itel Corp. New	145,625
13,100	Penril Datacomm Networks	69,593
	Total	1,115,155
TRANSPORTATION--0.6%		
13,000	OMI Corp.	84,500
	TOTAL COMMON STOCKS (IDENTIFIED COST, \$13,525,025)	13,431,985
PREFERRED STOCKS--1.7%		
1,800	Catellus Development Corp.	90,000
3,000	Cliffs Drilling Co.	81,375

5,000	*Sunshine Mng. Co.	46,250
1,500	*U.S. Home Corp.	27,188
TOTAL PREFERRED STOCKS (IDENTIFIED COST, \$507,541)		244,813
**REPURCHASE AGREEMENT--9.4%		
\$ 1,368,701	PaineWebber Inc., 4.20%, dated 5/31/94, due 6/1/94 (at amortized cost) (Note 2B)	1,368,701
TOTAL INVESTMENTS (IDENTIFIED COST, \$15,401,267)		\$ 15,045,499+

</TABLE>

* Non-income producing securities.

** 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 cost for federal tax purposes amounts to \$15,401,267. The net unrealized depreciation of investments on a federal tax basis amounts to \$355,768, which is comprised of \$479,874 appreciation and \$835,642 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$14,494,550) at May 31, 1994.

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

BILTMORE SPECIAL VALUES FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<TABLE>		
<S>		
ASSETS:		
Investments in securities (Notes 2A and 2B) (identified and tax cost \$15,401,267)		\$ 15,045,499
Receivable for investments sold		25,001
Dividends and interest receivable		14,852
Receivable for Fund shares sold		7,250
Deferred expenses (Note 2F)		4,855
Total assets		15,097,457
LIABILITIES:		
Payable for investments purchased	\$ 571,748	
Accrued expenses	31,159	
Total liabilities		602,907
NET ASSETS for 1,489,815 shares of beneficial interest outstanding		\$ 14,494,550
NET ASSETS CONSIST OF:		
Paid-in capital		\$ 14,911,144
Net unrealized appreciation (depreciation) of investments		(355,768)
Accumulated net realized gain (loss) on investments		(114,105)
Undistributed net investment income		53,279
Total Net Assets		\$ 14,494,550
NET ASSET VALUE, AND REDEMPTION PROCEEDS PER SHARE: (\$14,494,550 / 1,489,815 shares of beneficial interest outstanding)		\$9.73
COMPUTATION OF OFFERING PRICE (100/95.5 of \$9.73)*		\$10.19

</TABLE>

*See "What Shares Cost" in the prospectus.

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

JBILTMORE SPECIAL VALUES FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income			\$ 22,242
Dividend income			132,522
Total income (Note 2C)			154,764
EXPENSES:			
Investment advisory fee (Note 4)		\$ 52,539	
Trustees' fees		269	
Administrative personnel and services fees (Note 4)		37,500	
Custodian fees (Note 4)		1,314	
Transfer and dividend disbursing agent fees and expenses (Note 4)		13,562	
Fund share registration costs		7,200	
Auditing fees		8,414	
Legal fees		2,386	
Printing and postage		4,675	
Portfolio accounting fees (Note 4)		29,765	
Insurance premiums		1,103	
Miscellaneous		1,065	
Total expenses		159,792	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 26,269		
Waiver of administrative personnel and services fees (Note 4)	30,452		
Reimbursement of other operating expenses by Administrator (Note 4)	20,197	76,918	
Net expenses			82,874
Net investment income			71,890
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:			
Net realized gain/(loss) on investment transactions (identified cost basis)			(114,095)
Net change in unrealized appreciation/(depreciation) of investments			(318,755)
Net realized and unrealized gain/(loss) on investments			(432,850)
Change in net assets resulting from operations			\$ (360,960)

</TABLE>

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

BILTMORE SPECIAL VALUES FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income (loss)	\$ 71,890	\$ (2,114)
Net realized gain/(loss) on investment transactions (\$114,095 net loss and \$333,969 net gain respectively, as computed for federal tax purposes)	(114,095)	333,969
Change in unrealized depreciation/(appreciation) of investments	(318,755)	(37,013)
Change in net assets resulting from operations	(360,960)	294,842
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income	(18,611)	--
Distributions to shareholders from net realized gain on investment transactions	(333,979)	--
Change in net assets from distributions to shareholders	(352,590)	--
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sale of shares	3,195,612	13,082,211
Net asset value of shares issued to shareholders electing to receive payment of distributions in Fund shares	351,961	--
Cost of shares redeemed	(411,221)	(1,305,305)
Change in net assets from Fund share transactions	3,136,352	11,776,906
Change in net assets	2,422,802	12,071,748
NET ASSETS:		
Beginning of period	12,071,748	--
End of period (including undistributed net investment income of \$53,279)	\$ 14,494,550	\$ 12,071,748

</TABLE>

* For the period from May 10, 1993 (date of initial public investment) to
November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

BILTMORE SPECIAL VALUES FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.24	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income (loss)	0.05	(0.002)

Net realized and unrealized gain (loss) on investments	(0.27)	0.242
Total from investment operations	(0.22)	0.24
LESS DISTRIBUTIONS		
Dividends to shareholders from net investment income	(0.01)	--
Distributions to shareholders from net realized gain on investment transactions	(0.28)	--
Total distributions	(0.29)	--
NET ASSET VALUE, END OF PERIOD	\$ 9.73	\$ 10.24
TOTAL RETURN***	(2.17%)	2.40%
RATIOS TO AVERAGE NET ASSETS		
Expenses	1.26% (a)	1.25% (a)
Net investment income (loss)	1.09% (a)	(0.03%) (a)
Expense waiver/reimbursement (b)	1.17% (a)	1.79% (a)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)	\$14,495	\$12,072
Portfolio turnover rate	39%	68%

</TABLE>

* Reflects operations for the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE SPECIAL VALUES FUND

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1994

(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Special Values Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. INVESTMENT VALUATIONS--Listed equity securities are valued at the last sales price reported on national securities exchanges. Unlisted securities, short-term obligations and private placement securities are generally valued at the prices provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.
- B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

- C. 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 ("Code").
- D. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable income. Accordingly, no provisions for federal tax are necessary.
- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.
- F. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- G. OTHER--Investment transactions are accounted for on the trade date.
- H. During the six months ended May 31, 1994, the Fund adopted Statement of Position 93-2 Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital Distributions by Investment Companies ("SOP 93-2"). Accordingly, permanent book and tax differences have been reclassified to paid-in-capital. The Fund reclassified \$2,114 from undistributed net investment income to paid-in-capital in accordance with SOP 93-2. Net investment income, net realized gains, and net assets were not affected by this change.

(3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
Shares sold	317,656	1,307,697
Shares issued to shareholders in payment of dividends declared	34,992	--
Shares redeemed	(41,261)	(129,269)
Net change resulting from Fund share transactions	311,387	1,178,428

</TABLE>

* For the period from May 10, 1993 to November 30, 1993 (date of initial public investment).

** Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .80 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$31,492) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five-year period following April 3, 1993 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$2,176 pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

<TABLE>	
<S>	<C>
-----	-----
PURCHASES	\$ 7,570,951
-----	-----
SALES	\$ 4,758,393
-----	-----

TRUSTEES	OFFICERS
-----	-----
<TABLE>	<C>
<S>	
James A. Hanley	John W. McGonigle
Malcolm T. Hopkins	President and Treasurer
Samuel E. Hudgins	Ronald M. Petnuch
J. Berkley Ingram, Jr.	Vice President and Assistant Treasurer
D. Dean Kaylor	Joseph M. Huber
	Secretary
	Mark A. Sheehan
	Assistant Secretary
</TABLE>	

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees and other information.

Dear Shareholder:

I'm pleased to present the Semi-Annual Report to Shareholders of the Biltmore Balanced Fund (the "Fund") for the six-month period ended May 31, 1994. The Report begins with a brief commentary on the stock and bond markets from the Fund's portfolio manager. Following the commentary are a complete listing of the Fund's portfolio of investments and its financial statements.

On your behalf, the Fund pursues a popular investment objective--long-term growth of principal and current income--by investing in a quality combination of stocks and bonds. The Fund invests in a portfolio of blue-chip stocks issued by some of America's largest, best-known companies, as well as high-quality corporate bonds and government bonds.

Dividends paid to the Fund's shareholders totaled \$0.15 per share for the six-month reporting period. Capital gains totaled \$0.04 per share. During the same time, total assets increased from \$166.3 million to \$183.9 million.

While the Fund's net asset value began the period at \$10.33, it ended the period at \$10.07, due to increased volatility in the financial markets early in the year brought on by rising interest rates.

Thank you for choosing the Fund for a balanced approach to investing. We look forward to keeping you informed about your investment in Biltmore Balanced Fund. As always, we welcome your comments and suggestions.

Sincerely,

John W. McGonigle
President
July 15, 1994

INVESTMENT REVIEW

Rising interest rates and mixed signals about the strength of the economy restrained both the stock and bond markets during the six-month period ending May 31, 1994. During that period, the Standard & Poor's Corporation Daily Stock Price Index of 500 Common Stocks (the "S&P 500" or the "Index")* had a total return of 0.1%, while the Lehman Brothers Aggregate Bond Index* had a total return that fell 3.13%.

The Fund's portfolio allocation of 53.0% in equities, 37.6% in bonds and 8.4% in cash remained fairly consistent throughout the six-month period. Among equity holdings, the S&P 500 was constrained by the poor performances of stocks in the consumer non-durable and utility sectors. During the six-month period, the equity component of the Fund was overweighted in the technology, capital goods and materials and services sectors. These stocks have been among the market's best performers during the past two years, and are expected to continue to benefit from the dramatic expansion of emerging markets and in new economies around the world. The Fund's largest equity holdings at May 31, 1994, were Federal National Mortgage Association (2.6%); MAPCO Inc. (2.4%); Philip Morris (2.4%); Praxair (2.3%); and Harsco Corp. (2.2%).

The bond component of the Fund maintained an average maturity in line with the market until March, when interest rates began moving higher. At that point, the Fund's investment strategy became more aggressive. By the end of May, maturities were 15% greater than the market. The Fund's portfolio also was overweighted in shorter and longer maturities, and underweighted in intermediate maturities, to take advantage of a flattening of the yield curve.

On May 31, 1994, Fund assets were \$183.9 million, compared to \$166.3 million on November 30, 1993. The Fund's net asset value was \$10.07 per share at the end of the six-month period, with a 30-day SEC yield of 3.52%.** The average duration for the fixed-income portion of the Fund was 5.70 years.

* This index is unmanaged.

** Performance quoted represents past performance. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

BILTMORE BALANCED FUND
PORTFOLIO OF INVESTMENTS
MAY 31, 1994
(UNAUDITED)

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--53.0%		
CAPITAL GOODS--4.1%		
5,301	Browning Ferris Industries, Inc.	\$ 153,729
45,722	General Electric Co.	2,268,954
14,698	Giddings & Lewis, Inc.	323,356
51,910	Harsco Corp.	2,147,776
27,785	Honeywell, Inc.	871,754
27,117	Keystone International, Inc.	599,964
33,543	York International Corp.	1,207,548
Total		7,573,081
CONSUMER DURABLES--0.4%		
1,833	Chrysler Corp.	90,963
11,002	Echlin Inc.	298,429
5,151	Ford Motor Co.	297,470
Total		686,862
CONSUMER NON-DURABLES--15.3%		
64,883	Abbott Laboratories	1,938,380
7,488	American Brands, Inc.	243,360
7,925	American Cyanamid Co.	413,091
24,049	American Home Products Co.	1,394,842
14,846	American Stores Co.	371,150
8,648	Avon Products, Inc.	509,151
11,187	Becton, Dickinson & Co.	426,504
60,196	Bergen Brunswig Corp., Cl. A	1,068,479
35,750	Bristol-Myers Squibb Co.	1,952,844
883	*Cabletron Systems, Inc.	87,417

</TABLE>

BILTMORE BALANCED FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER NON-DURABLES--CONTINUED		
3,902	Coca-Cola Co.	\$ 157,543
12,714	CPC International, Inc.	616,629
67,245	Fruit of the Loom, Inc. Cl. A	1,975,322

70,715	IBP Inc.	1,812,072
35,008	*International Dairy Queen, Inc., Cl. A	621,392
27,003	Lee Enterprises, Inc.	867,471
14,903	Loews Corp.	1,326,367
6,832	May Department Stores Co.	264,740
7,484	Melville Corp.	304,038
30,505	Merck & Co. Inc.	930,402
8,972	Nike, Inc., Cl. B	529,348
44,709	PepsiCo, Inc.	1,609,524
46,870	Philip Morris Cos., Inc.	2,308,347
3,912	Pioneer Hi-Bred International, Inc.	134,964
7,371	Russell Corp.	220,209
13,562	Service Corp., International	332,269
23,756	Stanley Works	920,545
5,893	Supervalu, Inc.	188,576
49,205	Surgical Care Affiliates	651,966
43,104	*Toys R Us, Inc.	1,530,192
27,223	Unifi, Inc.	697,589
15,073	Unilever N.V.	1,582,665
11,714	Universal Corp.	207,924
	Total	28,195,312
	ENERGY--6.0%	
16,202	Amoco Corp.	953,893
9,453	Ashland Oil Co.	350,943

</TABLE>

BILTMORE BALANCED FUND

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
	COMMON STOCKS--CONTINUED	
	ENERGY--CONTINUED	
6,893	British Petroleum, PLC	\$ 484,233
3,836	Chevron Corp.	333,732
24,478	Coastal Corp.	691,503
28,980	Exxon Corp.	1,767,780
3,425	Halliburton Co.	104,034
37,376	MAPCO, Inc.	2,336,000
10,015	Mobil Corp.	811,215
27,740	Phillips Petroleum Co.	901,550

12,708	Royal Dutch Petroleum Co.	1,358,167
16,428	Schlumberger, Ltd.	940,503
	Total	11,033,553
	FINANCE--8.0%	
16,647	AMBAC, Inc.	665,880
17,038	American Express Co.	470,675
20,107	American International Group, Inc.	1,877,491
4,237	Citicorp	167,362
9,176	EXEL, Ltd.	386,539
24,016	Federal Home Loan Mortgage Corp.	1,392,928
29,976	Federal National Mortgage Association	2,502,996
16,915	First Tennessee National Corp.	715,716
11,825	Huntington Bancshares, Inc.	311,884
4,958	KeyCorp	161,135
3,408	Lehman Brothers Holdings	61,337
16,291	MBIA, Inc.	934,696
4,580	Morgan Stanley Group, Inc.	273,655
40,287	*Providian Corp.	1,258,969
3,233	Salomon, Inc.	165,287

</TABLE>

BILTMORE BALANCED FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
FINANCE--CONTINUED		
6,838	SouthTrust Corp.	\$ 144,453
40,200	SPDR Trust	1,841,663
19,366	Travelers, Inc.	634,237
4,020	Unitrin, Inc.	164,066
3,893	Wells Fargo & Co.	610,714
	Total	14,741,683
MATERIALS & SERVICES--6.0%		
5,691	Air Products & Chemical	240,445
17,578	Aluminum Company of America	1,241,446
5,255	Ball Corp.	151,081
39,294	Crane Co.	1,016,732
36,892	*FMC Corp.	1,780,039
20,635	International Paper Co.	1,428,974

8,276	NCH Corp.	481,042
31,327	Potash Corp. Saskatchewan Inc.	810,586
110,496	Praxair, Inc.	2,251,356
37,821	Sonoco Products Co.	765,875
18,023	Tyco International, Ltd.	856,093
	Total	11,023,669
	TECHNOLOGY--7.2%	
35,493	American Telephone & Telegraph, Inc.	1,934,368
26,353	Avnet, Inc.	886,120
22,363	Boeing Co.	1,037,084
1,652	*Cisco Systems, Inc.	40,887
38,923	*Computer Sciences Corp.	1,688,285
12,382	Comsat Corp.	281,690
5,915	*Conner Peripherals, Inc.	90,204

</TABLE>

BILTMORE BALANCED FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
TECHNOLOGY--CONTINUED		
16,291	General Motors Corp. Cl. E	\$ 572,221
14,238	Hewlett-Packard Co.	1,117,683
2,557	Intel Corp.	159,812
11,118	Loral Corp.	397,469
47,209	MCI Communications Corp.	1,133,016
13,802	*Microsoft Corp.	741,858
4,676	Molex, Inc.	167,167
18,851	*Novell, Inc.	334,605
9,355	Raytheon Co.	582,349
6,693	Sundstrand Corp.	315,408
9,246	*Synoptics Communications, Inc.	190,121
14,042	Xerox Corp.	1,411,221
4,676	*Zebra Technologies Corp., Cl. A	139,111
	Total	13,220,679
TRANSPORTATION--1.0%		
23,367	Burlington Northern Inc.	1,302,710
11,157	Delta Air Lines, Inc.	509,038
2,337	GATX Corp.	93,480

	Total	1,905,228
	UTILITIES--5.0%	
36,021	ALLTEL Corp.	941,049
11,346	Ameritech Corp.	443,912
5,453	Bellsouth Corp.	324,453
40,614	Carolina Power & Light Co.	989,966
60,519	GTE Corp.	1,868,524
3,893	NICOR, Inc.	104,624
31,211	NYNEX Corp.	1,178,215

</TABLE>

BILTMORE BALANCED FUND

<TABLE>

<CAPTION>

SHARES OR
PRINCIPAL
AMOUNT

VALUE

<C>	<S>	<C>
	COMMON STOCKS--CONTINUED	
	UTILITIES--CONTINUED	
26,502	Pacific Gas & Electric Co.	\$ 679,114
53,850	Pennsylvania Power & Light Co.	1,191,431
20,191	Scana Corp.	885,880
10,382	Southwestern Bell Corp.	426,960
3,000	U.S. West, Inc.	120,375
	Total	9,154,503
	TOTAL COMMON STOCKS (IDENTIFIED COST \$96,061,308)	97,534,570

CORPORATE BONDS--11.8%

	ASSET-BACKED SECURITIES--1.1%	
\$ 1,585,407	USAA Auto Loan Grantors Trust, 3.90%, (Series 1993-1) 3/15/99	1,550,227
489,081	World Omni Leasing, 4.60%, 5/17/99	473,033
	Total	2,023,260
	FINANCE--7.2%	
1,280,000	American General Finance Corp., 5.43%, 2/4/99	1,184,883
1,600,000	Associates Corp. of North America, 6.875%, 1/15/97	1,599,984
1,750,000	Banque Paribas N.Y., 6.875%, 3/1/2009	1,518,650
650,000	First Colony Corp., 6.625%, 8/1/2003	595,615
1,600,000	Franklin Universal Trust, 5.625%, 9/1/98	1,519,088
1,500,000	General American Life Insurance Co., 7.625%, 1/15/2024	1,318,590
775,000	General Electric Capital Corp., 8.00%, 2/1/97	798,862
1,680,000	Landeskreditbank Baden, 7.625%, 2/1/2023	1,593,665
2,000,000	Nationwide Life Insurance Co., 6.50%, 2/15/2004	1,809,900

1,403,066	Prudential Home Mortgage Securities, 6.75%, 12/25/2023	1,383,774
	Total	13,323,011
	INDUSTRIAL--0.4%	
775,000	Wal-Mart Stores, Inc., 6.125%, 10/1/99	738,025

</TABLE>

BILTMORE BALANCED FUND

<TABLE> <CAPTION> PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>
CORPORATE BONDS--CONTINUED		
	RAILS--0.2%	
\$ 400,000	Union Pacific Railroad, 6.44%, 1/15/98	\$ 392,616
	TECHNOLOGY--0.8%	
1,620,000	MCI Communications Corp., 7.75%, 3/23/2025	1,510,974
	MISCELLANEOUS--2.1%	
1,000,000	International American Development Bank, 8.50% Yankee Bond, 5/1/2001	1,059,200
1,750,000	Korea Electrical Power Corp., 6.375% Yankee Bond, 12/1/2003	1,518,283
1,500,000	Italy Rep, 6.875% Yankee Bond, 9/27/2023	1,250,460
	Total	3,827,943
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$23,615,132)	21,815,829
U.S. GOVERNMENT AGENCIES--5.5%		
	FEDERAL NATIONAL MORTGAGE ASSOCIATION--1.3%	
1,251,150	0.00%, 9/25/2018 REMIC	1,153,795
295,636	7.50%, 4/1/2007	293,880
635,122	8.00%, 6/1/2022	631,743
383,768	8.00%, 1/1/2023	381,726
	Total	2,461,144
	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION--2.3%	
479,824	7.50%, 3/15/2023	463,327
953,197	7.00%, 5/15/2023	891,239
501,534	7.00%, 8/15/2023	468,935
2,751,675	6.50%, 4/15/2024	2,479,947
	Total	4,303,448
	MISCELLANEOUS--1.9%	
1,500,000	U.S. Department of Veteran Affairs, 6.75%, 6/15/98 REMIC	1,476,563

</TABLE>

BILTMORE BALANCED FUND

<TABLE> <CAPTION> PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>
U.S. GOVERNMENT AGENCIES--CONTINUED		

MISCELLANEOUS--CONTINUED		
\$ 2,000,000	Federal Home Loan Bank, 4.587%, 8/27/98	\$ 1,940,000
	Total	3,416,563
	TOTAL U.S. GOVERNMENT AGENCIES (IDENTIFIED COST \$10,668,566)	10,181,155

U.S. TREASURY OBLIGATIONS--20.3%		

U.S. TREASURY NOTES--13.1%		
1,455,000	8.875%, 7/15/95	1,507,977
1,000,000	8.50%, 5/15/95	1,028,590
1,635,000	7.875%, 4/15/98	1,705,256
2,025,000	7.875%, 11/15/99	2,120,236
1,165,000	7.50%, 1/31/96	1,195,395
1,905,000	7.50%, 11/15/2001	1,951,730
1,660,000	7.375%, 5/15/96	1,701,234
1,575,000	6.375%, 1/15/2000	1,540,539
2,100,000	6.375%, 8/15/2002	2,005,836
2,490,000	5.75%, 8/15/2003	2,253,450
775,000	5.50%, 9/30/97	752,843
1,890,000	5.375%, 5/31/98	1,808,484
4,500,000	5.00%, 6/30/94	4,503,510
	Total	24,075,080

U.S. TREASURY BONDS--7.2%		
11,652,000	8.125%, 8/15/2019	12,311,037
798,000	8.00%, 11/15/2021	837,653
	Total	13,148,690
	TOTAL U.S TREASURY OBLIGATIONS (IDENTIFIED COST \$39,251,002)	37,223,770

</TABLE>

BILTMORE BALANCED FUND

<TABLE> <CAPTION> PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>
**REPURCHASE AGREEMENT--8.4%		
\$ 15,368,948	PaineWebber, Inc., 4.20%, dated 5/31/94, due 6/1/94 (AT AMORTIZED COST) (NOTE 2B)	\$ 15,368,948
	TOTAL INVESTMENTS (IDENTIFIED COST \$184,964,956)	\$ 182,124,272+

</TABLE>

* Non-income producing securities.

** 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 cost for federal tax purposes amounts to \$184,964,956. The net unrealized depreciation of investments on a federal tax basis amounts to \$2,840,684, which is comprised of \$4,520,941 appreciation and \$7,361,625 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$183,927,167) at May 31, 1994.

The following abbreviation is used throughout this portfolio:

REMIC--Real Estate Mortgage Investment Conduit

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

BILTMORE BALANCED FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

	<C>	<C>
<hr/>		
<TABLE>		
<S>		
ASSETS:		
<hr/>		
Investments in securities, at value (Notes 2A and 2B) (identified and tax cost: \$184,964,956)	\$	182,124,272
<hr/>		
Interest receivable		1,062,665
<hr/>		
Receivable for investments sold		412,414
<hr/>		
Dividends receivable		295,755
<hr/>		
Receivable for Fund shares sold		182,466
<hr/>		
Deferred expenses (Note 2F)		55,412
<hr/>		
Total assets		184,132,984
<hr/>		
LIABILITIES:		
<hr/>		
Payable for investments purchased	\$	202,228
<hr/>		
Payable to Bank		500
<hr/>		
Accrued expenses		3,089
<hr/>		
Total liabilities		205,817
<hr/>		
NET ASSETS for 18,267,725 shares of beneficial interest outstanding	\$	183,927,167
<hr/>		
NET ASSETS CONSIST OF:		
<hr/>		
Paid-in capital	\$	183,676,570
<hr/>		
Net unrealized appreciation (depreciation) of investments		(2,840,684)
<hr/>		
Accumulated undistributed net realized gain (loss) on investments		2,070,493
<hr/>		
Undistributed net investment income		1,020,788
<hr/>		
Total Net Assets	\$	183,927,167
<hr/>		
NET ASSET VALUE and Redemption Proceeds Per Share: (\$183,927,167 / 18,267,725 SHARES OF BENEFICIAL INTEREST OUTSTANDING)		\$10.07
<hr/>		
COMPUTATION OF OFFERING PRICE:		
Offering Price Per Share (100/95.5 of \$10.07) *		\$10.54
<hr/>		

</TABLE>

* See "What Shares Cost" in the prospectus.

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

BILTMORE BALANCED FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income			\$ 2,481,447
Dividend income			1,175,881
Total income (Note 2C)			3,657,328
EXPENSES:			
Investment advisory fee (Note 4)		\$ 629,228	
Trustees' fees		2,465	
Administrative personnel and services fees (Note 4)		96,601	
Custodian fees (Note 4)		17,976	
Transfer and dividend disbursing agent fees and expenses (Note 4)		6,386	
Fund share registration costs		13,337	
Auditing fees		6,722	
Legal fees		6,615	
Printing and postage		5,861	
Portfolio accounting fees (Note 4)		13,878	
Insurance premiums		1,181	
Miscellaneous		2,451	
Total expenses		802,701	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 66,840		
Reimbursement of other operating expenses by Administrator (Note 4)	23,210	90,050	
Net expenses			712,651
Net investment income			2,944,677
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investment transactions (identified cost basis)			2,098,898
Net change in unrealized appreciation (depreciation) on investments			(6,664,722)
Net realized and unrealized gain on investments			(4,565,824)
Change in net assets resulting from operations			\$ (1,621,147)

</TABLE>

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

BILTMORE BALANCED FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

YEAR ENDED NOVEMBER 30,

	1994**	1993*
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		

OPERATIONS--		

Net investment income	\$ 2,944,677	\$ 2,908,320

Net realized gain (loss) on investment transactions (\$2,098,898 and \$669,807 net gains, respectively, as computed for federal income tax purposes)	2,098,898	641,512

Change in unrealized appreciation (depreciation) of investments	(6,664,722)	3,824,038

Change in net assets resulting from operations	(1,621,147)	7,373,870

DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		

Dividends to shareholders from net investment income	(2,600,888)	(2,231,320)

Distributions to shareholders from net realized gain on investment transactions	(669,917)	--

Change in net assets from distributions to shareholders	(3,270,805)	(2,231,320)

FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		

Proceeds from sale of shares	41,170,554	165,403,137

Net asset value of shares issued to shareholders in payment of dividends declared	3,263,097	2,231,320

Cost of shares redeemed	(21,885,285)	(6,506,254)

Change in net assets from Fund share transactions	22,548,366	161,128,203

Change in net assets	17,656,414	166,270,753

NET ASSETS:		

Beginning of period	166,270,753	--

End of period (including undistributed net investment income of \$1,020,788 and \$677,000, respectively)	\$ 183,927,167	\$ 166,270,753

</TABLE>

* For the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited)

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

BILTMORE BALANCED FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
<S>	1994**	1993*
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.33	\$ 10.00

INCOME FROM INVESTMENT OPERATIONS		

Net investment income	0.16	0.19

Net realized and unrealized gain (loss) on investments	(0.23)	0.29

Total from investment operations	(0.07)	0.48

LESS DISTRIBUTIONS		

Dividends to shareholders from net investment income	(0.15)	(0.15)

Distributions to shareholders from net realized gain on investment transactions	(0.04)	--

Total distributions	(0.19)	(0.15)
NET ASSET VALUE, END OF PERIOD	\$ 10.07	\$ 10.33
TOTAL RETURN***	(0.80)%	4.89%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.79% (b)	0.75% (b)
Net investment income	3.28% (b)	3.30% (b)
Expense waiver/reimbursement (a)	0.10% (b)	0.19% (b)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)		
\$183,927		
\$166,271		
Portfolio turnover rate	47%	60%

</TABLE>

* Reflects operations for the period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

(b) Computed on an annualized basis.

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

BILTMORE BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1994

(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Balanced Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. INVESTMENT VALUATIONS--Listed equity securities, corporate bonds and other fixed-income securities are valued at the last sales price reported 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 at the time of purchase may be stated at amortized cost, which approximates value.
- B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

- C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Dividend income and distributions 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 ("Code").
- D. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable income. Accordingly, no provisions for federal income tax are necessary.
- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.
- F. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
<S>	<C>	<C>
Shares sold	4,006,083	16,510,934
Shares issued to shareholders in payment of dividends declared	316,726	220,914
Shares redeemed	(2,149,709)	(637,223)
Net change resulting from Fund share transactions	2,173,100	16,094,625

</TABLE>

* The period from May 10, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .70 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$31,904) were borne initially by FAS. The Fund has agreed to reimburse FAS for the organizational expenses during the five-year period following April 3, 1993 (date the Fund first became effective). For the six months ended May 31, 1994, the Fund paid \$1,064, pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

<TABLE>	
<S>	

PURCHASES	\$ 96,090,672

SALES	\$ 73,858,924

</TABLE>

<TABLE>

<CAPTION>

TRUSTEES	OFFICERS

<S>	<C>
James A. Hanley	John W. McGonigle
Malcolm T. Hopkins	President and Treasurer
Samuel E. Hudgins	Ronald M. Petnuch
J. Berkley Ingram, Jr.	Vice President and Assistant Treasurer
D. Dean Kaylor	Joseph M. Huber
	Secretary
	Mark A. Sheehan
	Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus, which contains facts concerning its objective and policies, management fees and other information.

BILTMORE QUANTITATIVE EQUITY FUND
(A PORTFOLIO OF THE BILTMORE FUNDS)

SEMI-ANNUAL REPORT AND SUPPLEMENT TO PROSPECTUS DATED JANUARY 18, 1994

A. Please delete the "Summary of Fund Expenses" table on page 1 of the Prospectus and replace it with the following table:

SUMMARY OF FUND EXPENSES

<TABLE>	
<S>	

	<C>
SHAREHOLDER TRANSACTION EXPENSES	
Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....	4.50%
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 Fees (as a percentage of amount redeemed, if applicable).....	None
Exchange Fee.....	None
ANNUAL FUND OPERATING EXPENSES*	

(As a percentage of projected average net assets)

Management Fee (after waiver) (1).....	0.60%
12b-1 Fees.....	None
Other Expenses (after waiver) (2).....	0.32%
Shareholder Servicing Fees (3).....	0.00%
Total Fund Operating Expenses (after waiver) (4).....	0.92%

</TABLE>

- (1) The estimated management fee has been reduced to reflect the anticipated voluntary waiver by the investment adviser. The adviser can terminate this voluntary waiver at any time at its sole discretion. The maximum management fee is 0.70%.
- (2) Other Expenses are estimated to be 0.34%, absent the anticipated voluntary waiver by the administrator. The administrator may terminate this voluntary waiver at any time at its sole discretion.
- (3) As of the date of this prospectus, the Fund is not paying or accruing shareholder servicing agent fees. The Fund will not pay or accrue shareholder servicing agent fees until a separate class of shares has been created for certain trust and institutional investors, including qualified employee benefit plans. At that point, the Fund will be able to pay up to 0.25 of 1% of the Fund's average daily net assets for shareholder servicing agent fees. See "The Biltmore Funds Information."
- (4) Total Fund Operating Expenses are estimated to be at 1.04%, absent the anticipated voluntary waivers by the investment adviser and administrator.

* Since the Fund does not have an operating history, the percentages indicated as Annual Fund Operating Expenses are based on the Fund's projected fees and estimated expenses for the fiscal year ending November 30, 1994. The table should not be considered a representation of past or future expenses. Actual expenses may be greater or less than those shown in this table.

THE PURPOSE OF THIS TABLE IS TO ASSIST AN INVESTOR IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT A SHAREHOLDER OF THE FUND WILL BEAR, EITHER DIRECTLY OR INDIRECTLY. FOR MORE COMPLETE DESCRIPTIONS OF THE VARIOUS COSTS AND EXPENSES, SEE "THE BILTMORE FUNDS INFORMATION" AND "INVESTING IN THE FUND."

<TABLE>

<CAPTION>

EXAMPLE

<S>

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. As noted in the table above, the Fund charges no redemption fees.....

	1 year	3 years
	<C>	<C>
	\$54	\$73

</TABLE>

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN. THIS EXAMPLE IS BASED ON ESTIMATED DATA FOR THE FUND'S FISCAL YEAR ENDING NOVEMBER 30, 1994.

- B. Please insert the following Financial Highlights table as page 2 of the Prospectus following the "Summary of Fund Expenses" table and before the section entitled "General Information." In addition, please add the heading "Financial Highlights" to the Table of Contents on page I after the heading "Summary of Fund Expenses."

BILTMORE QUANTITATIVE EQUITY FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

<TABLE>

<CAPTION>

<S>

	PERIOD ENDED
	MAY 31, 1994*
	<C>
-----	-----
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.00
-----	-----
INCOME FROM INVESTMENT OPERATIONS	
-----	-----
Net investment income	0.03
-----	-----
Net realized and unrealized gain (loss) on investments	(0.21)
-----	-----

Total from investment operations	(0.18)

LESS DISTRIBUTIONS	

Dividends to shareholders from net investment income	0.00

NET ASSET VALUE, END OF PERIOD	\$ 9.82

TOTAL RETURN**	(1.80%)

RATIOS TO AVERAGE NET ASSETS	

Expenses	0.92% (b)

Net investment income	1.61% (b)

Expense waiver/reimbursement (a)	0.10% (b)

SUPPLEMENTAL DATA	

Net assets, end of period (000 omitted)	\$90,622

Portfolio turnover rate	23%

</TABLE>

* Reflects operations for the period from March 28, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

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

(a) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

(b) Computed on an annualized basis.

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

C. Please add the following as a final paragraph under the section entitled "Portfolio Turnover" on page 7 of the Prospectus:

"From March 28, 1994 (date of initial public investment) to May 31, 1994, the Fund's portfolio turnover rate was 23%."

D. Please replace the reference to "The South Carolina National Bank" which appears on page 8 of the Prospectus, in the "Adviser's Background" subsection, with "Wachovia Bank of South Carolina, N.A."

E. Please replace the section entitled "Administrative Services" which appears on pages 9 and 10 of the Prospectus and replace it with the following:

"ADMINISTRATIVE SERVICES. Federated Administrative Services, Pittsburgh, Pennsylvania, a subsidiary of Federated Investors, provides the Fund with the administrative personnel and services necessary to operate the Fund. Such services include the preparation of filings with the Securities and Exchange Commission and other regulatory authorities, assistance with respect to meetings of the Trustees, shareholder servicing and accounting services, and other administrative services. Federated Administrative Services provides these services at an annual rate, computed and payable daily, as specified below:

<TABLE>

<CAPTION>

MAXIMUM ADMINISTRATIVE FEE	AVERAGE AGGREGATE DAILY NET ASSETS OF THE BILTMORE FUNDS AND THE BILTMORE MUNICIPAL FUNDS
0.150 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.100 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 for the Fund and each of the other portfolios of The Biltmore Funds shall aggregate at least \$75,000. Federated Administrative Services may choose voluntarily to waive or reimburse a portion of its fee at any time."

F. Please add the following as the third sentence of the first paragraph of the subsection entitled "Voting Rights" on page 18 of the Prospectus:

"As of July 15, 1994 the Wachovia Banks and their various affiliates and subsidiaries, acting in various capacities for numerous accounts, were the owner of record of certain shares of the Fund, and therefore may be deemed to control the Fund and be able to affect the outcome of certain matters presented for a vote of shareholders."

G. Please insert the following financial statements at the end of the Prospectus beginning on page 21. In addition, please add the heading "Financial Statements" to the Table of Contents on page I of the Prospectus immediately before "Addresses"

BILTMORE QUANTITATIVE EQUITY FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>
 SHARES

		VALUE
<C>	<S>	<C>

COMMON STOCKS--	95.9%	

	CAPITAL GOODS--4.5%	
22,939	Cummins Engine, Inc.	\$ 983,510
8,800	Deere & Co.	613,800
49,842	General Electric Co.	2,473,409
	Total	4,070,719

	CONSUMER DURABLES--5.0%	
4,700	Briggs & Stratton Corp.	354,850
15,764	Centex Corp.	384,248
37,004	Chrysler Corp.	1,836,324
14,632	Echlin, Inc.	396,893
11,113	Ford Motor Co.	641,776
5,286	Goodyear Tire and Rubber Co.	204,832
13,000	Leggett & Platt, Inc.	487,500
13,000	Maytag Corp.	242,125
	Total	4,548,548

	CONSUMER NON-DURABLES--26.5%	
10,370	Abbott Laboratories	309,804
12,083	American Cyanamid Co.	629,826
53,466	American Stores Co.	1,336,650
9,629	*Amgen, Inc.	448,350
6,702	Anheuser-Busch Cos., Inc.	364,421
10,554	Becton, Dickinson & Co.	402,371
42,384	Bergen Brunswig Corp. Class A	752,316

</TABLE>

BILTMORE QUANTITATIVE EQUITY FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER NON-DURABLES--CONTINUED		
50,000	Circuit City Stores, Inc.	\$ 968,750
6,136	Colgate-Palmolive Co.	351,286
15,589	CPC International, Inc.	756,067
25,292	Gap, Inc.	1,097,040
15,000	Gerber Products Co.	759,375
14,500	Glaxo Holdings PLC	235,625
59,801	IBP Inc.	1,532,401
19,257	Johnson & Johnson	852,122
32,756	Lilly (Eli) & Co.	1,879,375
7,000	Mattel, Inc.	184,625
40,500	Mercantile Stores, Inc.	1,417,500
8,000	Nordstrom, Inc.	353,000
34,340	Penney (J.C.) Inc.	1,755,633
43,140	Pepsico, Inc.	1,553,040
28,319	Philip Morris Cos., Inc.	1,394,711
14,986	Premark International, Inc.	1,064,006
13,300	Procter & Gamble Co.	749,787
17,935	Schering-Plough Corp.	1,170,259
5,758	Unilever N.V.	604,590
9,629	V.F. Corp.	473,025
14,000	Winn Dixie Stores, Inc.	633,500
	Total	24,029,455
CONSUMER SERVICE--4.2%		
1,000	Capital Cities/ABC, Inc.	739,750
3,021	CBS, Inc.	788,481
8,873	McKesson Corp.	735,350
51,912	Morrison Restaurants, Inc.	1,168,020

</TABLE>

BILTMORE QUANTITATIVE EQUITY FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER SERVICE--CONTINUED		

21,806	National Medical Enterprises, Inc.	\$ 357,073
	Total	3,788,674
	ENERGY--8.4%	
12,460	Amoco Corp.	733,583
16,000	Chevron Corp.	1,392,000
25,800	Coastal Corp.	728,850
13,121	Equitable Resources, Inc.	451,034
21,145	Exxon Corp.	1,289,845
16,897	MAPCO, Inc.	1,056,063
14,608	Mobil Corp.	1,183,248
27,942	Sun, Inc.	813,811
	Total	7,648,434
	FINANCE--16.2%	
24,921	AFLAC, Inc.	834,853
29,000	Chase Manhattan Corp.	1,094,750
49,559	Comdisco, Inc.	1,028,349
38,892	DQE	1,234,821
12,272	GATX Corp.	490,880
33,865	General Public Utilities Corp.	969,386
49,747	Huntington Bancshares Inc.	1,312,077
24,756	KeyCorp	804,570
24,826	Merrill Lynch & Co., Inc.	968,214
22,044	Morgan Stanley Group, Inc.	1,317,129
10,478	PHH Corp.	385,066
27,942	Signet Banking Corp.	1,166,578
51,258	SouthTrust Corp.	1,082,825
17,800	Transamerica Corp.	950,075

</TABLE>

BILTMORE QUANTITATIVE EQUITY FUND

<TABLE>		
<CAPTION>		
SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
	FINANCE--CONTINUED	
29,476	USLife Corp.	\$ 1,075,874
	Total	14,715,447
	MATERIALS & SERVICES--8.7%	
8,300	Armstrong World Industries, Inc.	404,625
10,000	Ball Corp.	287,500

27,281	Banta Corp.	913,913
23,977	Ennis Business Forms, Inc.	332,681
12,649	Grace (W.R.) & Co.	528,096
11,044	Hercules, Inc.	1,163,762
28,000	Kaydon Corp.	603,750
7,835	Kimberly Clark Corp.	442,677
25,723	Louisiana Pacific Corp.	871,367
10,478	Monsanto Co.	856,577
36,500	Pope & Talbot, Inc.	862,313
28,036	Praxair, Inc.	571,233
	Total	7,838,494
	TECHNOLOGY--9.1%	
16,800	*Advanced Micro Devices, Inc.	453,600
11,455	*Compaq Computer Corp.	1,354,554
18,478	Computer Associates International, Inc.	769,147
6,891	Intel Corp.	430,687
11,115	Lockheed Corp.	709,971
23,788	Martin Marietta Corp.	1,034,778
38,467	Micron Technology Inc.	1,293,453
58,700	*Quantum Corp.	961,212
19,738	Raytheon Co.	1,228,691
	Total	8,236,093

</TABLE>

BILTMORE QUANTITATIVE EQUITY FUND

<TABLE>

<CAPTION>

PRINCIPAL
AMOUNT
OR SHARES

VALUE

<C>	<S>	<C>
	COMMON STOCKS--CONTINUED	
	TRANSPORTATION--1.4%	
6,500	Burlington Northern Inc.	\$ 362,375
4,059	*Federal Express Corp.	310,513
12,500	Kansas City Southern Industries Inc.	565,625
	Total	1,238,513
	UTILITIES--11.9%	
47,671	Ameritech Corp.	1,865,128
28,000	BellSouth Corp.	1,666,000
11,705	Duke Power Co.	421,380
8,835	New England Electric System	311,434

14,254	Scana Corp.	625,394
31,057	Southern Co.	574,554
37,193	Southwestern Bell Corp.	1,529,562
68,004	Sprint Corp.	2,584,152
43,706	Williams Cos., Inc.	1,229,231
	Total	10,806,835
	TOTAL COMMON STOCKS (IDENTIFIED COST \$87,803,150)	86,921,212
**REPURCHASE AGREEMENT--3.8%		
\$ 3,451,667	PaineWebber, Inc., 4.2%, dated 5/31/94, due 6/01/94 (at amortized cost) (Note 2B)	3,451,667
	TOTAL INVESTMENTS (IDENTIFIED COST \$91,254,817)	\$ 90,372,879+

</TABLE>

* Non-income producing.

** The repurchase agreement is fully collateralized by U.S. Treasury obligations based on market prices at the date of the portfolio.

+ The cost of investments for federal tax purposes amounts to \$91,254,817. The net unrealized depreciation of investments on a federal tax basis amounts to \$881,938, which is comprised of \$2,895,209 appreciation and \$3,777,147 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$90,621,690) at May 31, 1994.

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

BILTMORE QUANTITATIVE EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

	<C>	<C>
<S>		
ASSETS:		
Investments in securities, at value (Notes 2A and 2B) (identified and tax cost, \$91,254,817)		\$ 90,372,879
Dividends receivable		259,706
Receivable for Fund shares sold		20,000
Interest receivable		403
Total assets		90,652,988
LIABILITIES:		
Accrued expenses	\$ 31,298	
Total liabilities		31,298
NET ASSETS for 9,230,163 shares of beneficial interest outstanding		\$ 90,621,690
NET ASSETS CONSIST OF:		
Paid-in capital		\$ 92,323,815
Net unrealized appreciation (depreciation) of investments		(881,938)
Accumulated undistributed net realized gain (loss) on investments		(1,077,181)
Undistributed net investment income		256,994
Total Net Assets		\$ 90,621,690

NET ASSET VALUE AND REDEMPTION PROCEEDS PER SHARE: (\$90,621,690 / 9,230,163 shares of beneficial interest outstanding)	\$9.82
OFFERING PRICE PER SHARE: (100/95.5 OF \$9.82)*	\$10.28

</TABLE>

* See "What Shares Cost" in the prospectus.

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

BILTMORE QUANTITATIVE EQUITY FUND
STATEMENT OF OPERATIONS
PERIOD ENDED MAY 31, 1994*
(UNAUDITED)

<S>	<C>	<C>
INVESTMENT INCOME:		
Interest income		\$ 23,903
Dividend income		379,512
Total income (Note 2C)		403,415
EXPENSES:		
Investment advisory fee (Note 4)	\$ 111,407	
Trustees' fees	1,163	
Administrative personnel and services fees (Note 4)	16,115	
Custodian fees (Note 4)	3,183	
Transfer and dividend disbursing agent fees and expenses (Note 4)	5,204	
Legal fees	2,596	
Printing and postage	4,673	
Portfolio accounting fees (Note 4)	13,553	
Insurance premiums	1,636	
Miscellaneous	2,806	
Total expenses	162,336	
Deduct--		
Waiver of investment advisory fee (Note 4)	\$ 15,915	
Net expenses		146,421
Net investment income		256,994
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investment transactions (identified cost basis)		(1,077,181)
Net change in unrealized appreciation (depreciation) of investments		(881,938)
Net realized and unrealized gain (loss) on investments		(1,959,119)
Change in net assets resulting from operations		\$ (1,702,125)

</TABLE>

* For the period from March 28, 1994 (date of initial public investment) to May 31, 1994.

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

BILTMORE QUANTITATIVE EQUITY FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	PERIOD ENDED MAY 31, 1994* (UNAUDITED)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS:	

OPERATIONS--	

Net investment income	\$ 256,994

Net realized gain (loss) on investment transactions (\$1,077,181 net loss as computed for federal income tax purposes)	(1,077,181)

Change in unrealized appreciation (depreciation) of investments	(881,938)

Change in net assets resulting from operations	(1,702,125)

DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--	

Dividends to shareholders from net investment income	--

FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--	

Proceeds from sale of shares	97,171,384

Net asset value of shares issued to shareholders in payment of dividends declared	--

Cost of shares redeemed	(4,847,569)

Change in net assets from Fund share transactions	92,323,815

Change in net assets	90,621,690

NET ASSETS:	

Beginning of period	--

End of period (including undistributed net investment income of \$256,994)	\$ 90,621,690

</TABLE>

* For the period from March 28, 1994 (date of initial public investment) to May 31, 1994.

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

BILTMORE QUANTITATIVE EQUITY FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994
(UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended, (the "Act"), as an open-end management investment company. The Trust consists of eleven diversified portfolios. The financial statements included herein present only those of the Biltmore Quantitative Equity Fund (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. INVESTMENT VALUATIONS--Listed equity securities are valued at the last sale price reported on national securities exchanges. Unlisted securities, short-term obligations and private placement securities are generally valued at the price provided by an independent pricing service. Short-term

securities with remaining maturities of sixty days or less at the time of purchase may be stated at amortized cost, which approximates value.

- B. REPURCHASE AGREEMENTS--It is the policy of the Fund 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 Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

- C. 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").
- D. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its tax-exempt income. Accordingly, no provisions for federal tax are necessary.
- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund 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.
- F. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

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 Fund shares were as follows:

<TABLE>
<CAPTION>

	PERIOD ENDED MAY 31, 1994*
<S>	<C>
Shares sold	9,726,000
Shares issued to shareholders in payment of dividends declared	--
Shares redeemed	(495,837)
Net change resulting from Fund share transactions	9,230,163

</TABLE>

* For the period from March 28, 1994 (date of initial public investment) to May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .70 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee. The

Adviser can modify or terminate this voluntary waiver at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Fund's custodian. The fee is based on the level of the Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses incurred by the Fund will be borne initially by FAS and are estimated at \$29,500. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period following January 18, 1994 (date the Fund first became effective). For the period ended May 31, 1994, the Fund paid \$833, pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS and FServ.

(5) INVESTMENT TRANSACTIONS

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

<S>	<C>
-----	-----
PURCHASES	\$ 109,263,168
-----	-----
SALES	\$ 20,382,837
-----	-----

33188--Proof of 7/20/94--Financial Press (412) 321-0440

PRESIDENT'S MESSAGE

Dear Shareholder:

I am pleased to present the Semi-Annual Report of the Biltmore Money Market Funds (the "Funds")* for the six-month period ending May 31, 1994.

You're putting your cash to work in the Biltmore Money Market Fund, the Biltmore Tax-Free Money Market Fund, or the Biltmore U.S. Treasury Money Market Fund. As a result, you're pursuing current income. Interest rates are finally on the rise, which means that the Funds have the opportunity to seek higher yields.

These pages provide you with complete financial information--including an investment review by the portfolio manager and a complete list of investments--for each Fund. As you'll see, assets in the Funds continued to grow, totaling \$386 million at the end of the period. Net assets in the Biltmore Money Market Fund totaled \$157 million, while Biltmore Tax-Free Money Market Fund reached nearly \$131 million in assets. Biltmore U.S. Treasury Money Market Fund assets stood at \$98 million.

Thank you for your confidence in the Funds. We'll continue to keep you up to date on your investment, and provide your account with the highest level of service possible.

Sincerely,

John W. McGonigle
President
July 15, 1994

*As money market mutual funds, the Funds are managed to pursue a stable share price of \$1.00, although there is no guarantee that they will do so. An investment in the Funds is neither insured nor guaranteed by the U.S. Government.

INVESTMENT REVIEW

BILTMORE MONEY MARKET FUND

Increased inflation concerns prompted a sharp rise in short-term interest rates during the period between November 30, 1993 and May 31, 1994. Fixed income investors responded to the Federal Reserve Board's tightening of rates by adopting defensive positions through investment in money market funds. Inflows of nearly \$30 billion into money market funds during the six-month period resulted in a weighted average portfolio maturity of 44 days among all money funds, the lowest average since October, 1990. The rising interest rate environment also provided investors with the highest money market fund returns since August, 1992.

The Fund's portfolio manager adopted a defensive investment strategy during the period. This was accomplished by increasing liquidity and shortening maturities. The Fund's portfolio mix of overnight investments and time deposits outperformed comparable short-term holdings in U.S. Treasury issues, while providing the liquidity necessary to maintain portfolio targets. The Fund's average maturity was slightly greater than the IBC/Donoghue's Money Fund Report* average at the beginning of the six-month period. By May 31, 1994, however, the average maturity was in line with the IBC/Donoghue's Money Fund Report average. Average maturity targets are established based on expectations about the U.S. economy, the Fund's investment adviser's market rate forecast, and the average maturity of the Fund versus a peer group. The average maturity of the Fund will always be 90 days or less. The Fund's average maturity at May 31, 1994 was 43 days.

Fund assets decreased 16% during the six-month period, from \$186.9 million to \$156.8 million. Also during the six-month period ended May 31, 1994, the Fund's seven-day net yield for Institutional Shares increased from 2.95% to 3.68%, and from 2.65% to 3.38% for Investment Shares, as compared with the IBC/Donoghue's Money Fund Report average of 3.45%.

BILTMORE TAX-FREE MONEY MARKET FUND

The municipal bond market has been hampered by rising interest rates, a strengthening economy and fears of higher inflation. As rates have moved higher, municipal bond refundings and the steady inflow of new cash have abruptly declined, further weakening the bond market. From November 30, 1993 to May 31, 1994, the IBC/Donoghue's Money Fund Report had a total annualized return of 2.30%.

The Fund invests in a diversified portfolio of municipal securities maturing in 397 days or less, and the Fund's average maturity is 90 days or less. The Fund had an average maturity of 43 days during the six-month period ended May 31, 1994, versus 45 days for the IBC/Donoghue's Money Fund Report.

*This index is unmanaged.

On May 31, 1994, the Fund had a seven-day net yield of 2.52% for Institutional Shares and 2.22% for Investment Shares. Net assets of the Fund totaled \$131.2 million, an increase from \$83.2 million on November 30, 1993. At the end of the six-month period, demand notes represented 62% of the Fund's portfolio, with another 33% in general obligation market notes and 5% in tax-exempt commercial paper.

BILTMORE U.S. TREASURY MONEY MARKET FUND

The Fund's portfolio manager adopted a defensive investment strategy during the period. This was accomplished by increasing liquidity in expectation of the next adjustment in rates from the Federal Reserve Board while shortening the maturity of the portfolio's holdings.

The average maturity of the Fund was slightly greater than the IBC/Donoghue's Money Fund Report average at November 30, 1993. By May 31, 1994, however, the Fund's average maturity was in line with the IBC/Donoghue's Money Fund Report average. Average maturity targets are established based on expectations of the U.S. economy, the Fund's investment adviser's market rate forecast, and the average maturity of the Fund versus a peer group. The average maturity of the Fund will always be 90 days or less.

Fund assets increased 19% during the six-month period, from \$80.2 million to \$97.6 million. Also during the six-month period ended May 31, 1994, the Fund's

seven-day net yield for Institutional Shares increased from 2.81% to 3.68% and from 2.51% to 3.38% for Investment Shares, as compared with the IBC/Donoghue's Money Fund Report average of 3.38%. The Fund's average maturity at May 31, 1994 was 42 days.

BILTMORE MONEY MARKET FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>
 PRINCIPAL AMOUNT

		VALUE

<C>	<S>	<C>
*COMMERCIAL PAPER--28.3%		

	BANKING--6.4%	
\$ 5,000,000	NBD Bank, N.A., 3.31%, 6/20/94	\$ 4,999,936
5,000,000	Trust Company Bank, 4.95%, 11/15/94	4,970,904
	Total	9,970,840

	FINANCE--AUTOMOTIVE--3.8%	
6,000,000	Ford Motor Credit Corp., 4.33%, 6/10/94	5,993,520

	FINANCE--FOOD & BEVERAGE--4.1%	
6,535,000	Bass Finance, 3.81%, 6/10/94	6,528,824

	FINANCE--MISCELLANEOUS--7.0%	
6,000,000	BellSouth Capital Funding Corp., 3.77%, 6/22/94	5,986,875
5,000,000	USAA Capital Corp., 4.27%, 6/1/94	5,000,000
	Total	10,986,875

	FOOD & BEVERAGE--7.0%	
5,000,000	Coca Cola Co., 4.33%, 7/19/94	4,971,267
6,000,000	Sara Lee Corp., 3.77%, 6/6/94	5,996,875
	Total	10,968,142

	TOTAL COMMERCIAL PAPER	44,448,201

TIME DEPOSITS--40.5%		

6,000,000	ABN-AMRO Bank, 3.95%, 6/6/94	5,999,665
5,000,000	Bank of Hawaii, 4.31%, 6/27/94	5,000,000
5,000,000	Bank of New York, 5.00%, 11/15/94	5,000,000
7,000,000	CIBC New York, 3.76%-3.95%, 6/6/94-6/22/94	6,999,257
6,000,000	First Alabama Bank, 4.00%, 6/2/94	6,000,000
5,000,000	First Union National Bank, 4.28%, 6/17/94	5,000,000

</TABLE>

BILTMORE MONEY MARKET FUND

<TABLE>
 <CAPTION>
 PRINCIPAL AMOUNT

		VALUE
<C>	<S>	<C>

TIME DEPOSITS--CONTINUED

\$ 6,000,000	NAT West, New York, 3.93%-4.19%, 6/30/94-8/31/94	\$ 5,996,868
5,000,000	Norwest Bank, 4.31%, 6/17/94	5,000,000
5,000,000	Robobank, 4.47%, 10/27/94	4,989,078
2,500,000	Royal Bank of Scotland, 3.63%, 6/1/94	2,500,000
5,000,000	Societe Generale Bank, 3.80%, 6/6/94	5,000,007
6,000,000	Toronto-Dominion Bank, 4.25%, 6/20/94	6,000,000
	TOTAL TIME DEPOSITS	63,484,875

U.S. TREASURY BILLS--17.7%

28,000,000	6/30/94-11/25/94	27,738,211
------------	------------------	------------

REPURCHASE AGREEMENT--13.4%

21,051,180	Barclays De Zoete Wedd, Inc., 4.20%, dated 5/31/94, due 6/1/94 (Note 2B)	21,051,180
	TOTAL INVESTMENTS, (AT AMORTIZED COST)	\$ 156,722,467+

</TABLE>

* Each issue shows the rate of discount at the time of purchase for discount issues, or the coupon for interest bearing issues.

** The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio.

+ Also represents cost for federal tax purposes.

Note: The categories of investments are shown as a percentage of net assets (\$156,787,220) at May 31, 1994.

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

BILTMORE MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

	<C>	<C>
ASSETS:		
Investment in repurchase agreement (Note 2B)	\$ 21,051,180	
Investments in other securities (Note 2A)	135,671,287	
Total investments, at amortized cost and value		\$ 156,722,467
Interest receivable		396,361
Prepaid/deferred expenses (Note 2F)		97,088
Total assets		157,215,916
LIABILITIES:		
Dividends payable		428,696
NET ASSETS for 156,787,220 shares of beneficial interest outstanding		\$ 156,787,220
NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share:		
Institutional Shares (net assets \$120,016,049 / 120,016,049 shares of beneficial interest outstanding)		\$1.00
Investment Shares (net assets \$36,771,171 / 36,771,171 shares of beneficial interest outstanding)		\$1.00

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

</TABLE>

BILTMORE MONEY MARKET FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

<TABLE>			
<S>			
	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2C)			\$ 2,735,406
EXPENSES:			
Investment advisory fee (Note 4)		\$ 401,042	
Trustees' fees		1,875	
Administrative personnel and services fees (Note 4)		86,619	
Custodian fees (Note 4)		16,042	
Transfer and dividend disbursing agent fees and expenses (Note 4)		14,838	
Fund share registration costs		17,542	
Auditing fees		4,422	
Legal fees		8,363	
Printing and postage		9,792	
Portfolio accounting fees (Note 4)		14,960	
Insurance premiums		4,163	
Distribution services fee (Note 4)		38,671	
Miscellaneous		5,677	
Total expenses		624,006	
Deduct--			
Waiver of investment advisory fee (Note 4)	\$ 280,730		
Waiver of administrative personnel and services fees (Note 4)	46,534		
Waiver of distribution services fee (Note 4)	9,668		
Reimbursement of other operating expenses by Administrator (Note 4)	26,456	363,388	
Net expenses			260,618
Net investment income			\$ 2,474,788

</TABLE>

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

BILTMORE MONEY MARKET FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>			
<CAPTION>			
	YEAR ENDED NOVEMBER 30,		
	1994*	1993	
<S>			
INCREASE (DECREASE) IN NET ASSETS:			
OPERATIONS--			
Net investment income	\$ 2,474,788	\$ 4,207,488	
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--			

Dividends to shareholders from net investment income:		
Institutional Shares	(2,187,499)	(4,068,438)
Investment Shares	(287,289)	(139,050)
Change in net assets resulting from distributions to shareholders	(2,474,788)	(4,207,488)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Proceeds from sale of shares	286,107,498	523,338,578
Cost of shares redeemed	(316,252,437)	(424,210,993)
Change in net assets from Fund share transactions	(30,144,939)	99,127,585
Change in net assets	(30,144,939)	99,127,585
NET ASSETS:		
Beginning of period	186,932,159	87,804,574
End of period	\$ 156,787,220	\$ 186,932,159

</TABLE>

*Six months ended May 31, 1994 (unaudited).

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

BILTMORE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INVESTMENT SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
INCOME FROM INVESTMENT OPERATIONS			
Net investment income	0.01	0.03	0.01
LESS DISTRIBUTIONS			
Dividends to shareholders from net investment income	(0.01)	(0.03)	(0.01)
NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
TOTAL RETURN***	1.42%	2.74%	1.48%
RATIOS TO AVERAGE NET ASSETS			
Expenses	0.58% (a)	0.55%	0.48% (a)
Net investment income	2.96% (a)	2.70%	3.44% (a)
Expense waiver/reimbursement (b)	0.52% (a)	0.66%	0.75% (a)
SUPPLEMENTAL DATA			
Net assets, end of period (000 omitted)	\$36,771	\$9,842	\$3,106

</TABLE>

* Reflects operations for the period from June 9, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

*** Based on net asset value which does not reflect the sales load or contingent

deferred sales charge, if applicable.

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

<S>	YEAR ENDED NOVEMBER 30,		
	<C> 1994**	<C> 1993	<C> 1992*
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS			
Net investment income	0.02	0.03	0.02

LESS DISTRIBUTIONS			
Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.02)

NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

TOTAL RETURN***	1.57%	3.05%	1.71%

RATIOS TO AVERAGE NET ASSETS			
Expenses	0.28% (a)	0.25%	0.14% (a)
Net investment income	3.08% (a)	3.00%	3.38% (a)
Expense waiver/reimbursement (b)	0.42% (a)	0.56%	0.65% (a)

SUPPLEMENTAL DATA			
Net assets, end of period (000 omitted)	\$120,016	\$177,090	\$84,698

</TABLE>

* Reflects operations for the period from June 2, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE TAX-FREE MONEY MARKET FUND
PORTFOLIO OF INVESTMENTS
MAY 31, 1994
(UNAUDITED)

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--99.1%		

ALABAMA--8.8%			
\$ 2,165,000	Alabama HFA Weekly VRDNs (SouthTrust Bank of Alabama LOC)	A-1	\$ 2,165,000
4,700,000	Birmingham City, AL, Weekly VRDNs (First Alabama Bank LOC)	SP-1+	4,700,000
3,200,000	Huntsville, AL, Health Care Authority, Weekly VRDNs (Amsouth Bank LOC)	A-1+	3,200,000
1,500,000	Mobile, AL, IDB Weekly VRDNs (Swiss Bank LOC)	A-1+	1,500,000
Total			11,565,000
ARKANSAS--2.8%			
775,000	Arkansas Hospital Equipment Finance Authority Weekly VRDNs (Credit Suisse LOC)	A-1+	775,000
725,000	Fayetteville, AR, Weekly VRDNs (Public Facility)/ (Mitsubishi Bank L.T.D. LOC)	VMIG1	725,000
2,200,000	University of Arkansas Weekly VRDNs (Board of Trustees)/ (First Union LOC)	A-1+	2,200,000
Total			3,700,000
CALIFORNIA--1.5%			
1,000,000	San Francisco Unified School District, CA, 3.50%, 8/12/94	SP-1+	1,000,860
1,000,000	Visalia, CA, Weekly VRDNs (Convention Central Project)/ (Mitsubishi L.T.D. LOC)	A-1+	1,000,000
Total			2,000,860
CONNECTICUT--0.5%			
700,000	Connecticut State Economic Recovery Notes Weekly VRDNs (Series B)	VMIG1	700,000

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			
DISTRICT OF COLUMBIA--0.8%			
\$ 1,000,000	District of Columbia Hospital Revenue Weekly VRDNs (Columbia Hospital For Women 1988A)/(Mitsubishi International LOC)	VMIG1	\$ 1,000,000
FLORIDA--7.1%			
2,500,000	Broward County, FL, HFA Weekly VRDNs (Welleby Apt. Project)/(Bank of America N.T. & S.A. LOC)	VMIG1	2,500,000
4,100,000	Collier County, FL, HFA Monthly VRDNs (River Beach Project)/(Morgan Guaranty LOC)	VMIG1	4,100,000
900,000	Florida Escambia County Facility Authority Weekly VRDNs (Florida Convalescent Center Project)/ (Toronto Dominion LOC)	P-1	900,000
850,000	Polk County, FL, IDA Weekly VRDNs (Florida Convalescent Center Project)/(Toronto Dominion LOC)	P-1	850,000
1,000,000	St. Lucie County, FL, Weekly VRDNs (Florida Power & Light project)	P-1	1,000,000

	Total		9,350,000

GEORGIA--10.6%			
2,000,000	Burke County, GA, Development Pollution Authority, 3.15%, 6/7/94 (Credit Suisse LOC)	P-1	2,000,000
4,000,000	Cobb County, GA, 3.50%, 12/30/94	SP-1	4,013,633
5,000,000	De Kalb Private Hospital Authority, GA, (Engleston Childrens' Hospital)/(Trust Company Bank LOC)	A-1+	5,000,000
1,000,000	Housing Authority of Fulton County, GA, 3.10%, 8/1/94 (First Mutual Savings--Florida--LOC)	A-1+	1,000,000
1,895,000	Marietta, GA, HFA VRDNs (Falls at Bells Ferry)/(Guardian S&L LOC)	VMIG1	1,895,000
	Total		13,908,633

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>

SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			

ILLINOIS--11.3%			
\$ 1,000,000	Chicago, IL, GO Weekly VRDNs (Canadian Imperial Bank LOC)	VMIG1	\$ 1,000,000
1,000,000	Illinois Development Finance Authority Revenue Weekly VRDNs (National Westminster LOC)	VMIG1	1,000,000
1,500,000	Illinois Development Finance Authority Revenue Weekly VRDNs (LaSalle National Bank LOC)	AA-	1,500,000
3,000,000	Illinois Development Finance Authority Revenue Weekly VRDNs (Northern Trust Co. LOC)	AA-	3,000,000
5,200,000	Illinois State, 9.00%, 9/1/97 (prerefunded 9/1/94 @ 102)	AA-	5,390,052
3,000,000	Illinois State, Weekly VRDNs (Toll Highway Authority)/ (Societe Generale LOC)	VMIG1	3,000,000
	Total		14,890,052

INDIANA--1.6%			
2,100,000	Indianapolis, IN, Weekly VRDNs (Canal Square Project)/ (Societe Generale LOC)	VMIG1	2,100,000

IOWA--2.4%			
600,000	Indianola, IA, IDR Monthly VRDNs (HY-VEE Foods)/ (Swiss Bank LOC)	A-1+	600,000
2,500,000	Iowa State, 3.25%, 6/30/94 (Union Bank of Switzerland LOC)	MIG1	2,500,771
	Total		3,100,771

KANSAS--1.3%			
1,750,000	Burlington, KS, Pollution Control Revenue, 3.15%, 9/8/94 (Deutsche Bank LOC)	AAA	1,750,000

KENTUCKY--0.8%			
1,000,000	City of Georgetown, KY, Educational Institution Weekly VRDNs (PNC Bank, Kentucky, LOC)	VMIG1	1,000,000

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			

LOUISIANA--3.5%			
\$ 1,500,000	Calcasieu Parish, LA, IDR Pollution Control Weekly VRDNs (National Westminster Bank LOC)	P-1	\$ 1,500,000
1,100,000	Lake Charles Harbor & Terminal District, LA, Weekly VRDNs (National Westminster Bank LOC)	P-1	1,100,000
2,000,000	Louisiana State Sales Tax Revenue Daily VRDNs (FGIC Insured)/(Swiss Bank LOC)	VMIG1	2,000,000
	Total		4,600,000

MAINE--1.5%			
2,000,000	Maine State Turnpike Authority, 3.15%, 10/3/94	MIG1	2,003,331

MARYLAND--5.3%			
6,000,000	Maryland Health Higher Education Facility Anne Arundel Hospital Weekly VRDNs (Mellon Bank LOC)	VMIG1	6,000,000
1,000,000	Maryland State, 6.40%, 7/15/94	NR	1,004,774
	Total		7,004,774

MASSACHUSETTS--4.6%			
6,000,000	Massachusetts State, Daily VRDNs (Series E) (ABN-- AMRO LOC)	VMIG1	6,000,000

MICHIGAN--3.6%			
4,600,000	Michigan State Hospital Finance Authority Revenue, 11.25%, 6/1/94 (Prerefunded)	AAA	4,692,000

MISSISSIPPI--3.0%			
3,900,000	Perry County, MS, Daily VRDNs (Leaf River Forest Project)/(Credit Suisse LOC)	P-1	3,900,000

NORTH CAROLINA--1.9%			
2,500,000	North Carolina Eastern Municipal Power, 3.15%, 6/7/94 (UBS & Morgan Guaranty LOC)	A-1+	2,500,000

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			

OHIO--0.8%			

\$ 1,000,000	Centerville, OH, Healthcare Revenue Weekly VRDNs (PNC Bank LOC)	VMIG1	\$ 1,000,000
	PENNSYLVANIA--2.3%		
2,000,000	Pennsylvania State University, 3.00%, 12/5/94	SP-1+	2,002,692
1,000,000	Sewickley Valley Hospital Authority, PA, 3.00%, 12/15/94 (PNC Bank LOC)	VMIG1	1,001,954
	Total		3,004,646
	RHODE ISLAND--1.5%		
2,000,000	Rhode Island State, 3.25%, 6/30/94	SP-1+	2,000,767
	TENNESSEE--9.2%		
2,000,000	Nashville, TN, Health & Education Weekly VRDNs (NationsBank LOC)	A-1+	2,000,000
3,000,000	Nashville, TN, FHA Weekly VRDNs (NationsBank LOC)	A-1+	3,000,000
1,000,000	Shelby County, TN, 6.10%, 8/1/94 (Prerefunded)	AAA	1,006,095
1,000,000	Shelby County, TN, 6.25%, 8/1/94 (Prerefunded)	AAA	1,032,280
5,000,000	Tennessee State, Weekly VRDNs	SP-1	5,000,000
	Total		12,038,375
	TEXAS--6.9%		
1,000,000	Dallas, TX, 9.50%, 6/1/94 (Prerefunded)	AAA	1,000,000
1,000,000	Fort Worth, TX, 8.70%, 3/1/95	AAA	1,040,544
1,000,000	Lower Neches Valley Authority Texan, 6-Month Put, (Chevron Guaranty)	A-1+	1,000,000
1,860,000	San Antonio, TX, Electric & Gas Revenue, 9.60%, 2/1/95 (Prerefunded)	AAA	1,964,627
4,000,000	Texas State, 3.25%, 8/31/94	SP-1+	4,004,530
	Total		9,009,701

</TABLE>

BILTMORE TAX-FREE MONEY MARKET FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT OR SHARES		CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
	SHORT-TERM MUNICIPAL SECURITIES--CONTINUED		
	VIRGINIA--1.1%		
\$ 1,500,000	Harrisonburg, VA, HFA, yearly put (Rolling Brook Village Apartments)/(Guardian S&L LOC)	VMIG1	\$ 1,500,000
	WASHINGTON--2.3%		
3,000,000	Port Anacortes, WA, IDA, 2.70%, 8/9/94	P-1	3,000,000
	WYOMING--2.1%		
2,700,000	Uinta County, WY, Pollution Control Revenue Daily VRDNs (Chevron Guaranty)	P-1	2,700,000
	TOTAL SHORT-TERM MUNICIPAL BONDS		130,018,910

REGULATED INVESTMENT COMPANIES--0.2%

265,813	Fidelity Tax-Exempt Money Market Fund Instruments Portfolio (at net asset value) (Note 2A)	265,813
-----		-----
	TOTAL INVESTMENTS, AT AMORTIZED COST	\$ 130,284,723+
-----		-----

</TABLE>

+ Also represents cost for federal tax purposes.

* Please refer to the Appendix of the Statement of Additional Information for an explanation of the credit ratings.

Note: The categories of investments are shown as a percentage of net assets (\$131,242,102) at May 31, 1994.

The following abbreviations are used throughout this portfolio:

GO--General Obligation
FGIC--Financial Guaranty Insurance Company
FHA--Federal Housing Authority
HFA--Housing Finance Authority
IDA--Industrial Development Authority
IDB--Industrial Development Board
IDR--Industrial Development Revenue
LOC--Letter(s) of Credit
VRDNs--Variable Rate Demand Notes

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

BILTMORE TAX-FREE MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

<TABLE>		
<S>		
<C>		
ASSETS:		

Investments in securities, at amortized cost and value (Note 2A)	\$	130,284,723

Cash		7,932

Interest receivable		1,164,378

Deferred expenses (Note 2F)		49,888

Total assets		131,506,921

LIABILITIES:		

Payable to Adviser		264,819

NET ASSETS for 131,242,102 shares of beneficial interest outstanding	\$	131,242,102

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share:		

Institutional Shares (\$93,273,581 / 93,273,581 shares of beneficial interest outstanding)		\$1.00

Investment Shares (\$37,968,521 / 37,968,521 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

BILTMORE TAX-FREE MONEY MARKET FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

<TABLE>			
<S>			
<C>			
INVESTMENT INCOME:			

Interest income (Note 2C)	\$	1,386,699	

EXPENSES:			

Investment advisory fee (Note 4)		\$	273,000
Trustees' fees			1,718
Administrative personnel and services fees (Note 4)			58,335
Custodian fees (Note 4)			10,920
Transfer and dividend disbursing agent fees and expenses (Note 4)			15,777
Fund share registration costs			11,072
Auditing fees			4,830
Legal fees			8,382
Printing and postage			11,704
Portfolio accounting fees (Note 4)			16,180
Insurance premiums			4,168
Distribution services fees (Note 4)			63,520
Miscellaneous			5,066
Total expenses			484,672
Deduct--			
Waiver of investment advisory fee (Note 4)	\$	191,100	
Waiver of administrative personnel and services fees (Note 4)		31,039	
Waiver of distribution services fees (Note 4)		15,880	
Reimbursement of other operating expenses by Administrator (Note 4)		25,445	263,464
Net expenses			221,208
Net investment income	\$		1,165,491

</TABLE>

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

BILTMORE TAX-FREE MONEY MARKET FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 1,165,491	\$ 1,687,496
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income:		
Institutional Shares	(859,547)	(1,400,375)
Investment Shares	(305,944)	(287,121)
Change in net assets resulting from distributions to shareholders	(1,165,491)	(1,687,496)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Proceeds from sale of shares	145,788,735	202,842,602

Cost of shares redeemed	(97,791,212)	(186,567,848)
Change in net assets from Fund share transactions	47,997,523	16,274,754
Change in net assets	47,997,523	16,274,754
NET ASSETS:		
Beginning of period	83,244,579	66,969,825
End of period	\$ 131,242,102	\$ 83,244,579

* Six months ended May 31, 1994 (unaudited).

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

BILTMORE TAX-FREE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INVESTMENT SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
<S>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
INCOME FROM INVESTMENT OPERATIONS			
Net investment income	0.01	0.02	0.01
LESS DISTRIBUTIONS			
Dividends to shareholders from net investment income	(0.01)	(0.02)	(0.01)
NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00
TOTAL RETURN***	0.95%	1.99%	1.29%
RATIOS TO AVERAGE NET ASSETS			
Expenses	0.62% (a)	0.59%	0.50% (a)
Net investment income	1.92% (a)	1.98%	2.37% (a)
Expense waiver/reimbursement (b)	0.55% (a)	0.70%	0.88% (a)
SUPPLEMENTAL DATA			
Net assets, end of period (000 omitted)	\$37,969	\$23,976	\$5,338

</TABLE>

* Reflects operations for the period from May 20, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE TAX-FREE MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1994**	1993	1992*
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS			

Net investment income	0.01	0.02	0.01

LESS DISTRIBUTIONS			

Dividends to shareholders from net investment income	(0.01)	(0.02)	(0.01)

NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

TOTAL RETURN***	1.10%	2.30%	1.49%

RATIOS TO AVERAGE NET ASSETS			

Expenses	0.32% (a)	0.29%	0.16% (a)

Net investment income	2.22% (a)	2.28%	2.71% (a)

Expense waiver/reimbursement (b)	0.45% (a)	0.60%	0.78% (a)

SUPPLEMENTAL DATA			

Net assets, end of period (000 omitted)	\$93,274	\$59,269	\$61,632

</TABLE>

* Reflects operations for the period from May 14, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
PORTFOLIO OF INVESTMENTS
MAY 31, 1994
(UNAUDITED)

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>
U.S. GOVERNMENT OBLIGATIONS--48.7%		

	U.S. TREASURY BILLS	
\$ 48,000,000	6/2/94-3/9/95	\$ 47,526,283

*REPURCHASE AGREEMENTS--51.6%		

22,341,830	Barclays De Zoete Wedd, Inc., 4.20%, dated 5/31/94, due 6/1/94	22,341,830

20,000,000	Daiwa Securities America, Inc., 4.23%, dated 5/31/94, due 6/1/94	20,000,000

4,000,000	Kidder, Peabody & Co., Inc., 4.20%, dated 5/31/94, due 6/1/94	4,000,000

4,000,000	Morgan Stanley & Co., 4.20%, dated 5/31/94, due 6/1/94	4,000,000

TOTAL REPURCHASE AGREEMENTS (NOTE 2B)	50,341,830
TOTAL INVESTMENTS, AT AMORTIZED COST	\$ 97,868,113+

</TABLE>

+ Also represents cost for federal tax purposes.

* The repurchase agreements are fully collateralized by U.S. Treasury obligations based on market prices at the date of the portfolio.

Note: The categories of investments are shown as a percentage of net assets (\$97,589,706) at May 31, 1994.

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994
(UNAUDITED)

	<C>	<C>
ASSETS:		
Investments in repurchase agreements (Note 2B)	\$ 50,341,830	
Investments in other securities (Note 2A)	47,526,283	
Total investments, at amortized cost and value		\$ 97,868,113
Interest receivable		5,890
Deferred expenses (Note 2F)		11,131
Total assets		97,885,134
LIABILITIES:		
Dividends payable	278,804	
Accrued expenses	16,624	
Total liabilities		295,428
NET ASSETS for 97,589,706 shares of beneficial interest outstanding		\$ 97,589,706
NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share:		
Institutional Shares (\$77,912,233 / 77,912,233 shares of beneficial interest outstanding)		\$1.00
Investment Shares (\$19,677,473 / 19,677,473 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MAY 31, 1994
(UNAUDITED)

	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2C)			\$ 1,483,443
EXPENSES:			
Investment advisory fee (Note 4)	\$ 220,797		
Trustees' fees		2,711	

Administrative personnel and services fees (Note 4)		47,393
Custodian fees (Note 4)		8,832
Transfer and dividend disbursing agent fees and expenses (Note 4)		28,784
Fund share registration costs		22,657
Auditing fees		8,307
Legal fees		8,621
Printing and postage		23,041
Portfolio accounting fees (Note 4)		28,201
Insurance premiums		6,984
Distribution services fees (Note 4)		37,290
Miscellaneous		7,365
Total expenses		450,983
Deduct--		
Waiver of investment advisory fee (Note 4)	\$ 198,717	
Waiver of administrative personnel and services fees (Note 4)	25,319	
Waiver of distribution services fees (Note 4)	9,323	
Reimbursement of other operating expenses by Administrator (Note 4)	26,278	259,637
Net expenses		191,346
Net investment income		\$ 1,292,097

</TABLE>

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994*	1993
	<C>	<C>
<S> INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 1,292,097	\$ 1,900,006
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--		
Dividends to shareholders from net investment income:		
Institutional shares	(1,038,878)	(1,826,489)
Investment shares	(253,219)	(73,517)
Change in net assets from distributions to shareholders	(1,292,097)	(1,900,006)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--		
Net proceeds from sale of shares	179,044,884	288,944,990
Cost of shares redeemed	(163,749,538)	(262,058,559)
Change in net assets from Fund share transactions	15,295,346	26,886,431
Change in net assets	15,295,346	26,886,431
NET ASSETS:		

Beginning of period	82,294,360	55,407,929
End of period	\$ 97,589,706	\$ 82,294,360

</TABLE>

*Six months ended May 31, 1994 (unaudited).

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INVESTMENT SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,	
	1994**	1993*
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income	0.01	0.01
LESS DISTRIBUTIONS		
Dividends to shareholders from net investment income	(0.01)	(0.01)
NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00
TOTAL RETURN***	1.36%	1.42%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.67% (a)	0.65% (a)
Net investment income	2.68% (a)	2.50% (a)
Expense waiver/reimbursement (b)	0.62% (a)	0.73% (a)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)	\$19,677	\$16,941

</TABLE>

* For the period from May 12, 1993 (date of initial public investment) to November 30, 1993.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE U.S. TREASURY MONEY MARKET FUND
FINANCIAL HIGHLIGHTS
INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

YEAR ENDED

	NOVEMBER 30,		
	1994**	1993	1992*
<S>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS			

Net investment income	0.02	0.03	0.02

LESS DISTRIBUTIONS			

Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.02)

NET ASSET VALUE, END OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00

TOTAL RETURN***	1.51%	2.91%	1.90%

RATIOS TO AVERAGE NET ASSETS			

Expenses	0.37% (a)	0.28%	0.17% (a)

Net investment income	2.98% (a)	2.87%	3.24% (a)

Expense waiver/reimbursement (b)	0.52% (a)	0.63%	0.71% (a)

SUPPLEMENTAL DATA			

Net assets, end of period (000 omitted)	\$77,912	\$65,353	\$55,408

</TABLE>

* For the period from May 7, 1992 (date of initial public investment) to November 30, 1992.

** Six months ended May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

BILTMORE MONEY MARKET FUNDS
 COMBINED NOTES TO FINANCIAL STATEMENTS
 MAY 31, 1994
 (UNAUDITED)

(1) ORGANIZATION

The Biltmore Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end, management investment company. The Trust consists of eleven diversified portfolios (individually referred to as the "Fund", or collectively as the "Funds"). The financial statements included herein present only those of the Biltmore Money Market Fund (Money Market Fund), the Biltmore Tax-Free Money Market Fund (Tax-Free Fund), and the Biltmore U.S. Treasury Money Market Fund (U.S. Treasury Fund), each of which presently offers two classes of shares: Institutional Shares and Investment Shares. The financial statements of the other portfolios are presented separately.

Investment Shares are identical in all respects to Institutional Shares, except that Investment Shares are sold pursuant to a distribution plan (the "Plan") adopted in accordance with the Act's Rule 12b-1. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles (GAAP).

- A. INVESTMENT VALUATIONS--The Funds' use of the amortized cost method to value its portfolio securities is in accordance with Rule 2a-7 under the Act. Investments in other regulated investment companies are valued at net asset

value.

- B. REPURCHASE AGREEMENTS--It is the policy of the Funds 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 Funds to monitor, on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

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

- C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--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"). Distributions to shareholders are recorded on the ex-dividend date.
- D. FEDERAL TAXES--It is the Funds' policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of their taxable income. Accordingly, no provisions for federal tax are necessary.

At November 30, 1993, the Tax-Free Fund, for federal tax purposes, had a capital loss carryforward of \$406, which will reduce the Fund's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal tax. Pursuant to the Code, such capital loss carryforward will expire in 2001.

- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Funds may engage in when-issued or delayed delivery transactions. The Funds record when-issued securities on the trade date and maintain 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.
- F. DEFERRED EXPENSES--The costs incurred by each Fund with respect to the registration of its shares in its first fiscal year, excluding the initial expense of registering the shares, have been deferred and are being amortized using the straight-line method over a period of five years from each Fund's commencement date.
- G. OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value) for each class of shares. At May 31, 1994, capital paid-in for the Money Market Fund, the Tax-Free Fund and the U.S. Treasury Fund aggregated \$156,787,220, \$131,242,102 and \$97,589,706, respectively. Transactions in Fund shares were as follows:

	MONEY MARKET FUND		TAX-FREE FUND	
	YEAR ENDED NOVEMBER 30,		YEAR ENDED NOVEMBER 30,	
	1994*	1993	1994*	1993
<S>	<C>	<C>	<C>	<C>
INSTITUTIONAL SHARES				
<S>	<C>	<C>	<C>	<C>
Shares sold	241,775,360	508,765,112	97,888,689	157,797,806

Shares redeemed	(298,849,373)	(416,373,470)	(63,883,671)	(160,161,423)

Net change resulting from Institutional Share transactions	(57,074,013)	92,391,642	34,005,018	(2,363,617)

</TABLE>

<TABLE>
<CAPTION>

	U.S. TREASURY FUND	
	YEAR ENDED NOVEMBER 30, 1994*	1993
	<C>	<C>
<S> INSTITUTIONAL SHARES		
Shares sold	152,618,840	268,967,543

Shares redeemed	(140,059,551)	(259,022,528)

Net change resulting from Institutional Share transactions	12,559,289	9,945,015

</TABLE>

* For the six months ended May 31, 1994.

<TABLE>
<CAPTION>

	MONEY MARKET FUND		TAX-FREE FUND	
	YEAR ENDED NOVEMBER 30, 1994*	1993	YEAR ENDED NOVEMBER 30, 1994*	1993
	<C>	<C>	<C>	<C>
<S> INVESTMENT SHARES				
Shares sold	44,332,138	14,573,466	47,900,046	45,044,796

Shares redeemed	(17,403,064)	(7,837,523)	(33,907,541)	(26,406,425)

Net change resulting from Investment Share transactions	26,929,074	6,735,943	13,992,505	18,638,371

Total net change resulting from Fund transactions	(30,144,939)	99,127,585	47,997,523	16,274,754

</TABLE>

<TABLE>
<CAPTION>

	U.S. TREASURY FUND	
	YEAR ENDED NOVEMBER 30, 1994*	1993**
	<C>	<C>
<S> INVESTMENT SHARES		
Shares sold	26,426,044	19,977,447

Shares redeemed	(23,689,987)	(3,036,031)

Net change resulting from Investment Share transactions	2,736,057	16,941,416

Total net change from Fund transactions	15,295,346	26,886,431

</TABLE>

* For the six months ended May 31, 1994.

** For the period from May 12, 1993 (date of initial public investment) to November 30, 1993.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Wachovia Investment Management Group, the Trust's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of each Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Funds. The Adviser can modify or terminate the voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Funds with certain administrative personnel and services. The FAS fee is based on the level of average aggregate net assets of the Trust and The Biltmore Municipal Funds for the period. FAS may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Funds. FAS can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

DISTRIBUTION PLAN--The Trust has adopted the Plan pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Funds will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the

Funds to finance activities intended to result in the sale of the Funds' Investment Shares. The Plan provides that the Funds may incur distribution expenses up to .40 of 1% of the average daily net assets of the Investment Shares, annually, to compensate FSC.

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

FServ also maintains the Funds' accounting records. The FServ fee is based on the level of each Fund's average net assets for the period, plus out-of-pocket expenses.

Wachovia Bank of North Carolina, N.A. is the Funds' custodian. The fee is based on the level of each Fund's average net assets for the period, plus out-of-pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses of the Money Market Fund, Tax-Free Fund, and U.S. Treasury Fund of \$65,357, \$59,661 and \$33,032, respectively, were borne initially by FAS. The Funds have agreed to reimburse FAS for the organizational expenses during the five-year period following the date that each Fund's registration statement first became effective. For the six months ended May 31, 1994, the Money Market Fund, Tax-Free Fund, and U.S. Treasury Fund paid \$5,308, \$5,183, and \$4,555, respectively pursuant to this agreement.

Certain of the Officers of the Trust are Officers and Trustees of FAS, FSC and FServ.

TRUSTEES

OFFICERS

<TABLE>

<S>

James A. Hanley
Malcolm T. Hopkins
Samuel E. Hudgins
J. Berkley Ingram, Jr.
D. Dean Kaylor

<C>

John W. McGonigle
President and Treasurer
Ronald M. Petnuch
Vice President and Assistant Treasurer
Joseph M. Huber
Secretary
Mark A. Sheehan
Assistant Secretary

</TABLE>

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Funds prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.