

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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FEDERATED GOVERNMENT TRUST/PA

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Mailing Address
*FEDERATED INVESTORS
TOWER
PITTSBURG PA 15222-3779*

Business Address
*FEDERATED INVESTORS
TWR 19TH FL
GRANT ST AND LIBERTY AVE
PITTSBURGH PA 15222
4122888515*

AUTOMATED
TREASURY
CASH
RESERVES

SEMI-ANNUAL REPORT
TO SHAREHOLDERS
OCTOBER 31, 1994

FEDERATED SECURITIES CORP.
Distributor
A subsidiary of FEDERATED INVESTORS
FEDERATED INVESTORS TOWER
PITTSBURGH, PA 15222-3779

314186404
2112509 (12/94)

PRESIDENT'S MESSAGE

Dear Investor:

I am pleased to present the Semi-Annual Report to Shareholders for Automated Treasury Cash Reserves (the "Fund"), a portfolio of Federated Government Trust, for the six-month period ended October 31, 1994. The report begins with our Investment Review, in which the Fund's portfolio manager provides a brief commentary on the short-term government market. Following the Investment Review are the Financial Statements, which include the Portfolio of Investments.

On behalf of investors, the Fund pursues current income consistent with stability of principal and liquidity, and a stable net asset value of \$1.00 per share*--all through a portfolio of U.S. Treasury obligations. At the end of the reporting period, 71.8% of the Fund's net assets were invested in U.S. Treasury bills, while the remaining net assets were invested in U.S. Treasury notes.

During the six-month reporting period, dividends paid to shareholders totaled \$3.4 million, or \$0.02 per share. At the end of the reporting period, net assets stood at \$210 million.

Thank you for your confidence in the Fund. Your questions, comments, or suggestions are always welcome.

Sincerely,

Glen R. Johnson
President
December 15, 1994

* No money market mutual fund can guarantee that a stable net asset value will be maintained. An investment in the Fund is neither insured nor guaranteed by the U.S. government.

INVESTMENT REVIEW

The Fund, which is rated AAAM by Standard & Poor's Ratings Group ("Standard & Poor's") and Aaa by Moody's Investors Service, Inc. ("Moody's"), invests only in

direct issues of the U.S. Treasury.* The Fund was created to meet the needs of tax-sensitive investors in states which consider income from all repurchase agreements as taxable. Therefore, the Fund's acceptable investments do not include repurchase agreements, and liquidity is maintained by including a ladder position of short-term Treasury securities, which are typically Treasury bills.

During the semi-annual reporting period, the Federal Reserve Board (the "Fed") continued along the path of tighter monetary policy that it embarked on in early February 1994 by raising the Federal Funds' target rate by an additional 100 basis points over the reporting period, bringing the rate from 3.75% to 4.75%. Short rates led the moves by the Fed upward, with the rate on the three-month Treasury bill rising from 4% at the end of April to 5.15% at the end of October. At that time, another tightening by the Fed was already being anticipated by the market, a move which was partially reflected in the level of short-term interest rates. In fact, in mid-November, faced with persistent strength in the economy and upward pressures on resource utilization, the Fed moved aggressively to tighten monetary policy by moving the Fed Funds' target rate up a full 75 basis points to 5.50%.

Recently, the Fund has been managed within a conservative 30-40 day average maturity target range, reflecting our expectation of policy moves by the Fed. The Fund's Treasury note position increased slightly relative to Treasury bills, in order to take advantage of more attractive spreads available in that area. The Fund is likely to continue to be managed with a conservative stance in the near future, with the portfolio seeking to maximize performance through relative value analysis, in light of the presence of early warning signs of inflation and the expectation of further tightenings by the Fed. However, changing economic and market developments are continuously being monitored in order to best serve our clients attracted to the short-term Treasury market.

* These ratings are obtained after Standard & Poor's and Moody's evaluates a number of factors, including credit quality, market price exposure, and management. They monitor the portfolio weekly for developments that could cause changes in ratings.

AUTOMATED TREASURY CASH RESERVES

PORTFOLIO OF INVESTMENTS

OCTOBER 31, 1994

(UNAUDITED)

<TABLE>
<CAPTION>
PRINCIPAL AMOUNT

PRINCIPAL AMOUNT		VALUE
<C>	<C> <S>	<C>
U.S. TREASURY OBLIGATIONS--99.4%		
	* U.S. TREASURY BILLS--71.8%	
\$ 2,900,000	4.55%-4.57%, 11/3/94	\$ 2,899,282
1,900,000	4.53%, 11/10/94	1,897,896
18,800,000	4.72%-4.73%, 11/17/94	18,761,351
13,000,000	4.66%-4.67%, 11/25/94	12,960,467
19,050,000	4.62%-4.72%, 12/1/94	18,977,200
24,600,000	4.64%-4.92%, 12/8/94	24,479,701
6,100,000	4.71%-4.83%, 12/15/94	6,065,112

23,700,000	4.88%-4.91%, 12/22/94	23,539,633
19,200,000	4.90%-4.92%, 1/5/95	19,033,770
22,400,000	5.07%-5.10%, 1/19/95	22,156,613
Total		150,771,025
U.S. TREASURY NOTES--27.6%		
38,000,000	6.00%-8.25%, 11/15/94	38,031,582
20,000,000	4.625%, 11/30/94	19,998,030
Total		58,029,612
TOTAL INVESTMENTS, AT AMORTIZED COST		\$208,800,637+

</TABLE>

* Each issue shows the rate of discount at the time of purchase.

+ Also represents cost for federal tax purposes.

Note: The categories of investments are shown as a percentage of net assets (\$210,052,223) at October 31, 1994.

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

AUTOMATED TREASURY CASH RESERVES

STATEMENT OF ASSETS AND LIABILITIES OCTOBER 31, 1994 (UNAUDITED)

	<C>	<C>
<TABLE>		
<S>		
ASSETS:		
Investments, at amortized cost and value		\$208,800,637
Cash		1,924,039
Interest receivable		1,619,167
Deferred expenses		7,645
Total assets		212,351,488
LIABILITIES:		
Payable for Fund shares redeemed	\$1,900,000	
Dividends payable	291,365	
Accrued expenses	107,900	
Total liabilities		2,299,265
NET ASSETS for 210,052,223 shares of beneficial interest outstanding		\$210,052,223
NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share (\$210,052,223 / 210,052,223 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

AUTOMATED TREASURY CASH RESERVES

STATEMENT OF OPERATIONS
SIX MONTHS ENDED OCTOBER 31, 1994
(UNAUDITED)

	<C>	<C>

<TABLE>		
<S>		
INVESTMENT INCOME:		

Interest income		\$3,880,273

EXPENSES:		

Investment advisory fee	\$459,169	

Trustees' fees	1,913	

Administrative personnel and services fee	72,303	

Custodian and recordkeeping fees and expenses	55,266	

Transfer and dividend disbursing agent fees and expenses	13,083	

Shareholder services fees	185,307	

Fund share registration costs	6,331	

Legal fees	3,863	

Auditing fees	6,678	

Printing and postage	1,913	

Insurance premiums	3,948	

Miscellaneous	12,023	

Total expenses	821,797	

Deduct--Waiver of investment advisory fee	305,665	

Net expenses		516,132

Net investment income		\$3,364,141

</TABLE>		

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

AUTOMATED TREASURY CASH RESERVES

STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED APRIL 30,	
	1995*	1994
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		

OPERATIONS--

Net investment income	\$ 3,364,141	\$ 6,862,541
DISTRIBUTIONS TO SHAREHOLDERS--		
Dividends to shareholders from net investment income	(3,364,141)	(6,862,541)
FUND SHARE (PRINCIPAL) TRANSACTIONS--		
Proceeds from sale of shares	349,195,734	1,219,200,090
Net asset value of shares issued to shareholders in payment of dividends declared	2,195,692	6,163,198
Cost of shares redeemed	(332,178,977)	(1,287,478,391)
Change in net assets from Fund share transactions	19,212,449	(62,115,103)
Change in net assets	19,212,449	(62,115,103)
NET ASSETS:		
Beginning of period	190,839,774	252,954,877
End of period	\$ 210,052,223	\$ 190,839,774

</TABLE>

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

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

AUTOMATED TREASURY CASH RESERVES

FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>

<CAPTION>

	YEAR ENDED APRIL 30,			
	1995**	1994	1993	1992***
<S>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS				
Net investment income	0.02	0.03	0.03	0.03
LESS DISTRIBUTIONS				
Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.03)	(0.03)
NET ASSET VALUE, END OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN*	1.84%	2.58%	2.88%	3.07%
RATIOS TO AVERAGE NET ASSETS				
Expenses	0.56% (b)	0.57%	0.39%	0.51% (b)
Net investment income	3.66% (b)	2.55%	2.79%	3.84% (b)

Expense waiver/reimbursement (a)	0.33% (b)	0.13%	0.53%	0.30% (b)
SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	\$210,052	\$190,840	\$252,955	\$36,803

</TABLE>

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

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

*** Reflects operations for the period from August 9, 1991 (date of initial public investment) to April 30, 1992.

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

(b) Computed on an annualized basis.

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

AUTOMATED TREASURY CASH RESERVES

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1994
(UNAUDITED)

(1) ORGANIZATION

Federated Government Trust (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 three diversified portfolios. The financial statements included herein present only those of Automated Treasury Cash Reserves (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. The policies are in conformity with generally accepted accounting principles.

<TABLE>
<S> <C>

- 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. 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 taxable income. Accordingly, no provisions for federal tax are necessary.
- D. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund record when-issued securities 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 or registering the shares, have been deferred and are being amortized using the straight-line method, not to exceed a period of five years from the Fund's commencement date.

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

AUTOMATED TREASURY CASH RESERVES

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Board of Trustees (the "Trustees") to issue an unlimited number of full and fractional shares of beneficial interest (without par value). At October 31, 1994, capital paid in aggregated \$210,052,223. Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED APRIL 30,	
	1995*	1994
<S>	<C>	<C>
Shares sold	349,195,734	1,219,200,090
Shares issued to shareholders in payment of dividends declared	2,195,692	6,163,198
Shares redeemed	(332,178,977)	(1,287,478,391)
Net change resulting from Fund share transactions	19,212,449	(62,115,103)

</TABLE>

* Six months ended October 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to 0.50 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.

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

SHAREHOLDER SERVICES FEE--Under the terms of a Shareholder Services Agreement with Federated Shareholder Services ("FSS"), the Fund will pay FSS up to 0.25 of 1% of average daily net assets of the Fund for the period. This fee is to obtain certain personal services for shareholders and to maintain the shareholder accounts.

TRANSFER AND DIVIDEND DISBURSING AGENT FEE--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.

Certain of the Officers and Trustees of the Fund are Officers and Directors or Trustees of the above companies.

<TABLE>

<S>

TRUSTEES

John F. Donahue
John T. Conroy, Jr.
William J. Copeland
James E. Dowd
Lawrence D. Ellis, M.D.
Edward L. Flaherty, Jr.
Glen R. Johnson
Peter E. Madden
Gregor F. Meyer
Wesley W. Posvar
Marjorie P. Smuts

<C>

OFFICERS

John F. Donahue
Chairman
Glen R. Johnson
President
J. Christopher Donahue
Vice President
Richard B. Fisher
Vice President
Edward C. Gonzales
Vice President and Treasurer
John W. McGonigle
Vice President and Secretary
David M. Taylor
Assistant Treasurer
Robert C. Rosselot
Assistant Secretary

</TABLE>

Mutual funds are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. Investment in mutual funds involves investment risk, including possible loss of principal. Although money market funds seek to maintain a stable net asset value of \$1.00 per share, there is no assurance that they will be able to do so.

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.

AUTOMATED
GOVERNMENT
CASH
RESERVES

SEMI-ANNUAL REPORT
TO SHAREHOLDERS
OCTOBER 31, 1994

FEDERATED SECURITIES CORP.

Distributor

A subsidiary of FEDERATED INVESTORS

FEDERATED INVESTORS TOWER

PITTSBURGH, PA 15222-3779

314186107

0112708 (12/94)

PRESIDENT'S MESSAGE

Dear Investor:

I am pleased to present the Semi-Annual Report to Shareholders for Automated Government Cash Reserves (the "Fund"), a portfolio of Federated Government Trust, for the six-month period ended October 31, 1994. The report begins with our Investment Review, in which the Fund's portfolio manager provides a brief commentary on the short-term government market. Following the Investment Review are the Financial Statements, which include the Portfolio of Investments.

On behalf of investors, the Fund pursues current income consistent with stability of principal and liquidity, and a stable net asset value of \$1.00 per share.* It invests exclusively in a portfolio of securities issued or guaranteed by the U.S. government or its agencies.

During the six-month reporting period, dividends paid to shareholders totaled \$8.5 million, or \$0.02 per share. At the end of the reporting period, the Fund's net assets stood at \$494.8 million.

Thank you for selecting the Fund as a high-quality cash investment. As always, we welcome your questions, comments, or suggestions.

Sincerely,

Glen R. Johnson
President
December 15, 1994

* No money market mutual fund can guarantee that a stable net asset value will be maintained. An investment in the Fund is neither insured nor guaranteed by the U.S. government.

INVESTMENT REVIEW

The Fund, which is rated AAAm by Standard & Poor's Ratings Group ("Standard & Poor's") and Aaa by Moody's Investors Service, Inc. ("Moody's"), is invested only in direct issues of the U.S. Treasury and government securities, whose interest is exempt from various states' personal income tax, if owned directly.* The Fund's acceptable investments do not include repurchase agreements in order to meet the needs of tax-sensitive investors in states which consider income from all repurchase agreements as taxable. The Fund continues to emphasize issues of the Student Loan Marketing Association, Federal Farm Credit Bank, and Federal Home Loan Bank.

During the semi-annual reporting period, the Federal Reserve Board (the "Fed") continued along the path of tighter monetary policy that it embarked on in early February 1994 by raising the Federal Funds' target rate by an additional 100 basis points over the reporting period, bringing the rate from 3.75% to 4.75%. Short rates led the moves by the Fed upward, with the rate on the three-month Treasury bill rising from 4% at the end of April to 5.15% at the end of October. At that time, another tightening by the Fed was already being anticipated by the market, a move which was partially reflected in the level of short-term interest rates. In fact, in mid-November, faced with persistent strength in the economy and upward pressures on resource utilization, the Fed moved aggressively to tighten monetary policy by moving the Fed Funds' target rate up a full 75 basis points to 5.50%.

Recently, the Fund has been managed within a conservative 30-40 day average maturity target range, reflecting our expectation of the policy moves by the Fed. The Fund increased its position in agency floating rate securities over the reporting period to enhance the Fund's responsiveness to changes in short-term interest rates. The Fund is likely to continue to be managed with a conservative stance in the near future, with the portfolio seeking to maximize performance through relative value analysis, in light of the presence of early warning signs of inflation and the expectation of further tightenings by the Fed. However, changing economic and market developments are continuously being monitored in order to best serve our clients attracted to the short-term government market.

* These ratings are obtained after Standard & Poor's and Moody's evaluates a number of factors, including credit quality, market price exposure, and management. They monitor the portfolio weekly for developments that could cause changes in ratings.

AUTOMATED GOVERNMENT CASH RESERVES

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 1994
(UNAUDITED)

<TABLE> <CAPTION> PRINCIPAL AMOUNT		VALUE
<C>	<C> <S>	<C>
SHORT-TERM U.S. GOVERNMENT AND AGENCY OBLIGATIONS--100.0%		
\$ 87,000,000	* Federal Farm Credit Bank, Discount Notes, 4.72%-5.60%, 11/7/94-6/9/95	\$ 86,550,124
126,160,000	* Federal Home Loan Bank, Discount Notes, 4.69%-5.83%, 11/4/94-7/17/95	124,841,829
4,000,000	Federal Home Loan Bank Notes, Floating Rate Notes, 4.80%, 10/6/95	3,997,836
133,950,000	** Student Loan Marketing Association, Floating Rate Notes, 5.21%-5.81%, 11/1/94	134,096,535
85,200,000	** Student Loan Marketing Association, Floating Rate Master Notes, 5.16%, 11/1/94	85,200,000
32,000,000	* Tennessee Valley Authority, Discount Notes, 4.82%-4.95%, 11/1/94-12/1/94	31,920,575
17,500,000	* U.S. Treasury Bills, 3.53%-5.55%, 11/17/94-6/29/95	17,169,010
11,000,000	U.S. Treasury Notes, 5.50%-8.25%, 11/15/94-2/15/95	11,015,945
TOTAL INVESTMENTS, AT AMORTIZED COST		\$494,791,854+

</TABLE>

* Each issue shows the rate of discount at the time of purchase.

** Current rate and next reset date shown.

+ Also represents cost for federal tax purposes.

Note: The category of investments is shown as a percentage of net assets
(\$494,837,702) at October 31, 1994.

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

AUTOMATED GOVERNMENT CASH RESERVES
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1994
(UNAUDITED)

<TABLE> <S>	<C>	<C>
ASSETS:		
Investments, at amortized cost and value		\$494,791,854
Interest receivable		1,643,236
Deferred expenses		615

Total assets		496,435,705

LIABILITIES:		

Dividends payable	\$1,465,453	

Payable for Fund shares redeemed	20,605	

Accrued expenses	111,945	

Total liabilities		1,598,003

NET ASSETS for 494,837,702 shares of beneficial interest outstanding		\$494,837,702

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share (\$494,837,702 / 494,837,702 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

AUTOMATED GOVERNMENT CASH RESERVES

STATEMENT OF OPERATIONS
SIX MONTHS ENDED OCTOBER 31, 1994
(UNAUDITED)

<TABLE>		
<S>		
	<C>	<C>
INVESTMENT INCOME:		

Interest income		\$9,778,525

EXPENSES:		

Investment advisory fee	\$1,090,545	

Trustees' fees	4,042	

Administrative personnel and services fees	165,108	

Custodian and recordkeeping fees and expenses	74,150	

Transfer and dividend disbursing agent fees and expenses	13,085	

Shareholder services fees	545,272	

Fund share registration costs	6,819	

Legal fees	17,355	

Auditing fees	8,588	

Printing and postage	4,222	

Insurance premiums	6,423	

Miscellaneous	2,225	

Total expenses	1,937,834	

Deduct--Waiver of investment advisory fee	672,802	

Net expenses		1,265,032

Net investment income		\$8,513,493

</TABLE>

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

AUTOMATED GOVERNMENT CASH RESERVES

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED APRIL 30,	
	1995*	1994
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 8,513,493	\$ 12,247,939
DISTRIBUTIONS TO SHAREHOLDERS--		
Dividends to shareholders from net investment income	(8,513,493)	(12,247,939)
FUND SHARE (PRINCIPAL) TRANSACTIONS--		
Proceeds from sale of shares	901,174,573	1,616,918,441
Net asset value of shares issued to shareholders in payment of dividends declared	1,309,800	2,166,619
Cost of shares redeemed	(865,591,023)	(1,557,510,495)
Change in net assets from Fund share transactions	36,893,350	61,574,565
Change in net assets	36,893,350	61,574,565
NET ASSETS:		
Beginning of period	457,944,352	396,369,787
End of period	\$ 494,837,702	\$ 457,944,352

</TABLE>

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

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

AUTOMATED GOVERNMENT CASH RESERVES

FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED APRIL 30,					
	1995**	1994	1993	1992	1991	1990***
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING						

OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

INCOME FROM INVESTMENT OPERATIONS						

Net investment income	0.02	0.03	0.03	0.05	0.07	0.02

LESS DISTRIBUTIONS						

Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.03)	(0.05)	(0.07)	(0.02)

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

TOTAL RETURN*	1.98 %	2.77%	2.92%	4.79%	7.20%	1.93%

RATIOS TO AVERAGE NET ASSETS						

Expenses	0.58 % (b)	0.57%	0.57%	0.58%	0.55%	0.32% (b)

Net investment income	3.90 % (b)	2.75%	2.87%	4.58%	6.70%	8.02% (b)

Expenses waiver/reimbursement(a)	0.31 % (b)	0.09%	0.08%	0.14%	0.30%	0.89% (b)

SUPPLEMENTAL DATA						

Net assets, end of period (000 omitted)	\$494,838	\$457,944	\$396,370	\$308,625	\$206,694	\$34,053

</TABLE>

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

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

*** Reflects operations for the period from February 15, 1990 (date of initial public investment) to April 30, 1990.

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

(b) Computed on an annualized basis.

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

AUTOMATED GOVERNMENT CASH RESERVES

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1994

(UNAUDITED)

(1) ORGANIZATION

Federated Government Trust (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 three diversified portfolios. The financial statements included herein present only those of Automated Government Cash Reserves (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.

<TABLE>

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- 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 taxable income. Accordingly, no provisions for federal income tax are necessary.
- D. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities 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, not to exceed a period of five years from the Fund's commencement date.
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</TABLE>

AUTOMATED GOVERNMENT CASH RESERVES

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Board of Trustees (the "Trustees") to issue an unlimited number of full and fractional shares of beneficial interest (without par value). At October 31, 1994, capital paid in aggregated \$494,837,702. Transactions in Fund shares were as follows:

<TABLE>

<CAPTION>

	YEAR ENDED APRIL 30,	
	1995*	1994
Shares sold	901,174,573	1,616,918,441
Shares issued to shareholders in payment of dividends declared	1,309,800	2,166,619
Shares redeemed	(865,591,023)	(1,557,510,495)
Net change resulting from Fund share transactions	36,893,350	61,574,565

</TABLE>

* Six months ended October 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to 0.50 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 and reimbursement at any time at its sole discretion.

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

SHAREHOLDER SERVICES FEE--Under the terms of a Shareholder Services Agreement with Federated Shareholder Services ("FSS"), the Fund will pay FSS up to 0.25 of 1% of average net assets of the Fund for the period. This fee is to obtain certain personal services for shareholders and to maintain the shareholder accounts.

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

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<TABLE>

<S>

TRUSTEES

<C>

OFFICERS

John F. Donahue	John F. Donahue
John T. Conroy, Jr.	Chairman
William J. Copeland	Glen R. Johnson
James E. Dowd	President
Lawrence D. Ellis, M.D.	J. Christopher Donahue
Edward L. Flaherty, Jr.	Vice President
Glen R. Johnson	Richard B. Fisher
Peter E. Madden	Vice President
Gregor F. Meyer	Edward C. Gonzales
Wesley W. Posvar	Vice President and Treasurer
Marjorie P. Smuts	John W. McGonigle
	Vice President and Secretary
	David M. Taylor
	Assistant Treasurer
	Robert C. Rosselot
	Assistant Secretary

</TABLE>

Mutual funds are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. Investment in mutual funds involves investment risk, including possible loss of principal. Although money market funds seek to maintain a stable net asset value of \$1.00 per share, there is no assurance that they will be able to do so.

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.

U.S.
TREASURY
CASH
RESERVES

SEMI-ANNUAL REPORT
TO SHAREHOLDERS
October 31, 1994

FEDERATED SECURITIES CORP.
Distributor
A subsidiary of FEDERATED INVESTORS
FEDERATED INVESTORS TOWER
PITTSBURGH, PA 15222-3779
314186305
2112510 (12/94)

PRESIDENT'S MESSAGE

Dear Investor:

I am pleased to present the Semi-Annual Report to Shareholders for U.S. Treasury Cash Reserves (the "Fund"), a portfolio of Federated Government Trust, for the six-month period ended October 31, 1994. The report begins with our Investment Review, in which the Fund's portfolio manager provides a brief commentary on the short-term Treasury market. Following the Investment Review are the Financial Statements, which include the Portfolio of Investments.

On behalf of investors, the Fund continues to pursue current income consistent with stability of principal and liquidity, and a stable net asset value of \$1.00 per share*--all through a portfolio consisting of U.S. Treasury bills and notes. At the end of the report period, 78.3% of the Fund's net assets were invested in U.S. Treasury bills, while the remaining net assets were invested in U.S. Treasury notes.

During the six-month reporting period, dividends paid to shareholders totaled \$6.0 million, or \$0.02 per share. Net assets rose from \$265.0 million at the beginning of the reporting period to \$356.8 million at the end of the reporting period.

Thank you for your confidence in the Fund. As always, we welcome your questions, comments, or suggestions.

Sincerely,

Glen R. Johnson
President
December 15, 1994

* No money market mutual fund can guarantee that a stable net asset value will be maintained. An investment in the Fund is neither insured nor guaranteed by the U.S. government.

INVESTMENT REVIEW

The Fund, which is rated AAAM by Standard & Poor's Ratings Group ("Standard & Poor's") and Aaa by Moody's Investors Service, Inc., ("Moody's"), is invested only in direct issues of the U.S. Treasury.* The Fund was created to meet the needs of tax-sensitive investors in states which consider income from all repurchase agreements as taxable. Therefore, the Fund's acceptable investments do not include repurchase agreements. Liquidity is maintained by investing in a laddered position of short-term Treasury securities, which are typically Treasury bills.

During the semi-annual reporting period, the Federal Reserve Board (the "Fed") continued along the path of tighter monetary policy that it embarked on in early February 1994 by raising the Federal Funds' target rate by an additional 100 basis points over the reporting period, bringing the rate from 3.75% to 4.75%. Short rates led the moves by the Fed upward, with the rate on the three-month Treasury bill rising from 4% at the end of April to 5.15% at the end of October. At that time, another tightening by the Fed was already being anticipated by the

market, a move which was partially reflected in the level of short-term interest rates. In fact, in mid-November, faced with persistent strength in the economy and upward pressures on resource utilization, the Fed moved aggressively to tighten monetary policy by moving the Fed Funds' target rate up a full 75 basis points to 5.50%.

Recently, the Fund has been managed within a conservative 30-40 day average maturity target range, reflecting our expectation of policy moves by the Fed. The Fund's Treasury note position increased slightly relative to Treasury bills, in order to take advantage of more attractive spreads available in that area. The Fund is likely to continue to be managed with a conservative stance in the near future, with the portfolio seeking to maximize performance through relative value analysis, in light of the presence of early warning signs of inflation and the expectation of further tightenings by the Fed. However, changing economic and market developments are continuously being monitored in order to best serve our clients attracted to the short-term government market.

* These ratings are obtained after Standard & Poor's and Moody's evaluates a number of factors, including credit quality, market price exposure, and management. They monitor the portfolio weekly for developments that could cause changes in ratings.

U.S. TREASURY CASH RESERVES

PORTFOLIO OF INVESTMENTS

OCTOBER 31, 1994
(UNAUDITED)

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

U.S. TREASURY OBLIGATIONS--99.8%		

	* U.S. TREASURY BILLS--78.3%	
\$ 1,250,000	4.54%, 11/3/94	\$ 1,249,692
10,500,000	4.53%-4.61%, 11/10/94	10,488,252
45,000,000	4.49%-4.73%, 11/17/94	44,909,544
13,900,000	4.66%, 11/25/94	13,857,744
35,800,000	4.62%-4.85%, 12/1/94	35,660,280
39,300,000	4.64%-4.92%, 12/8/94	39,109,807
34,700,000	4.68%-4.83%, 12/15/94	34,505,569
35,900,000	4.88%-4.91%, 12/22/94	35,656,763
36,500,000	4.90%-4.92%, 1/5/95	36,183,723
28,100,000	5.07%-5.13%, 1/19/95	27,794,796
	Total	279,416,170

	U.S. TREASURY NOTES--21.5%	
36,643,000	6.00%-8.25%, 11/15/94	36,666,436
40,000,000	4.625%, 11/30/94	39,994,254

Total	76,660,690

TOTAL INVESTMENTS, AT AMORTIZED COST	\$356,076,860+

</TABLE>

* Each issue shows the rate of discount at time of purchase.

+ Also represents cost for federal tax purposes.

Note: The categories of investments are shown as a percentage of net assets (\$356,773,134) at October 31, 1994.

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

U.S. TREASURY CASH RESERVES

STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1994
(UNAUDITED)

	<C>	<C>

<TABLE>		
<S>		
ASSETS:		

Investments, at amortized cost and value		\$356,076,860

Cash		61,821

Interest receivable		1,877,216

Deferred expenses		14,777

Total assets		358,030,674

LIABILITIES:		

Dividends payable	\$1,191,499	

Accrued expenses	66,041	

Total liabilities		1,257,540

NET ASSETS for 356,773,134 shares of beneficial interest outstanding		\$356,773,134

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share ((\$356,773,134 / 356,773,134 shares of beneficial interest outstanding)		\$1.00

</TABLE>

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

U.S. TREASURY CASH RESERVES

STATEMENT OF OPERATIONS
SIX MONTHS ENDED OCTOBER 31, 1994
(UNAUDITED)

	<C>	<C>	<C>

<TABLE>			
<S>			
INVESTMENT INCOME:			

Interest income			\$6,280,316

EXPENSES:

Investment advisory fee		\$593,672	
Trustees' fees		2,899	
Administrative personnel and services fee		117,173	
Custodian and record keeping fees and expenses		56,304	
Transfer and dividend disbursing agent fees and expenses		11,923	
Shareholder services fee		21,885	
Fund share registration costs		72,264	
Legal fees		4,502	
Auditing fees		7,333	
Printing and postage		4,272	
Insurance premiums		4,298	
Miscellaneous		7,630	
Total expenses		904,155	
Deduct--			
Waiver of investment advisory fee	\$593,672		
Reimbursement of other operating expenses	13,647	607,319	
Net expenses			296,836
Net investment income			\$5,983,480

</TABLE>

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

U.S. TREASURY CASH RESERVES

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	YEAR ENDED APRIL 30,	
	1995*	1994
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 5,983,480	\$ 7,174,727
DISTRIBUTIONS TO SHAREHOLDERS--		
Dividends to shareholders from net investment income	(5,983,480)	(7,174,727)
FUND SHARE (PRINCIPAL) TRANSACTIONS--		
Proceeds from sale of shares	603,099,504	885,678,265

Net asset value of shares issued to shareholders in payment of dividends declared	301,531	163,079
Cost of shares redeemed	(511,657,941)	(798,282,485)
Change in net assets from Fund share transactions	91,743,094	87,558,859
Change in net assets	91,743,094	87,558,859
NET ASSETS:		
Beginning of period	265,030,040	177,471,181
End of period	\$ 356,773,134	\$ 265,030,040

</TABLE>

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

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

U.S. TREASURY CASH RESERVES

FINANCIAL HIGHLIGHTS--INSTITUTIONAL SHARES

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Institutional Service Shares were effective, but did not have public investment as of October 31, 1994. Accordingly, there are no Financial Highlights for such shares. The Financial Highlights listed below represent historical information for Institutional Shares.

<TABLE>

<CAPTION>

	YEAR ENDED APRIL 30,			
	1995**	1994	1993	1992***
NET ASSET VALUE, BEGINNING OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS				
Net investment income	0.02	0.03	0.03	0.04
LESS DISTRIBUTIONS				
Dividends to shareholders from net investment income	(0.02)	(0.03)	(0.03)	(0.04)
NET ASSET VALUE, END OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN*	2.03 %	2.95%	3.13%	4.24%
RATIOS TO AVERAGE NET ASSETS				
Expenses	0.20 % (b)	0.20%	0.20%	0.16% (b)
Net investment income	4.03 % (b)	2.93%	3.03%	4.42% (b)
Expense waiver/reimbursement (a)	0.41 % (b)	0.43%	0.50%	0.62% (b)
SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	\$356,773	\$265,030	\$177,471	\$83,244

</TABLE>

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

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

*** Reflects operations for the period from June 11, 1991 (date of initial public investment) to April 30, 1992.

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

(b) Computed on an annualized basis.

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

U.S. TREASURY CASH RESERVES

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1994

(UNAUDITED)

(1) ORGANIZATION

Federated Government Trust (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 three diversified portfolios. The financial statements included herein present only those of U.S. Treasury Cash Reserves (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. Effective October 28, 1994 (the effective date for Institutional Service Shares), the Fund provided two classes of shares ("Institutional Shares" and "Institutional Service Shares"). As of October 31, 1994, there was no public investment in the Institutional Service Shares of the Fund.

(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.

<TABLE>

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U.S. TREASURY CASH RESERVES

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<C>

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Edward L. Flaherty, Jr.

Glen R. Johnson

Peter E. Madden

Gregor F. Meyer

Wesley W. Posvar

Marjorie P. Smuts

John F. Donahue

Chairman

Glen R. Johnson

President

J. Christopher Donahue

Vice President

Richard B. Fisher

Vice President

Edward C. Gonzales

Vice President and Treasurer

John W. McGonigle

Vice President and Secretary

David M. Taylor

Assistant Treasurer

Robert C. Rosselot

Assistant Secretary

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