

SECURITIES AND EXCHANGE COMMISSION

FORM N-30B-2

Periodic and interim reports mailed to investment company shareholders (other than annual and semi-annual reports mailed to shareholders pursuant to Rule 30e-1)

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FILER

MERRILL LYNCH FEDERAL SECURITIES TRUST

CIK: **750406** | State of Incorporation: **NJ** | Fiscal Year End: **0831**
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Business Address
P O BOX 9011
PRINCETON NJ 08543
6092823319

MERRILL
LYNCH
FEDERAL
SECURITIES
TRUST

FUND LOGO

Quarterly Report November 30, 1993

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Trust unless accompanied or preceded by the Trust's current prospectus. Past performance results shown in this report should not be considered a representation of future performance. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

Merrill Lynch
Federal Securities Trust
Box 9011
Princeton, NJ
08543-9011

MERRILL LYNCH FEDERAL SECURITIES TRUST

DEAR SHAREHOLDER

Economic Environment

We may be entering the best of all economic situations, a growing economy with no signs of inflation. People are working; in fact, the national unemployment level dropped dramatically in November from 6.8% to 6.4%. The factory workweek is the longest since World War II. In November, leading economic indicators and factory orders increased 0.5% and 1.2%, respectively, the third increase over the last three months. Auto sales were up 10.4% in November, and sales of existing homes are at a 14-year high. Third-quarter gross domestic product (GDP) was +2.8%, and fourth-quarter projections run as high as 5%, although no one expects that level to be sustained.

This economic environment is thus far without a hint of inflation. The consumer price index (CPI) is running at an annualized rate below 3%. Furthermore, the recent decline in oil prices equates to a 0.5% decline in the annual rate of inflation as energy prices comprise 7% of the CPI. Alan Greenspan, Chairman of the Federal Reserve Board, has stated that inflation may be returning to the levels of pre-Vietnam War buildup. In any event, his resolve in fighting inflation is well known within the investment community.

A recovering economy and subdued inflation translate into greater consumer confidence. The Conference Board reported a huge increase in consumer confidence for November to the highest level since the increases following the Presidential election. Personal income is flat but consumer financial health has improved, largely because of home refinancings that have significantly reduced mortgage payments. Consumer spending is up for the seventh straight month and is twice income growth, resulting in a drop in the savings rate to 3.7%. Consumer activity, the largest component of GDP, is important for economic health, and the holiday season is the most important period for consumer spending.

Mortgage-Backed Securities Market

The mortgage market continues to be under tremendous prepayment pressure. Last month's annualized prepayment figures for Federal National Mortgage Association (FNMA) 8.50%, 8% and 7.50% coupons were 67%, 54% and 35%, respectively. Prepayments continue to be higher than anticipated given the current interest rate structure as a result of the aggressive solicitations by the mortgage bankers and the evolution of zero point, low document mortgages. Additionally, FNMA now accepts loan-to-value ratios of up to 95%. The recent backup in interest rates (for example, the 30-year US Treasury bond is at 6.25%) has slowed refinance activity somewhat, and although the Mortgage Bankers' Refinance Index is off the high by 30%, in an absolute sense it is still very high. The uncertainty of prepayment levels has caused mortgage spreads to remain very wide, especially given the relatively low levels of interest rates.

Although the yield curve has flattened significantly, it remains quite steep. The yield spread between two-year and ten-year US Treasury notes is 175 basis points (1.75%). Yield curve positioning remains a very important strategy. For some low-coupon mortgage securities, the risk has shifted from fast prepayments to slow

prepayments, since slow prepayments cause an extension in average portfolio maturity in a steep yield curve environment.

Portfolio Matters

Mortgage securities offer an attractive yield spread over comparable life US Treasury securities, but the prepayment option to homeowners results in an uncertain average life. With the steepness in the yield curve, from a total return standpoint it is more advantageous to invest in securities with more stable average lives that "roll down" the yield curve; that is, securities that appreciate in price as their maturities shorten. Some collateralized mortgage obligation (CMO) structures offer both the yield advantage of mortgage-backed securities while maintaining characteristics that allow for rolling down the yield curve. Now that yield spreads have widened, we plan to shift the portfolio from a heavy position in US Treasury securities to a heavier position in mortgage securities, primarily Planned Amortization Class CMOs. These CMOs will be structured with low-coupon collateral to lessen prepayment risk and with 15-year mortgages to lessen extension risk. This portfolio shift is designed to increase the Trust's yield while allowing for capital appreciation from rolling down the yield curve and from a potential tightening of yield spreads.

We thank you for your investment in Merrill Lynch Federal Securities Trust, and we look forward to reviewing our outlook and strategy with you again in our next report to shareholders.

Sincerely,

(Arthur Zeikel)
Arthur Zeikel
President

(Gregory Mark Maunz)
Gregory Mark Maunz
Vice President and Portfolio Manager

December 20, 1993

<TABLE>
PERFORMANCE DATA

None of the past results shown should be considered a representation of future performance. Investment return and principal value of Class A and Class B Shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

<CAPTION>

Performance Summary--Class A Shares

Period Covered	Net Asset Value		Capital Gains	Dividends Paid*	% Change**
	Beginning	Ending	Distributed		
<S>	<C>	<C>	<C>	<C>	<C>
9/28/84--12/31/84	\$9.38	\$9.64	\$0.022	\$0.187	+ 4.12%
1985	9.64	9.96	0.344	1.051	+19.93
1986	9.96	9.87	0.440	0.862	+13.36
1987	9.87	9.23	0.042	0.834	+ 2.35
1988	9.23	9.07	--	0.849	+ 7.67
1989	9.07	9.39	--	0.863	+13.64
1990	9.39	9.48	--	0.835	+10.43
1991	9.48	9.94	--	0.787	+13.75
1992	9.94	9.81	--	0.669	+ 5.64
1/1/93--11/30/93	9.81	9.97	--	0.477	+ 6.68

Total \$0.848 Total \$7.414

Cumulative total return as of 11/30/93: +150.96%**

<FN>

*Figures may include short-term capital gains distributions.

**Figures assume reinvestment of all dividends and capital gains distributions at net asset value on the payable date, and do not include sales charge; results would be lower if sales charge was included.

<CAPTION>

Performance Summary--Class B Shares

Period Covered	Net Asset Value		Capital Gains	Dividends Paid*	% Change**
	Beginning	Ending	Distributed		
<S>	<C>	<C>	<C>	<C>	<C>
12/23/91--12/31/91	\$9.92	\$9.94	--	\$0.019	+0.39%
1992	9.94	9.81	--	0.619	+5.10
1/1/93--11/30/93	9.81	9.97	--	0.432	+6.21

Total \$1.070

<FN>

*Figures may include short-term capital gains distributions.

**Figures assume reinvestment of all dividends and capital gains distributions at net asset value on the payable date, and do not reflect deduction of any sales charge; results would be lower if sales charge was deducted.

</TABLE>

Average Annual Total Return

	% Return Without Sales Charge	% Return With Sales Charge**
Class A Shares*		
Year Ended 9/30/93	+ 7.23%	+ 2.94%
Five Years Ended 9/30/93	+10.11	+ 9.22
Inception (9/28/84) through 9/30/93	+10.82	+10.31

[FN]

*Maximum sales charge is 4%.

**Assuming maximum sales charge.

	% Return Without CDSC	% Return With CDSC**
Class B Shares*		
Year Ended 9/30/93	+6.69%	+2.69%
Inception (12/23/91) through 9/30/93	+6.94	+5.32

[FN]

*Maximum contingent deferred sales charge is 4% and is reduced to 0% after 4 years.

**Assuming payment of applicable contingent deferred sales charge.

<TABLE>

PERFORMANCE DATA (concluded)

<CAPTION>

Recent Performance Results*

	11/30/93	8/31/93	11/30/92	12 Month % Change	3 Month % Change
<S>	<C>	<C>	<C>	<C>	<C>
Class A Shares	\$9.97	\$10.14	\$9.74	+2.36%	-1.68%
Class B Shares	9.97	10.14	9.74	+2.36	-1.68
Class A Shares--Total Return				+8.09 (1)	-0.44 (2)
Class B Shares--Total Return				+7.55 (3)	-0.56 (4)
Class A Shares--Standardized 30-day Yield	3.99%				
Class B Shares--Standardized 30-day Yield	3.65%				

<FN>

*Investment results shown for the 3-month and 12-month periods are before the deduction of any sales charges.

(1)Percent change includes reinvestment of \$0.546 per share ordinary income dividends.

(2)Percent change includes reinvestment of \$0.126 per share ordinary income dividends.

(3)Percent change includes reinvestment of \$0.495 per share ordinary income dividends.

(4)Percent change includes reinvestment of \$0.113 per share ordinary income dividends.

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SCHEDULE OF INVESTMENTS

<CAPTION>

Issue	Face Amount	Interest Rate	Maturity Dates	Value
<S>	<C>	<C>	<C>	<C>
US Government & Agency Discount Obligations*--26.3%				
Federal Home Loan Bank	\$120,000,000	3.04%	12/23/1993	\$ 119,777,067
Federal Home Loan Mortgage Corporation	200,000,000	3.02	12/27/1993	199,563,778
	325,000,000	3.03	12/30/1993	324,206,729
Federal National Mortgage Association	175,000,000	3.02	12/14/1993	174,809,153
	150,000,000	3.05	12/14/1993	149,834,791
Total US Government & Agency Discount Obligations (Cost--\$968,191,518)				968,191,518
<CAPTION>				
<S>	<C>	<C>	<C>	<C>
US Government & Agency Obligations--22.9%				
United States Treasury Notes	30,000,000	7.625	5/31/1996	32,250,000

200,000,000	4.375	8/15/1996	199,500,000
55,000,000	5.625	8/31/1997	56,426,562
85,000,000	6.00	12/31/1997	88,293,750
27,000,000	5.125	2/28/1998	27,101,250
199,000,000	5.125	6/30/1998	199,186,563
145,000,000	5.250	7/31/1998	145,679,688
55,000,000	7.125	10/15/1998	59,640,625
30,000,000	7.50	5/15/2002	33,553,125

Total US Government & Agency Obligations (Cost--\$831,619,197)

841,631,563

<CAPTION>

US Government Agency Mortgage-Backed Obligations**--75.1%

<S>	<C>	<C>	<C>	<C>	<C>
Federal Home Loan Mortgage Corporation Participation Certificates	66,278	9.00	10/01/2019	69,840	
	5,572,066	9.00 (1)	8/15/2022	780,089	
	403,338	10.00	7/1/2019--3/01/2021	440,521	
	42,887,289	10.50	1/01/2010--9/01/2020	47,403,857	
	11,786,409	11.00	8/01/2010--10/01/2020	13,167,629	
	10,856,160	11.50	10/01/1998--6/01/2020	12,196,217	
	3,681,637	12.00	7/01/1999--6/01/2020	4,163,701	
	8,610,051	12.50	10/01/1999--6/01/2019	9,799,314	
	10,461,957	13.00	8/01/1999--2/01/2016	11,956,055	
Federal Home Loan Mortgage Corporation Participation Certificates--Gold Program	147,061,849	7.00	2/01/2005--6/01/2023	149,513,959	
	27,189,223	7.50	1/01/2023--2/01/2023	27,936,927	
	112,064,514	8.00	10/01/2017--2/01/2023	116,582,115	
	6,344,676	8.50	7/01/2008--12/01/2021	6,644,065	
	11,393,565	9.00	6/01/2018--6/01/2022	12,070,057	
	14,583,826	10.50	9/01/2000--12/01/2020	16,206,276	
Federal Home Loan Mortgage Corporation REMICs***					
	93-1468-HA	42,824,000	5.00	2/15/2021	38,220,420
	93-1615-E	69,956,000	5.30	8/15/2006	68,469,435
	93-1635-E	40,030,243	5.45	1/15/2008	38,979,449
	93-1604-E	105,716,536	5.50	3/15/2007	103,437,023
	93-1624-EA	86,824,000	5.50	1/15/2007	84,789,062
	93-1625-E	40,720,000	5.60	3/15/2007	40,236,450
	92-1375-E	40,000,000	6.25	3/15/2004	40,387,500

</TABLE>

<TABLE>

SCHEDULE OF INVESTMENTS (continued)

<CAPTION>

Issue	Face Amount	Interest Rate	Maturity Dates	Value	
US Government Agency Mortgage-Backed Obligations** (concluded)					
<S>	<C>	<C>	<C>	<C>	
Federal Home Loan Mortgage Corporation REMICs*** (concluded)	93-1501-H	\$ 25,702,000	6.50%	11/15/2020	\$ 25,131,737
	91-1072-G	11,905,800	7.00	5/15/2006	12,062,064
	93-1518-C	65,009,200	7.00	3/15/2019	65,557,715
	92-1324-C	25,000,000	7.00	1/15/2020	25,609,375
	91-1140-K	20,000,000	7.50	9/15/2020	20,465,625
	91-1100-K	25,000,000	8.50	4/15/2005	26,000,000
	90-190-F	10,600,000	9.20	10/15/2021	10,851,750
Federal National Mortgage Association Mortgage-Backed Securities	40,000,000	6.26 (2) (3)	11/25/2023	34,425,000	
	327,340,037	6.50	3/01/2008--11/01/2008	329,590,500	
	151,457,332	7.00	6/01/2013--11/01/2023	152,877,244	
	130,913,792	7.50	1/01/2008--8/01/2023	134,473,804	
	152,286,163	8.00	1/01/2002--1/01/2022	158,658,016	
	45,036,641	8.50 (1)	9/01/2004--12/01/2022	47,229,597	
	40,000,000	8.50	11/25/2023	7,400,000	
	40,045	10.50	9/01/2000	43,323	
	9,804,453	11.00	2/01/2011--12/01/2020	11,039,201	
	143,724	11.50	1/01/2015--6/01/2015	162,633	
	5,015,238	13.00	8/01/2010--6/01/2015	5,798,869	
Federal National Mortgage Association REMICs***	93-214-EA	94,726,978	5.30	3/25/2007	91,589,147
	93-233-E	72,855,000	5.30	10/15/2006	71,284,064
	93-214-E	125,000,000	5.50	3/25/2007	121,992,188
	93-221-B	95,880,000	5.50	11/25/2006	92,878,956
	93-229-PE	33,909,000	5.75	12/25/2007	32,695,694
	91-47-H	19,023,000	7.50	5/25/2006	19,653,137
Federal National Mortgage Association REMICs***--Adjustable Rate+	93-123-S	15,529,411	15.97	7/25/2000	16,781,470

Government National Mortgage Association Mortgage-Backed Securities	24,344,411	6.50	5/15/2008--7/15/2008	24,648,717
	64,000,020	7.00	4/15/2023	64,740,020
	25,564,986	7.50	1/15/2007--10/15/2023	26,363,892
	108,473,100	8.00	11/15/2006--5/15/2023	113,591,675
	56,553,940	8.50	11/15/2004--2/15/20235	9,664,406
	39,873,955	9.00	4/15/2009--8/15/2022	42,403,459
	22,657,927	9.25	10/15/2023	23,613,808
	242,596	9.50	10/15/2017	260,866
	768,188	10.00	2/15/2016--12/15/2020	842,846
	1,527,837	10.50	10/15/2014--4/15/2021	1,711,178
	38,431,073	11.00	11/15/2009--2/15/2021	43,427,113
	71,837	11.50	3/15/2013--4/15/2015	82,613

Total US Government Agency Mortgage-Backed Obligations (Cost--\$2,763,502,907) 2,759,051,663
</TABLE>

<TABLE>
SCHEDULE OF INVESTMENTS (concluded)

<CAPTION>

Face Amount	Issue	Value
Repurchase Agreements****--1.1%		
<S>	<S>	<C>
\$ 42,000,000	Nikko Securities Co., purchased on 11/30/1993 to yield 3.25% to 12/01/1993	\$ 42,000,000
Total Repurchase Agreements (Cost--\$42,000,000)		42,000,000
Total Investments (Cost--\$4,605,313,622)--125.4%		4,610,874,744
Liabilities in Excess of Other Assets--(25.4%)		(934,952,462)
Net Assets--100.0%		\$3,675,922,282
Net Asset Value:	Class A--Based on net assets of \$1,684,106,595 and 168,938,997 shares of beneficial interest outstanding	\$ 9.97
	Class B--Based on net assets of \$1,991,815,687 and 199,798,442 shares of beneficial interest outstanding	\$ 9.97

<FN>
*US Government & Agency Discount Obligations are traded on a discount basis and amortized to maturity. The interest rates shown are the discount rates paid at the time of purchase by the Trust.
**Mortgage-Backed Obligations are subject to principal paydowns as a result of prepayments or refinancings of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
***Real Estate Mortgage Investment Conduits (REMICs).
****Repurchase Agreements are fully collateralized by US Government & Agency Obligations.
(1)Represents the interest only portion of a mortgage-backed obligation.
(2)Represents the principal only portion of a mortgage-backed obligation.
(3)Represents the approximate yield to maturity.
++Coupon rates reset periodically. The coupon rates shown are the rates in effect as of November 30, 1993.
</TABLE>

OFFICERS AND TRUSTEES

Arthur Zeikel, President and Trustee
Walter Mintz, Trustee
Melvin R. Seiden, Trustee
Stephen B. Swensrud, Trustee
Harry Woolf, Trustee
Terry K. Glenn, Executive Vice President
N. John Hewitt, Senior Vice President
Donald C. Burke, Vice President
Teresa L. Giacino, Vice President
Jeffrey B. Hewson, Vice President
Gregory Mark Maunz, Vice President
Gerald M. Richard, Treasurer
Michael J. Hennewinkel, Secretary

Custodian
The Bank of New York
110 Washington Street
New York, New York 10286

Transfer Agent
Financial Data Services, Inc.
4800 Deer Lake Drive East
Jacksonville, Florida 32246-6484

