

# 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

#### FINANCIAL INSTITUTIONS SERIES TRUST

CIK: **353281** | IRS No.: **136797398** | State of Incorporation: **MD** | Fiscal Year End: **0531**  
Type: **N-30D** | Act: **40** | File No.: **811-03189** | Film No.: **94501835**

Business Address  
*P O BOX 9011*  
*PRINCETON NJ 08543*  
*6092823319*

Summit Cash  
Reserves Fund

FUND LOGO

Semi-Annual 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 Fund unless accompanied or preceded by the Fund's current prospectus. Past performance results shown in this report should not be considered a representation of future performance, which will fluctuate. The Fund seeks to maintain a consistent \$1.00 net asset value per share, although this cannot be assured. An investment in the Fund is neither insured nor guaranteed by the US Government.

Summit Cash Reserves Fund  
Financial Institutions Series Trust  
Box 9011  
Princeton, NJ 08543-9011

Summit Cash Reserves Fund  
Dear Shareholder:

For the six months ended November 30, 1993, Summit Cash Reserves Fund paid shareholders a net annualized dividend of 2.45%.\* The Fund's 7-day yield as of November 30 was 2.41% (excluding gains and losses) and 2.41% (including gains and losses).

#### The Environment

The US economy began to show some signs of improvement during the six months ended November 30, 1993, with little evidence of an appreciable increase in the rate of inflation. The industrial sector is demonstrating growing strength, yet capacity utilization is still well below the levels associated with rising inflation. Consumer spending has improved, but the labor market remains soft. Despite the areas of economic weakness that persist, concerns arose during the quarter that the rate of business activity might increase inflationary pressures.

Other developments during the period had significant long-term implications for the US financial markets. Although Boris Yeltsin's swift and apparently decisive victory over his hard-line opponents in Russia created little immediate disruption in the world financial markets, the future of political and economic reform in the former Soviet Union is far from certain. Evidence of greater progress toward a free-market economy and democratic government in Russia would have more positive implications for the US financial markets over the longer term. The outline for proposed healthcare reform is also very important for the US economy. As the various healthcare reform proposals are debated, investors will focus on their potential effects on the Federal budget, the US economy and the quality of healthcare delivery in the United States. Finally, the ratification of the North American Free Trade Agreement by the US Congress was important not only for the prospect of expanding trade with Canada and Mexico, but also as a positive influence on the recently concluded round of negotiations on the General Agreement on Tariffs and Trade. Further economic integration and growth through trade liberalization would be positive for the capital markets in the United States and around the world.

\*Based on a constant investment throughout the period, with dividends compounded daily, and reflecting a net return to the investor after all expenses.

#### Portfolio Matters

Since our last report to shareholders, the yield curve has flattened with intermediate-term and long-term interest rates declining, while short-term interest rates increased slightly as investors responded to increased economic activity accompanied by little inflationary pressure. During this period, the Federal Reserve Board maintained a steady monetary policy, with unchanged Federal Funds and discount rates.

In June we responded to the May inflation data by reducing the portfolio's average maturity. Although relatively modest by

historical standards, the data did raise the possibility of a less accommodative monetary policy. The average life was reduced to 60 days with purchases of 45-day--60-day commercial paper replacing sales of longer-term US Treasury securities.

We maintained a cautious bias in July in part because of remarks made by Chairman Alan Greenspan of the Federal Reserve Board during his Humphrey-Hawkins testimony. The Chairman used his presentation as a forum to express his inflation concerns and his opinion that the economic recovery was advancing smartly. However, by month-end the market stabilized in response to the surprising announcements of weaker economic news and lower inflationary data. In this more optimistic environment, we extended the Fund's average life to the high 60-day range by increasing holdings of 6-month securities to 12% of net assets.

During August and September, investor sentiment returned to a slow growth, low inflation scenario. The Fund continued to extend maturities with purchases of two-year Treasury notes and one-year bank notes, taking advantage of the steepness in the yield curve. At the end of September, we had returned our average portfolio maturity to the mid 80-day range.

The modest interest rate declines of August and September were reversed in October with the economy exhibiting surprising strength, led by robust growth in the housing and auto sectors. These economic indicators, along with increased supply of Treasury securities, were cause for concern. However, the market remained relatively stable as inflation continued well in check. During this period, the Fund maintained an average life between 75 days--85 days, owing to a steep yield curve and well-behaved inflation.

The economic news in early November demonstrated hard evidence of an economy that was building positive momentum. With most expectations centered around 4.50% gross domestic product growth in the fourth quarter, increased Treasury supply and the usual year-end pressures, we made the decision to reduce the Fund's average life by ten days. The Fund's average life reduction was aided by the renewal of a variable rate master note and additional purchases of agency floating rate notes.

Looking ahead, we remain cautious through year-end but more optimistic into 1994. We appreciate your interest in Summit Cash Reserves Fund, and we look forward to assisting you with your financial needs in the months and years ahead.

Sincerely,

(Arthur Zeikel)  
Arthur Zeikel  
President

(Carlo J. Giannini)  
Carlo J. Giannini  
Vice President and Portfolio Manager

December 30, 1993

<TABLE>  
Summit Cash Reserves Fund  
Schedule of Investments as of November 30, 1993 (in Thousands)  
<CAPTION>

Issue	Face Amount	Interest Rate*	Maturity Date	Value (Note 1a)
<S>	<C>	<C>	<C>	<C>
	Bank Notes--0.7%			
PNC Bank, N.A.	\$1,000	3.40%	10/14/94	\$ 998
Total Bank Notes (Cost--\$999)				998
	Bankers' Acceptances--Yankee--4.0%			
Sumitomo Bank, Ltd., NY	6,000	3.12	12/10/93	5,995
Total Bankers' Acceptances--Yankee (Cost--\$5,995)				5,995
	Commercial Paper--Discount--68.2%			
ABN-AMRO NorthAmerica Finance Inc.	3,000	3.30	1/12/94	2,988

Apreco, Inc.	3,000	3.33	2/03/94	2,982
B.B.V. Finance (Delaware), Inc.	4,000	3.09	12/17/93	3,994
BNP U.S. Finance Corporation	2,000	3.30	1/04/94	1,994
CIT Group Holdings, Inc. (The)	6,000	3.25	1/14/94	5,975
CSW Credit, Inc.	2,000 1,500	3.12 3.11	12/10/93 12/13/93	1,998 1,498
CXC Inc.	5,000	3.35	2/11/94	4,966
Canadian Wheat Board	2,000	3.17	1/19/94	1,991
Central Hispano, N.A. Capital Corp.	4,000	3.25	1/06/94	3,987
Ciesco L.P.	6,000	3.22	3/08/94	5,945
Corporate Receivables Corp.	4,000	3.35	1/11/94	3,984
Emerson Electric Company	3,768	3.05	12/02/93	3,767
Falcon Asset Securitization Corp.	4,000	3.10	12/09/93	3,997
Hanson Finance (UK) PLC	3,000 1,000	3.37 3.22	1/14/94 2/01/94	2,987 994
Hertz Funding Corp.	4,205	3.11	12/09/93	4,202
Hewlett-Packard Company	2,000	3.10	12/08/93	1,999

<CAPTION>

Issue <S>	Face Amount <C>	Interest Rate* <C>	Maturity Date <C>	Value (Note 1a) <C>
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Commercial Paper--Discount (concluded)

International Lease Finance	\$3,000	3.35%	1/24/94	\$ 2,985
Kredietbank North American Finance Corp.	5,000	3.26	1/03/94	4,984
Leeds Permanent Building Society	1,000	3.38	2/07/94	994
National Australia Funding (Delaware), Inc.	2,000 3,000	3.15 3.37	12/23/93 1/10/94	1,996 2,988
Nomura Holding America, Inc.	5,000	3.40	1/21/94	4,975
Province of Ontario	3,000	3.20	12/20/93	2,995
Santander Finance (Delaware), Inc.	5,000	3.36	1/10/94	4,981
Sanwa Business Credit Corp.	6,500	3.12	12/23/93	6,487
Societe Generale North America, Inc.	5,000	3.28	1/12/94	4,980
Wal-Mart Stores, Inc.	3,000	3.05	12/02/93	2,999
Total Commercial Paper--Discount (Cost--\$101,617)				101,612

Master Notes+--6.0%

Goldman Sachs Group, L.P.	5,000	3.17	3/01/94	5,000
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Kingdom of Sweden	4,000	3.1875	7/15/94	4,000
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Total Master Notes (Cost--\$9,000)				9,000
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US Government, Agency & Instrumentality  
Obligations--Discount--6.1%

US Treasury Bills	77	3.18	12/16/93	77
	6,040	3.045	2/10/94	6,002
	2,000	3.12	2/10/94	1,988
	1,000	3.185	3/10/94	991

Total US Government, Agency & Instrumentality Obligations--Discount (Cost--\$9,058)				9,058
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Summit Cash Reserves Fund  
Schedule of Investments as of November 30, 1993 (concluded) (in  
Thousands)

<CAPTION>

Issue	Face Amount	Interest Rate*	Maturity Date	Value (Note 1a)
<S>	<C>	<C>	<C>	<C>

US Government, Agency & Instrumentality  
Obligations--Non-Discount--14.0%

Federal Home Loan Bank++	\$1,000	3.43%	6/21/95	\$ 1,000
	1,000	3.43	12/28/95	1,000
	1,000	3.46	6/17/96	1,000
Federal National Mortgage Association++	2,000	3.33	5/13/96	2,000
	1,800	3.45	5/19/97	1,800
	1,000	3.50	5/14/98	1,000
US Treasury Notes	1,000	5.00	6/30/94	1,009
	7,000	4.25	8/31/94	7,033
	2,000	4.25	1/31/95	2,010
	3,000	3.875	2/28/95	3,001

Total US Government, Agency & Instrumentality Obligations--Non-Discount (Cost--\$20,871)				20,853
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<CAPTION>

Face Amount	Issue	Value (Note 1a)
<S>		<C>

Repurchase Agreements\*\*--3.3%

\$4,965	UBS Securities Inc., purchased on 11/30/93 to yield 3.25% to 12/01/93	\$ 4,965
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Total Repurchase Agreements (Cost--\$4,965)		4,965
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Total Investments (Cost--\$152,505)--102.3%		152,481
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Liabilities in Excess of Other Assets--(2.3%)		(3,437)
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Net Assets--100.0%		\$ 149,044
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<FN>

\* Bankers' Acceptances, Commercial Paper, and certain US Government, Agency & Instrumentality Obligations are traded on a discount basis; the interest rates shown are the discount rates paid at the time of purchase by the Fund. The interest rate on variable rate securities is adjusted periodically based upon the appropriate indexes. Other securities bear interest at the rates shown, payable at fixed dates or upon maturity. The interest rates shown are the rates in effect at November 30, 1993.

\*\*Repurchase Agreements are fully collateralized by US Government Obligations.

++Variable Rate Notes.

See Notes to Financial Statements.

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Summit Cash Reserves Fund

<CAPTION>

Statement of Assets and Liabilities as of November 30, 1993

<S>	<C>	<C>
Assets:		
Investments, at value (identified cost--\$152,505,364*) (Notes 1a & 1e)		\$ 152,480,886
Cash		4,591
Receivables:		
Interest	\$	201,868

Beneficial interest sold	102,262	304,130
Prepaid registration fees and other assets (Note 1d)		101,793
Total assets		152,891,400
Liabilities:		
Payables:		
Beneficial interest redeemed	3,611,480	
Administrator (Note 2)	33,804	
Investment adviser (Note 2)	33,804	3,679,088
Accrued expenses and other liabilities		168,120
Total liabilities		3,847,208
Net Assets		\$ 149,044,192
Net Assets Consist of:		
Shares of beneficial interest, \$.10 par value, unlimited number of shares authorized		\$ 14,906,867
Paid-in capital in excess of par		134,161,803
Unrealized depreciation on investments--net		(24,478)
Net Assets--Equivalent to \$1.00 per share based on shares of 149,068,670 beneficial interest outstanding		\$ 149,044,192

<FN>  
\*Cost for Federal income tax purposes. As of November 30, 1993, net unrealized depreciation for Federal income tax purposes amounted to \$24,478, of which \$4,341 related to appreciated securities and \$28,819 related to depreciated securities.

See Notes to Financial Statements.

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Summit Cash Reserves Fund		
<CAPTION>		
Statement of Operations for the Six Months Ended November 30, 1993		
<S>	<C>	<C>
Investment Income (Note 1c):		
Interest and amortization of premium and discount earned		\$ 2,439,133

Expenses:		
Investment advisory fees (Note 2)	\$ 202,497	
Administrative fees (Note 2)	202,497	
Transfer agent fees (Note 2)	135,283	
Professional fees	33,727	
Accounting services (Note 2)	22,861	
Printing and shareholder reports	19,176	
Trustees' fees and expenses	18,154	
Registration fees (Note 1d)	17,966	
Custodian fees	9,144	
Other	19,218	
Total expenses		680,523
Investment income--net		1,758,610
Realized Gain on Investments--Net (Note 1c)		34,509
Change in Unrealized Depreciation on Investments--Net		(15,187)
Net Increase in Net Assets Resulting from Operations		\$ 1,777,932

See Notes to Financial Statements.

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Summit Cash Reserves Fund		
Statements of Changes in Net Assets		
<S>	For the Six Months Ended Nov. 30, 1993	For the Year Ended May 31, 1993
Increase (Decrease) in Net Assets:	<C>	<C>
Operations:		
Investment income--net	\$ 1,758,610	\$ 4,998,689
Realized gain on investments--net	34,509	138,080
Change in unrealized depreciation on investments--net	(15,187)	(2,061)
Net increase in net assets resulting from operations	1,777,932	5,134,708
Dividends & Distributions to Shareholders (Note 1f):		
Investment income--net	(1,758,610)	(4,998,689)
Realized gain on investments--net	(34,509)	(138,080)

Net decrease in net assets resulting from dividends and distributions to shareholders	(1,793,119)	(5,136,769)
Beneficial Interest Transactions (Note 3):		
Net proceeds from sale of shares	300,255,776	644,773,140
Net asset value of shares issued to shareholders in reinvestment of dividends (Note 1f)	1,789,373	5,121,386
Cost of shares redeemed	302,045,149 (309,662,350)	649,894,526 (731,083,887)
Net decrease in net assets derived from beneficial interest transactions	(7,617,201)	(81,189,361)
Net Assets:		
Total decrease in net assets	(7,632,388)	(81,191,422)
Beginning of period	156,676,580	237,868,002
End of period	\$149,044,192	\$ 156,676,580

See Notes to Financial Statements.

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Summit Cash Reserves Fund  
Financial Highlights

	For the Six Months Ended		For the Year Ended May 31,		
	Nov. 30, 1993	1993	1992	1991	1990
	<C>	<C>	<C>	<C>	<C>

<S>

The following per share data and ratios have been derived from information provided in the financial statements.

Increase (Decrease) in Net Asset Value:

Per Share Operating Performance:

	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net asset value, beginning of period	-----	-----	-----	-----	-----
Investment income--net	.0122	.0262	.0464	.0684	.0811
Realized and unrealized gain (loss) on investments--net	.0001	.0007	(.0001)	.0024	(.0003)
Total from investment operations	.0123	.0269	.0463	.0708	.0808
Less dividends and distributions:					
Investment income--net	(.0122)	(.0262)	(.0463)	(.0684)	(.0808)
Realized gain on investments--net	(.0002)	(.0007)	--	(.0024)**	--
Total dividends and distributions	(.0124)	(.0269)	(.0463)	(.0708)	(.0808)
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Investment Return:	2.45%*	2.73%	4.43%	7.48%	8.39%

Ratios to Average Net Assets:

Expenses	.92%*	.86%	.79%	.85%	.74%
Investment income and realized gain on investments--net	2.44%*	2.72%	4.48%	7.14%**	8.03%**

Supplemental Data:

Net assets, end of period (in thousands)	\$149,044	\$156,677	\$237,868	\$374,212	\$546,593
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<FN>

\* Annualized.

\*\* Includes unrealized gain (loss).

See Notes to Financial Statements.

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Summit Cash Reserves Fund

Notes to Financial Statements

1. Significant Accounting Policies:

Summit Cash Reserves Fund (the "Fund") is a separate fund offering a separate class of shares of Financial Institutions Series Trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940 as a diversified, open-end investment management company which comprises a series of separate portfolios offering a separate class of shares to selected groups of purchasers. The Fund is currently the only operating series of the Trust. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--The money market securities in which the Fund invests are traded primarily in the over-the-counter markets. Investments maturing more than sixty days after the valuation date are valued at the most recent bid price or yield equivalent as obtained from dealers that make markets in such securities. When such securities are valued with sixty days or less

to maturity, the difference between the valuation existing on the sixty-first day before maturity and maturity value is amortized on a straight-line basis to maturity. Investments maturing within sixty days from their date of acquisition are valued at amortized cost, which approximates market value. Assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Trustees of the Trust. For purposes of valuation, the maturity of a variable rate security is deemed to be the next coupon date on which the interest rate is to be adjusted.

(b) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(c) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Interest income (including amortization of premium and discount) is recognized on the accrual basis. Realized gains and losses on security transactions are determined on the identified cost basis.

(d) Prepaid registration fees--Prepaid registration fees are charged to expense as the related shares are issued.

(e) Repurchase agreements--The Fund invests in US Government securities pursuant to repurchase agreements with a member bank of the Federal Reserve System or a primary dealer in US Government securities. Under such agreements, the bank or primary dealer agrees to repurchase the security at a mutually agreed upon time and price. The Fund takes possession of the underlying securities, marks to market such securities and, if necessary, receives additional securities daily to ensure that the contract is fully collateralized.

(f) Dividends to shareholders--The Fund declares dividends daily and reinvests daily such dividends (net of non-resident alien tax and back-up withholding tax) in additional fund shares at net asset value. Dividends are declared from the total of net investment income and net realized gain or loss on investments.

## 2. Investment Advisory and Administrative Agreements:

Fund Asset Management, Inc. ("FAMI"), a wholly-owned subsidiary of Merrill Lynch Investment Management, Inc. ("MLIM"), an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc., and Broadcort Capital Corp. (the "Administrator"), a subsidiary of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a subsidiary of Merrill Lynch & Co., Inc., have entered into agreements with the Trust to provide advisory, management and administrative services to the Fund. The Investment Adviser performs management and investment advisory services for the Fund. The Administrator arranges for the performance of certain administrative services for the Fund, primarily shareholder services.

For such services, the Investment Adviser and the Administrator each receive a fee from the Fund at the end of each month at the annual rate of 0.275% of the average daily net assets of the Fund not exceeding \$500 million, and at the annual rate of 0.25% of average daily net assets in excess of \$500 million. Under their respective agreements with the Fund, the Investment Adviser and the Administrator are obligated to reimburse the Fund to the extent the Fund's aggregate ordinary operating expenses (excluding interest, taxes, brokerage fees and commissions, and extraordinary charges such as litigation costs) exceed in any fiscal year 2.5% of the Fund's first \$30 million of average daily net assets, 2.0% of the next \$70 million of average daily net assets, and 1.5% of the remaining average daily net assets. No fee payment will be made to the Investment Adviser or Administrator during the year which will cause such expenses to exceed the pro rata expense limitation at the time of such payment. The Investment Adviser and Administrator will share equally with respect to any reimbursements made pursuant to the expense limitations.

Merrill Lynch Funds Distributor, Inc. ("MLFD"), a wholly-owned subsidiary of MLIM, is the Distributor of the shares of the Fund.

Financial Data Services, Inc. ("FDS"), a wholly-owned subsidiary of Merrill Lynch & Co., Inc., is the Fund's transfer agent.

Accounting services are provided to the Fund by FAMI at cost.

Certain officers and/or trustees of the Trust are officers and/or directors of FAMI, MLIM, MLFD, FDS, MLPF&S, and/or Merrill Lynch



& Co., Inc.

3. Shares of Beneficial Interest:

The number of shares purchased and redeemed during the periods corresponds to the amounts included in the Statements of Changes in Net Assets for net proceeds from sale of shares and cost of shares redeemed, respectively, since shares are recorded at \$1.00 per share.

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  
Alex V. Bouzakis--Vice President  
Donald C. Burke--Vice President  
Carlo J. Giannini--Vice President  
Kevin J. McKenna--Vice President  
Joseph T. Monagle, Jr.--Vice President  
Gerald M. Richard--Treasurer  
Robert Harris--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  
(800) 221-7210