

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

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INSURANCE MANAGEMENT SERIES

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 X

Pre-Effective Amendment No.

Post-Effective Amendment No. 4 X

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 X

Amendment No. 5 X

INSURANCE MANAGEMENT SERIES

(Exact Name of Registrant as Specified in Charter)

Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779
(Address of Principal Executive Offices)

(412) 288-1900
(Registrant's Telephone Number)

John W. McGonigle, Esquire,
Federated Investors Tower,
Pittsburgh, Pennsylvania 15222-3779
(Name and Address of Agent for Service)

It is proposed that this filing will become effective:

- immediately upon filing pursuant to paragraph (b)
- on _____ pursuant to paragraph (b)
- 60 days after filing pursuant to paragraph (a) (i)
- x on April 24, 1995 pursuant to paragraph (a) (i)
- 75 days after filing pursuant to paragraph (a) (ii)
- on _____ pursuant to paragraph (a) (ii) of Rule 485.

If appropriate, check the following box:

This post-effective amendment designates a new effective date for a previously filed post-effective amendment.

Registrant has filed with the Securities and Exchange Commission a declaration pursuant to Rule 24f-2 under the Investment Company Act of 1940, and:

X filed the Notice required by that Rule on February 15, 1995 ; or intends to file the Notice required by that Rule on or about _____; or during the most recent fiscal year did not sell any securities pursuant to Rule 24f-2 under the Investment Company Act of 1940, and, pursuant to Rule 24f-2(b) (2), need not file the Notice.

Copies To:

Matthew G. Maloney, Esquire
Dickstein, Shapiro & Morin, L.L.P.
2101 L Street, N.W.
Washington, D.C. 20037
CROSS REFERENCE SHEET

This Amendment to the Registration Statement of Insurance Management Series, which consists of six portfolios: (1) Equity Growth and Income Fund, (2) Utility Fund, (3) U.S. Government Bond Fund, (4) Corporate Bond Fund, (5) Prime Money Fund, and (6) International Equity Fund, relates only to Equity Growth and Income Fund, and is comprised of the following:

PART A. INFORMATION REQUIRED IN A PROSPECTUS.

	Prospectus Heading (Rule 404(c) Cross Reference)
Item 1. Cover Page	(1-6) Cover Page.
Item 2. Synopsis	Not applicable.
Item 3. Condensed Financial Information	(1-4) Financial Highlights; (1-6) Performance Information.
Item 4. General Description of Registrant	(1-6) General Information; (1-6) Investment Information; (1-6) Investment Objectives; (1-6) Investment Policies; (4,5) Investment Risks; (1-6) Investment Limitations; (5) Regulatory Compliance.
Item 5. Management of the Fund	(1-6) Fund Information; (1-6) Management of the Fund; (1-6) Distribution of Fund

		Shares; (1-6)
		Administration of the Fund; (1-6)
		Brokerage
		Transactions; (1-6) Expenses of the
		Fund.
Item 6.	Capital Stock and Other Securities	(1-6) Dividends; (1-6) Shareholder Information;
		(1-6) Tax Information; (1-6) Federal Taxes; (1-
		6) State and Local Taxes; (1-6) Voting Rights.
Item 7.	Purchase of Securities Being Offered	(1-6) Net Asset Value; (1-6) Investing in the Fund; (1-6) Purchases and Redemptions; (1-6) What Shares Cost.
Item 8.	Redemption or Repurchase	(1-6) Purchases and Redemptions.
Item 9.	Pending Legal Proceedings	None.
PART B. INFORMATION REQUIRED IN A STATEMENT OF ADDITIONAL INFORMATION.		
Item 10.	Cover Page	(1-6) Cover Page.
Item 11.	Table of Contents	(1-6) Table of Contents.
Item 12.	General Information and History	Not Applicable.
Item 13.	Investment Objectives and Policies	(1-6) Investment Objectives and Policies; (1-6) Investment Limitations.
Item 14.	Management of the Fund	(2-5) Fund Management; (1,6) Insurance Management Series Management; (1) Trustees Compensation.
Item 15.	Control Persons and Principal Holders of Securities	(1-6) Fund Ownership.
Item 16.	Investment Advisory and Other Services	(1-6) Investment Advisory Services; (1-6) Administrative Services; (6) Transfer Agent and Dividend Disbursing Agent.
Item 17.	Brokerage Allocation	(1-6) Brokerage Transactions.
Item 18.	Capital Stock and Other Securities	Not Applicable.
Item 19.	Purchase, Redemption and Pricing of Securities Being Offered	(1-6) Purchasing Shares; (1-6) Determining Net Asset Value.
Item 20.	Tax Status	(1-6) Tax Status.

Item 21.	Underwriters	Not Applicable.
Item 22.	Calculation of Performance Data	(1-6) Total Return; (1-6) Yield; (5) Effective Yield; (1-6) Performance Comparisons.
Item 23.	Financial Statements	(1-4) To be filed by amendment; (5,6) To be filed with 4-6 month update.

Equity Growth and Income Fund
(A Portfolio of Insurance Management Series)

Prospectus

This Prospectus offers shares of the Equity Growth and Income Fund (the "Fund"), which is a diversified investment portfolio in the Insurance Management Series (the "Trust"), an open-end, diversified management investment company. The primary investment objective of the Fund is to achieve long-term growth of capital. The Fund's secondary objective is to provide income. Shares of the Fund may be sold only to separate accounts of insurance companies to serve as the investment medium for variable life insurance policies and variable annuity contracts issued by insurance companies.

The shares offered by this prospectus are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. Investment in these shares involves investment risks, including the possible loss of principal.

This Prospectus contains the information you should read and know before you invest in the Fund through the variable annuity contracts and variable life insurance policies offered by insurance companies which provide for investment in the Fund. Keep this Prospectus for future reference.

The Fund has also filed a Statement of Additional Information dated April 30, 1995, with the Securities and Exchange Commission. The information contained in the Statement of Additional Information is incorporated by reference into this Prospectus. You may request a copy of the Statement of Additional Information free of charge by calling 1-800-235-4669. To obtain other information or to make inquiries about the Fund, contact the Fund at the address listed in the back of this prospectus.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FUND SHARES ARE AVAILABLE EXCLUSIVELY AS FUNDING VEHICLES FOR LIFE

INSURANCE COMPANIES WRITING VARIABLE ANNUITY CONTRACTS AND VARIABLE LIFE INSURANCE POLICIES. THIS PROSPECTUS SHOULD BE ACCOMPANIED BY THE PROSPECTUS FOR SUCH CONTRACTS.

Prospectus dated April 30, 1995

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General Information

The Fund is a portfolio of the Trust which was established as a Massachusetts business trust under a Declaration of Trust dated September 15, 1993. The Declaration of Trust permits the Trust to offer separate series of shares of beneficial interest in separate portfolios of securities, including the Fund.

Shares of the Fund are sold only to insurance companies as funding vehicles for variable annuity contracts and variable life insurance policies issued by the insurance companies. Shares of the Fund are sold at net asset value as described in the section entitled "What Shares Cost." Shares of the Fund are redeemed at net asset value.

Investment Information

Investment Objectives

The primary investment objective of the Fund is to achieve long-term growth of capital. The Fund's secondary objective is to provide income. The investment objectives cannot be changed without the approval of the Fund's shareholders. While there is no assurance that the Fund will achieve its investment objectives, it endeavors to do so by following the investment policies described in this Prospectus.

Investment Policies

The Fund pursues its investment objectives by investing, under normal

circumstances, at least 65% of its total assets in common stock of "blue-chip" companies. "Blue-chip" companies generally are top-quality, established growth companies which, in the opinion of the investment adviser, meet one or more of the following criteria:

- industry leader with proven management capabilities;
- historical and future earnings growth rate of approximately 10% compounded annually;
- strong balance sheet with pension liabilities funded;
- products with brand recognition and consumer acceptance;
- growing consumer-based demand with limited government sales;
- ability to meet social, political, and environmental problems;
- vigorous research effort with continuing new product flow;
- low external capital requirements; and
- not an import competitive company but possessing international capabilities.

Unless indicated otherwise, the investment policies of the Fund may be changed by the Board of Trustees ("Trustees") without the approval of shareholders. Shareholders will be notified before any material change in these policies becomes effective.

Acceptable Investments. The Fund's investment approach is based on the conviction that over the long term the economy will continue to expand and develop and that this economic growth will be reflected in the growth of the revenues and earnings of blue-chip companies. Given these long-term investment horizons, the Fund will attempt to hold its portfolio securities throughout market cycles.

Common Stocks. The Fund invests primarily in common stocks of blue-chip companies selected by the Fund's investment adviser based on the criteria set forth above and traditional research techniques and technical factors, including assessment of earnings and dividend growth prospects and of the risk and volatility of the company's industry. Other factors, such as product position or market share, will also be considered by the Fund's investment adviser.

Convertible Securities. The Fund may invest in convertible securities and warrants of the blue-chip companies. Convertible securities are fixed-income securities which may be exchanged or converted into a predetermined number of the issuer's underlying common stock at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, units consisting of "usable" bonds and warrants or a combination of the features of several of these securities. The Fund invests in convertible bonds rated "B" or higher by Standard & Poor's Ratings Group ("S& P") or Moody Investors Service, Inc. ("Moody's") at the time of investment or, if unrated, of comparable quality. If a convertible bond is rated below "B" according to the characteristics set forth hereafter after the Fund has purchased it, the Fund is not required to drop the convertible bond from the portfolio but will consider

appropriate action. The investment characteristics of each convertible security vary widely, which allows convertible securities to be employed for different investment objectives. Convertible bonds and convertible preferred stocks are fixed-income securities that generally retain the investment characteristics of fixed-income securities until they have been converted but also react to movements in the underlying equity securities. The holder is entitled to receive the fixed-income of a bond or the dividend preference of a preferred stock until the holder elects to exercise the conversion privilege. Usable bonds are corporate bonds that can be used in whole or in part, customarily at full face value, in lieu of cash to purchase the issuer's common stock. When owned as part of a unit along with warrants, which are options to buy the common stock, they function as convertible bonds, except that the warrants generally will expire before the bond's maturity. Convertible securities are senior to equity securities and, therefore, have a claim to assets of the corporation prior to the holders of common stock in the case of liquidation. However, convertible securities are generally subordinated to similar nonconvertible securities of the same company. The interest income and dividends from convertible bonds and preferred stocks provide a stable stream of income with generally higher yields than common stocks, but lower than nonconvertible securities of similar quality. The Fund will exchange or convert the convertible securities held in its portfolio into shares of the underlying common stock in instances in which, in the investment adviser's opinion, the investment characteristics of the underlying common shares will assist the Fund in achieving its investment objective. Otherwise, the Fund will hold or trade the convertible securities. In selecting convertible securities for the Fund, the Fund's adviser evaluates the investment characteristics of the convertible security as a fixed-income instrument and the investment potential of the underlying equity security for capital appreciation. In evaluating these matters with respect to a particular convertible security, the Fund's adviser considers numerous factors, including the economic and political outlook, the value of the security relative to other investment alternatives, trends in the determinants of the issuer's profits, and the issuer's management capability and practices.

Bank Instruments and Securities of Other Investment Companies. Primarily to manage short-term cash, the Fund may also invest in certificates of deposit, demand and time deposits, bankers' acceptances, deposit notes, and other instruments of domestic and foreign banks and other deposit institutions ("Bank Instruments") and securities of other investment companies.

Repurchase Agreements. The Fund will engage in repurchase agreements. Repurchase agreements are arrangements in which banks, broker/dealers,

and other recognized financial institutions sell U.S. government securities or other securities to the Fund and agree at the time of sale to repurchase them at a mutually agreed upon time and price. The Fund or its custodian will take possession of the securities subject to repurchase agreements and these securities will be marked to market daily. To the extent that the original seller does not repurchase the securities from the Fund, the Fund could receive less than the repurchase price on any sale of such securities. In the event that such a defaulting seller filed for bankruptcy or became insolvent, disposition of such securities by the Fund might be delayed pending court action. The Fund believes that, under the regular procedures normally in effect for custody of the Fund's portfolio securities subject to repurchase agreements, a court of competent jurisdiction would rule in favor of the Fund and allow retention or disposition of such securities. The Fund will only enter into repurchase agreements with banks and other recognized financial institutions, such as broker/dealers, which are found by the Fund's adviser to be creditworthy pursuant to guidelines established by the Trustees.

Restricted and Illiquid Securities. As a matter of investment practice, the Fund may invest up to 15% of its total assets in restricted securities. This restriction is not applicable to commercial paper issued under Section 4(2) of the Securities Act of 1933. Restricted securities are any securities in which the Fund may otherwise invest pursuant to its investment objective and policies but which are subject to restriction on resale under federal securities law. To the extent restricted securities are deemed to be illiquid, the Fund will limit their purchase, including non-negotiable time deposits, repurchase agreements providing for settlement in more than seven days after notice, over-the-counter options, and certain restricted securities determined by the Trustees not to be liquid, to 15% of the net assets of the Fund.

When-Issued and Delayed Delivery Transactions. The Fund may purchase portfolio securities on a when-issued or delayed delivery basis. These transactions are arrangements in which the Fund purchases securities with payment and delivery scheduled for a future time. In when-issued and delayed delivery transactions, the Fund relies on the seller to complete the transaction. The seller's failure to complete the transaction may cause the Fund to miss a price or yield considered to be advantageous.

Lending of Portfolio Securities. In order to generate additional income, the Fund may lend portfolio securities on a short-term or long-term basis, or both, up to one-third of the value of its total assets to broker/dealers, banks, or other institutional borrowers of securities. This is a fundamental policy which may not be changed without the approval of shareholders. The Fund will only enter into loan arrangements with broker/dealers, banks, or other institutions which the adviser has determined are creditworthy under guidelines established by the Trustees, and will receive collateral in the form of cash or U.S. government securities equal to at least 100% of the value of the portfolio securities loaned at all times.

Temporary Investments. For defensive purposes only, the Fund may also

invest temporarily in cash and cash items during times of unusual market conditions and to maintain liquidity. Cash items may include short-term obligations such as:

- commercial paper rated A-1 or A-2 by S&P, Prime-1 or Prime-2 by Moody's, or F-1 or F-2 by Fitch;
- securities issued and/or guaranteed as to the payment of principal and interest by the U.S. government or its agencies and instrumentalities; and
- repurchase agreements.

Variable Asset Regulations. The Fund is also subject to variable contract asset regulations prescribed by the U.S. Treasury Department under Section 817(h) of the Internal Revenue Code. After a one year start-up period, the regulations generally require that, as of the end of each calendar quarter or within 30 days thereafter, no more than 55% of the total assets of the Fund may be represented by any one investment, no more than 70% of the total assets of the Fund may be represented by any two investments, no more than 80% of the total assets of the Fund may be represented by any three investments, and no more than 90% of the total assets of the Fund may be represented by any four investments. In applying these diversification rules, all securities of the same issuer, all interests in the same real property project, and all interests in the same commodity are each treated as a single investment. In the case of government securities, each government agency or instrumentality shall be treated as a separate issuer. If the Fund fails to achieve the diversification required by the regulations, unless relief is obtained from the Internal Revenue Service, the contracts invested in the Fund will not be treated as annuity, endowment, or life insurance contracts.

The Fund will be operated at all times so as to comply with the foregoing diversification requirements.

State Insurance Regulations. The Fund is intended to be a funding vehicle for variable annuity contracts and variable life insurance policies offered by certain insurance companies. The contracts will seek to be offered in as many jurisdictions as possible. Certain states have regulations concerning, among other things, the concentration of investments, sales and purchases of futures contracts, and short sales of securities. If applicable, the Fund may be limited in its ability to engage in such investments and to manage its portfolio with desired flexibility. The Fund will operate in material compliance with the applicable insurance laws and regulations of each jurisdiction in which contracts will be offered by the insurance companies which invest in the Fund.

Investment Limitations

The Fund will not:

- borrow money directly or through reverse repurchase agreements (arrangements in which the Fund sells a portfolio instrument for a percentage of its cash value with an agreement to buy it back on a set date) or pledge securities except, under certain circumstances, the Fund may borrow money and engage in reverse repurchase agreements in amounts up to one-third of the value of its total assets and pledge

up to 15% of its total assets to secure such borrowings. The above investment limitation cannot be changed without shareholder approval. The following limitation, however, may be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change in these limitations becomes effective. The Fund will not:

- invest more than 10% of its total assets in securities of other investment companies.

Net Asset Value

The net asset value per share of the Fund fluctuates. It is determined by dividing the sum of the market value of all securities and other assets of the Fund, less liabilities, by the number of shares outstanding.

Investing in the Fund

Purchases and Redemptions

Shares of the Fund are not sold directly to the general public. The Fund's shares are used solely as the investment vehicle for separate accounts of insurance companies offering variable annuity contracts and variable life insurance policies. The use of Fund shares as investments for both variable annuity contracts and variable life insurance policies is referred to as "mixed funding." The use of Fund shares as investments by separate accounts of unaffiliated life insurance companies is referred to as "shared funding."

The Fund intends to engage in mixed funding and shared funding in the future. Although the Fund does not currently foresee any disadvantage to contract owners due to differences in redemption rates, tax treatment, or other considerations, resulting from mixed funding or shared funding, the Trustees of the Fund will closely monitor the operation of mixed funding and shared funding and will consider appropriate action to avoid material conflicts and take appropriate action in response to any material conflicts which occur. Such action could result in one or more participating insurance companies withdrawing their investment in the Fund.

Shares of the Fund are purchased or redeemed on behalf of participating insurance companies at the next computed net asset value after an order is received on days on which the New York Stock Exchange is open.

What Shares Cost

Shares of the Fund are sold and redeemed at the net asset value calculated at 4:00 p.m. (Eastern time), Monday through Friday. The Fund reserves the right to reject any purchase request.

Net asset value of shares of the Fund will not be calculated on: (i) days on which there are not sufficient changes in the value of the Fund's portfolio securities that its net asset value might be materially affected; (ii) days on which no shares are tendered for redemption and no orders to purchase shares are received; and (iii) the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Purchase orders from separate accounts investing in the Fund which are received by the insurance companies by 4:00 p.m. (Eastern time), will be computed at the net asset value of the Fund determined on that day, as long as such purchase orders are received by the Fund in proper form and

in accordance with applicable procedures by 8:00 a.m. (Eastern time) on the next business day and as long as federal funds in the amount of such orders are received by the Fund on the next business day. It is the responsibility of each insurance company which invests in the Fund to properly transmit purchase orders and federal funds in accordance with the procedures described above.

Dividends

Dividends on shares of the Fund are declared and paid quarterly. Shares of the Fund will begin earning dividends if owned on the applicable record date. Dividends of the Fund are automatically reinvested in additional shares of the Fund on payment dates at the ex-dividend date net asset value.

Fund Information

Management of the Fund

Board of Trustees. The Trust is managed by a Board of Trustees. The Trustees are responsible for managing the business affairs of the Trust and for exercising all of the Trust's powers except those reserved for the shareholders. The Executive Committee of the Board of Trustees handles the Board's responsibilities between meetings of the Board. Investment Adviser. Pursuant to an investment advisory contract with the Trust, investment decisions for the Fund are made by Federated Advisers, the Fund's investment adviser, subject to direction by the Trustees. The adviser continually conducts investment research and supervision for the Fund and is responsible for the purchase or sale of portfolio instruments, for which it receives an annual fee from the Fund.

Advisory Fees. The Fund's adviser receives an annual investment advisory fee equal to .75 of 1% of the Fund's average daily net assets. The adviser may voluntarily choose to waive a portion of its fee or reimburse the Fund for certain operating expenses. The adviser can terminate this voluntary waiver and reimbursement of expenses at any time at its sole discretion.

Adviser's Background. Federated Advisers, a Delaware business trust organized on April 11, 1989, is a registered investment adviser under the Investment Advisers Act of 1940. It is a subsidiary of Federated Investors. All of the Class A (voting) shares of Federated Investors are owned by a trust, the trustees of which are John F. Donahue, Chairman and Trustee of Federated Investors, Mr. Donahue's wife, and Mr. Donahue's son, J. Christopher Donahue, who is President and Trustee of Federated Investors.

Federated Advisers and other subsidiaries of Federated Investors serve as investment advisers to a number of investment companies and private accounts. Certain other subsidiaries also provide administrative services to a number of investment companies. Total assets under management or administration by these and other subsidiaries of Federated Investors are approximately \$70 billion. Federated Investors, which was founded in 1956 as Federated Investors, Inc., develops and manages mutual funds primarily for the financial industry. Federated Investors' track record of competitive performance and its disciplined, risk averse investment

philosophy serve approximately 3,500 client institutions nationwide. Through these same client institutions, individual shareholders also have access to this same level of investment expertise.

Peter R. Anderson has been the Fund's portfolio manager since the Fund commenced operations. Mr. Anderson joined Federated Investors in 1972 as, and is presently, a Senior Vice President of the Fund's investment adviser. Mr. Anderson is a Chartered Financial Analyst and received his M.B.A. in Finance from the University of Wisconsin.

Frederick L. Plautz has been the Fund's co-portfolio manager since December 1994. Mr. Plautz joined Federated Investors in 1990 and has been a Vice President of the Fund's investment adviser since October 1994. Prior to this, Mr. Plautz served as an Assistant Vice President of the investment adviser. Mr. Plautz was a portfolio manager at Banc One Asset Management Corp. from 1986 until 1990. Mr. Plautz received his M.S. in Finance from the University of Wisconsin.

Distribution of Fund Shares

Federated Securities Corp. is the principal distributor for shares of the Fund. Federated Securities Corp. is located at Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779. It is a Pennsylvania corporation organized on November 14, 1969, and is the principal distributor for a number of investment companies. Federated Securities Corp. is a subsidiary of Federated Investors.

Administration of the Fund

Administrative Services. Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services (including certain legal and financial reporting services) necessary to operate the Fund. Federated Administrative Services provides these at an annual rate which relates to the average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors ("Federated Funds") as specified below:

Maximum Administrative Fee	Average Aggregate Daily Net Assetsof the Federated Funds
0.15 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.10 of 1%	on the next \$250 million
0.075 of 1%	on assets in excess of \$750

million

The administrative fee received during any fiscal year shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares. Federated Administrative Services may choose voluntarily to waive a portion of its fee.

Custodian. State Street Bank and Trust Company, P.O. Box 8604, Boston, Massachusetts 02266-8604, is custodian for the securities and cash of the Fund.

Transfer Agent and Dividend Disbursing Agent. Federated Services Company, Pittsburgh, Pennsylvania, a subsidiary of Federated Investors,

is the transfer agent for shares of the Fund and dividend disbursing agent for the Fund.

Legal Counsel. Legal counsel for the Fund is provided by Houston, Houston & Donnelly, Pittsburgh, Pennsylvania, and Dickstein, Shapiro & Morin, Washington, D.C.

Independent Auditors. The independent auditors for the Fund are Deloitte & Touche, Boston, Massachusetts.

Brokerage Transactions

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the adviser looks for prompt execution of the order at a favorable price. In working with dealers, the adviser will generally utilize those who are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. In selecting among firms believed to meet these criteria, the adviser may give consideration to those firms which have sold or are selling shares of the other funds distributed by Federated Securities Corp. The adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Trustees.

Expenses of the Fund

The Fund pays all of its own expenses and its allocable share of Trust expenses. These expenses may include, but are not limited to, the cost of: organizing the Trust and continuing its existence; Trustees' fees; investment advisory and administrative services; printing prospectuses and other documents for contract holders; registering the Trust, the Fund, and shares of the Fund; taxes and commissions; issuing, purchasing, repurchasing, and redeeming shares; custodians, transfer agents, dividend disbursing agents, contract holders servicing agents, and registrars; printing, mailing, auditing, accounting, and legal expenses; reports to contract holders and governmental agencies; meetings of Trustees and contract holders and proxy solicitations therefor; insurance; association membership dues; and such nonrecurring and extraordinary items as may arise. However, the investment adviser may voluntarily reimburse some expenses.

Shareholder Information

Voting Rights

The insurance company separate accounts, as shareholders of the Fund, will vote the Fund shares held in their separate accounts at meetings of the shareholders. Voting will be in accordance with instructions received from contract owners of the separate accounts, as more fully outlined in the prospectus of the separate account.

Each share of the Fund gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote. All shares of each portfolio in the Trust have equal voting rights except that only shares of the Fund are entitled to vote on matters affecting only the Fund. As a Massachusetts business trust, the Trust is not required to hold annual shareholder meetings. Shareholder approval will be sought only for certain changes in the Trust or the Fund's operation and for the election of Trustees in certain circumstances.

Trustees may be removed by the Trustees or by shareholders at a special meeting. A special meeting of shareholders shall be called by the Trustees upon the written request of shareholders owning at least 10% of

the outstanding shares of all series of the Trust.

Tax Information

Federal Taxes

The Fund will pay no federal income tax because the Fund expects to meet requirements of the Internal Revenue Code applicable to regulated investment companies and to receive the special tax treatment afforded to such companies.

The Fund will be treated as a single, separate entity for federal income tax purposes so that income (including capital gains) and losses realized by the Trust's other portfolios will not be combined for tax purposes with those realized by the Fund.

The Fund intends to comply with the variable asset diversification regulations which are described earlier in this Prospectus. If the Fund fails to comply with these regulations, contracts invested in the Fund shall not be treated as annuity, endowment, or life insurance contracts under the Internal Revenue Code.

Contract owners should review the applicable contract prospectus for information concerning the federal income tax treatment of their contracts and distributions from the Fund to the separate accounts.

State and Local Taxes

Contract owners are urged to consult their own tax advisers regarding the status of their contracts under state and local tax laws.

Performance Information

From time to time the Fund advertises total return and yield. Total return represents the change, over a specific period of time, in the value of an investment in the Fund after reinvesting all income and capital gain distributions. It is calculated by dividing that change by the initial investment and is expressed as a percentage. The yield of the Fund is calculated by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the offering price per share of the Fund on the last day of the period. This number is then annualized using semi-annual compounding. The yield does not necessarily reflect income actually earned by the Fund and, therefore, may not correlate to the dividends or other distributions paid to shareholders. Performance information will not reflect the charges and expenses of a variable annuity or variable life insurance contract. Because shares of the Fund can only be purchased by a separate account of an insurance company offering such a contract, you should review the performance figures of the contract in which you are invested, which performance figures will accompany any advertisement of the Fund's performance.

From time to time, the Fund may advertise its performance using certain financial publications and/or compare its performance to certain indices.

Appendix

Standard & Poor's Corporate Bond Ratings Definitions

AAA--Debt rated AAA has the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.

AA--Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degree.

A--Debt rated A has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB--Debt rated BBB is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

BB, B, CCC, and CC--Debt rated BB, B, CCC and CC is regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and CC the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties of major risk exposures to adverse conditions.

C--The rating C is reserved for income bonds on which no interest is being paid.

D--Debt rated D is in default, and payment of interest and/or repayment of principal is in arrears.

Moody's Investors Service, Inc., Corporate Bond Ratings

Aaa--Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa--Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long term risks appear somewhat larger than in Aaa securities.

A--Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa--Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba--Bonds which are Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not

well safeguarded during both good and bad times over the future.

Uncertainty of position characterizes bonds in this class.

B--Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa--Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca--Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C--Bonds which are rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Fitch Investors Service, Inc., Long-Term Debt Ratings

AAA--Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA--Bonds considered to be investment grade and of very high quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated AAA. Because bonds rated in the AAA and AA categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated F-1.

A--Bonds considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered to be strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

BBB--Bonds considered to be investment grade and of satisfactory credit quality. The obligor's ability to pay interest and repay principal is considered to be adequate. Adverse changes in economic conditions and circumstances, however, are more likely to have adverse impact on these bonds, and therefore, impair timely payment.

BB--Bonds are considered speculative. The obligor's ability to pay interest and repay principal may be affected over time by adverse economic changes. However, business and financial alternatives can be identified which could assist the obligor in satisfying its debt service requirements.

B--Bonds are considered highly speculative. While bonds in this class are currently meeting debt service requirements, the probability of continued timely payment of principal and interest reflects the obligor's limited margin of safety and the need for reasonable business and economic activity throughout the life of the issue.

CCC--Bonds have certain identifiable characteristics which, if not remedied, may lead to default. The ability to meet obligations requires an advantageous business and economic environment.

CC--Bonds are minimally protected. Default in payment of interest and/or principal seems probable over time.

C--Bonds are in imminent default in payment of interest or principal.

DDD, DD, and D--Bonds are in default on interest and/or principal payments. Such bonds are extremely speculative and should be valued on the basis of their ultimate recovery value in liquidation or reorganization of the obligor. DDD represents the highest potential for recovery on these bonds, and D represents the lowest potential for recovery.

NR--NR indicates that Fitch does not rate the specific issue. Plus (+) or Minus (-): Plus or minus signs are used with a rating symbol to indicate the relative position of a credit within the rating category. Plus and minus signs, however, are not used in the AAA category.

Standard & Poor's Corporation Commercial Paper Ratings

A-1--This designation indicates that the degree of safety regarding timely payment is either overwhelming or very strong. Those issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign designation.

A-2--Capacity for timely payment on issues with this designation is strong.

However, the relative degree of safety is not as high as for issues designated A-1.

Moody's Investors Service, Inc., Commercial Paper Ratings

P-1--Issuers rated PRIME-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations. PRIME-1 repayment capacity will normally be evidenced by the following characteristics: conservative capitalization structures with moderate reliance on debt and ample asset protection; broad margins in earning coverage of fixed financial charges and high internal cash generation; well established access to a range of financial markets and assured sources of alternate liquidity.

P-2--Issuers rated PRIME-2 (or related supporting institutions) have a strong capacity for repayment of short-term promissory obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Fitch Investors Service, Inc., Commercial Paper Ratings

Fitch-1--(Highest Grade) Commercial paper assigned this rating is regarded as having the strongest degree of assurance for timely payment. Fitch-2(Very Good Grade) Issues assigned this rating reflect an assurance of timely payment only slightly less in degree than the strongest issues.

Addresses

Insurance Management Series

Equity Growth and Income Fund Federated Investors Tower
Pittsburgh, Pennsylvania 15222-

3779

Distributor

Federated Securities Corp. Federated Investors Tower
Pittsburgh, Pennsylvania 15222-

3779

Investment Adviser
Federated Advisers

Federated Investors Tower
Pittsburgh, Pennsylvania 15222-

3779

Custodian
State Street Bank and
Trust Company

P.O. Box 8604
Boston, Massachusetts 02266-

8604

Transfer Agent and Dividend Disbursing Agent
Federated Services Company

Federated Investors Tower
Pittsburgh, Pennsylvania 15222-

3779

Legal Counsel
Houston, Houston & Donnelly

2510 Centre City Tower
Pittsburgh, Pennsylvania 15222

Legal Counsel
Dickstein, Shapiro & Morin

2101 L Street, N.W.
Washington, D.C. 20037

Independent Auditors
Deloitte & Touche

125 Summer Street
Boston, Massachusetts 02110-

1617

Equity Growth and
Income Fund
Prospectus

A Diversified Portfolio of
Insurance Management Series
An Open-End, Management
Investment Company

April 30, 1995

FEDERATED SECURITIES CORP.

Distributor
A subsidiary of Federated
Investors

Federated Investors Tower
Pittsburgh, PA 15222-3779

458043502
3113010A (4/95)

Equity Growth and Income Fund

(A Portfolio of Insurance Management Series)
Statement of Additional Information

This Statement of Additional Information should be read with the prospectus of the Equity Growth and Income Fund (the "Fund") dated April 30, 1995. This Statement is not a prospectus itself. To receive a copy of the prospectus, write or call the Fund.

Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Statement dated April 30, 1995

FEDERATED SECURITIES CORP.
Distributor
A subsidiary of FEDERATED
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Investment Objectives and Policies	

The primary investment objective of the Fund is to achieve long-term growth of capital. The Fund's secondary objective is to provide income. The investment objectives cannot be changed without approval of shareholders.

Types of Investments

The Fund invests, under normal circumstances, at least 65% of its total assets in common stock of "blue-chip" companies, as defined in the Prospectus. The Fund may also invest in other securities of these companies, U.S. government securities, repurchase agreements, and bank instruments. The following supplements the discussion of acceptable investments in the Prospectus.

Convertible Securities

As with all fixed-income securities, various market forces influence the market value of convertible securities, including changes in the level of interest rates. As the level of interest rates increases, the market value of convertible securities may decline and, conversely, as interest rates decline, the market value of convertible securities may increase. The unique investment characteristics of convertible securities, the right to be exchanged for the issuer's common stock, causes the market value of convertible securities to increase when the underlying common stock increases. However, since securities prices fluctuate, there can be no assurance of capital appreciation, and most convertible securities will not reflect quite as much capital appreciation as their underlying common stocks. When the underlying common stock is experiencing a decline, the value of the convertible security tends to decline to a level approximating the yield-to-maturity basis of straight nonconvertible debt of similar quality, often called "investment value," and may not experience the same decline as the underlying common stock. Many convertible securities sell at a premium over their conversion values (i.e., the number of shares of common stock to be received upon conversion multiplied by the current market price of the stock). This premium represents the price investors are willing to pay for the privilege of purchasing a fixed-income

security with a possibility of capital appreciation due to the conversion privilege. If this appreciation potential is not realized, the premium may not be recovered.

Warrants

Warrants are basically options to purchase common stock at a specific price (usually at a premium above the market value of the optioned common stock at issuance) valid for a specific period of time. Warrants may have a life ranging from less than a year to twenty years or may be perpetual. However, most warrants have expiration dates after which they are worthless. In addition, if the market price of the common stock does not exceed the warrant's exercise price during the life of the warrant, the warrant will expire as worthless. Warrants have no voting rights, pay no dividends, and have no rights with respect to the assets of the corporation issuing them. The percentage increase or decrease in the market price of the warrant may tend to be greater than the percentage increase or decrease in the market price of the optioned common stock.

U.S. Government Obligations

The types of U.S. government obligations in which the Fund may invest generally include direct obligations of the U.S. Treasury (such as U.S. Treasury bills, notes, and bonds) and obligations issued and/or guaranteed by the U.S. government agencies or instrumentalities. These securities are backed by:

- the full faith and credit of the U.S. Treasury;
- the issuer's right to borrow from the U.S. Treasury;
- the discretionary authority of the U.S. government to purchase certain obligations of agencies or instrumentalities; or
- the credit of the agency or instrumentality issuing the obligations.

Examples of agencies and instrumentalities which may not always receive financial support from the U.S. government are:

- Federal Farm Credit System;
- Federal Home Loan Bank System;
- Student Loan Marketing Association;
- Federal National Mortgage Association; and
- Federal Home Loan Mortgage Corporation.

Bank Instruments

The Fund only invests in Bank Instruments (as defined in the prospectus) either issued by an institution having capital, surplus, and undivided profits over \$100 million or insured by the Bank Insurance Fund or the Savings Association Insurance Fund, both of which are administered by the Federal Deposit Insurance Corporation. Bank Instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Eurodollar Time Deposits. Institutions issuing Eurodollar instruments are not necessarily subject to the same regulatory requirements that apply to domestic banks, such as reserve requirements, loan limitations, examinations, accounting, auditing, recordkeeping and the public availability of information.

When-Issued and Delayed Delivery Transactions

These transactions are made to secure what is considered to be an advantageous price and yield for the Fund. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase price. No fees or other expenses, other than normal transactions costs, are incurred. However, liquid assets of the Fund sufficient to make payment for the securities to be purchased are segregated at the trade date. These securities are marked to market daily and maintained until the transaction is settled. The Fund may engage in these transactions to an extent that would cause the segregation of an amount up to 20% of its total assets.

Lending of Portfolio Securities

In order to generate additional income, the Fund may lend its portfolio securities, up to one-third of the value of its total assets, to broker/dealers, banks, or other institutional borrowers of securities. The collateral received when the Fund lends portfolio securities must be valued daily and, should the market value of the loaned securities increase, the borrower must furnish additional collateral to the Fund. During the time portfolio securities are on loan, the borrower pays the Fund any dividends or interest paid on such securities. Loans are subject to termination at the option of the Fund or the borrower. The Fund may pay reasonable administrative and custodial fees in connection with a loan and may pay a negotiated portion of the interest earned on the cash or equivalent collateral to the borrower or placing broker. The Fund does not have the right to vote securities on loan, but would terminate the loan and regain the right to vote if that were considered important with respect to the investment.

Reverse Repurchase Agreements

The Fund may enter into reverse repurchase agreements. These transactions are similar to borrowing cash. In a reverse repurchase agreement, the Fund transfers possession of a portfolio instrument to another person, such as a financial institution, broker, or dealer, in return for a percentage of the instrument's market value in cash, and agrees that on a stipulated date in the future the Fund will repurchase the portfolio instrument by remitting the original consideration plus interest at an agreed upon rate. When effecting reverse repurchase agreements, liquid assets of the Fund, in a dollar amount sufficient to make payment for the obligations to be purchased, are segregated at the trade date. These securities are marked to market daily and maintained until the transaction is settled.

Portfolio Turnover

Securities in the Fund's portfolio will be sold whenever the Fund's investment adviser believes it is appropriate to do so in light of the Fund's investment objectives, without regard to the length of time a particular security may have been held. It is not anticipated that the portfolio trading engaged in by the Fund will result in its annual rate of portfolio turnover exceeding 100%. For the period from February 10, 1994 (date of initial public investment), to March 31, 1994, the portfolio turnover rate of the Fund was 6%.

Investment Limitations

Selling Short and Buying on Margin

The Fund will not sell any securities short or purchase any securities on margin, but may obtain such short-term credits as may be necessary for clearance of purchases and sales of portfolio securities.

Issuing Senior Securities and Borrowing Money

The Fund will not issue senior securities except that the Fund may borrow money directly or through reverse repurchase agreements as a temporary, extraordinary, or emergency measure to facilitate management of the portfolio by enabling the Fund to meet redemption requests when the liquidation of portfolio securities is deemed to be inconvenient or disadvantageous, and then only in amounts not in excess of one-third of the value of its total assets; provided that, while borrowings and reverse repurchase agreements outstanding exceed 5% of the Fund's total assets, any such borrowings will be repaid before additional investments are made. The Fund will not borrow money or engage in reverse repurchase agreements for investment leverage purposes.

Pledging Assets

The Fund will not mortgage, pledge, or hypothecate any assets except to secure permitted borrowings. In those cases, it may pledge assets having a market value not exceeding the lesser of the dollar amounts borrowed or 15% of its total assets at the time of the pledge.

Concentration of Investments

The Fund will not purchase securities if, as a result of such purchase, 25% or more of its total assets would be invested in any one industry. However, the Fund may at any time invest 25% or more of its total assets in cash or cash items and securities issued and/or guaranteed by the U.S. government, its agencies or instrumentalities.

Investing in Commodities

The Fund will not purchase or sell commodities, commodity contracts, or commodity futures contracts.

Investing in Real Estate

The Fund will not purchase or sell real estate, including limited partnership interests in real estate, although it may invest in securities of companies whose business involves the purchase or sale of real estate or in securities secured by real estate or interests in real estate.

Lending Cash or Securities

The Fund will not lend any of its assets, except portfolio securities up to one-third of its total assets. This shall not prevent the Fund from purchasing or holding corporate or U.S. government bonds, debentures, notes, certificates of indebtedness or other debt securities of an issuer, entering into repurchase agreements, or engaging in other transactions which are permitted by the Fund's investment objectives and policies or the Trust's Declaration of Trust.

Underwriting

The Fund will not underwrite any issue of securities, except as it

may be deemed to be an underwriter under the Securities Act of 1933 in connection with the sale of securities in accordance with its investment objectives, policies, and limitations.

Diversification of Investments

With respect to 75% of its total assets, the Fund will not purchase the securities of any one issuer (other than cash, cash items, or securities issued and/or guaranteed by the U.S. government, its agencies or instrumentalities, and repurchase agreements collateralized by such securities) if, as a result, more than 5% of its total assets would be invested in the securities of that issuer.

In addition, the Fund will not purchase more than 10% of any class of the outstanding voting securities of any one issuer. For these purposes, the Fund considers common stock and all preferred stock of an issuer each as a single class, regardless of priorities, series, designations, or other differences.

The above investment limitations cannot be changed without shareholder approval. The following limitations, however, may be changed by the Trustees without shareholder approval. Shareholders will be notified before any material changes in these limitations become effective.

Investing in Restricted Securities

The Fund will not invest more than 15% of its total assets in securities subject to restrictions on resale under the Securities Act of 1933, except for commercial paper issued under Section 4(2) of the Securities Act of 1933 and certain other restricted securities which meet the criteria for liquidity as established by the Trustees.

Investing in Illiquid Securities

The Fund will not invest more than 15% of its net assets in illiquid securities, including, among others, repurchase agreements providing for settlement more than seven days after notice, and certain restricted securities not determined by the Trustees to be liquid.

Except with respect to borrowing money, if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value of total or net assets will not result in a violation of such restriction.

The Fund has no present intention to borrow money in excess of 5% of the value of its net assets during the coming fiscal year.

For purposes of its policies and limitations, the Fund considers certificates of deposit and demand and time deposits issued by a U.S. branch of a domestic bank or savings and loan having capital, surplus, and undivided profits in excess of \$100,000,000 at the time of investment to be "cash items."

Insurance Management Series Management Officers and Trustees are listed with their addresses, present positions with Insurance Management Series, and principal occupations.

John F. Donahue@*
Federated Investors Tower

Pittsburgh, PA
Birthdate: July 28, 1924
Chairman and Trustee
Chairman and Trustee, Federated Investors, Federated Advisers, Federated Management, and Federated Research; Chairman and Director, Federated Research Corp.; Chairman, Passport Research, Ltd.; Director, AETna Life and Casualty Company; Chief Executive Officer and Director, Trustee, or Managing General Partner of the Funds. Mr. Donahue is the father of J. Christopher Donahue, President and Trustee of the Trust.

Thomas G. Bigley
28th Floor, One Oxford Centre
Pittsburgh, PA
Birthdate: February 3, 1934
Trustee
Director, Oberg Manufacturing Co.; Chairman of the Board, Children's Hospital of Pittsburgh; Director, Trustee, or Managing General Partner of the Funds; formerly, Senior Partner, Ernst & Young LLP.

John T. Conroy, Jr.
Wood/IPC Commercial Department
John R. Wood and Associates, Inc., Realtors
3255 Tamiami Trail North
Naples, FL
Birthdate: June 23, 1937
Trustee
President, Investment Properties Corporation; Senior Vice-President, John R. Wood and Associates, Inc., Realtors; President, Northgate Village Development Corporation; Partner or Trustee in private real estate ventures in Southwest Florida; Director, Trustee, or Managing General Partner of the Funds; formerly, President, Naples Property Management, Inc.

William J. Copeland
One PNC Plaza - 23rd Floor
Pittsburgh, PA
Birthdate: July 4, 1918
Trustee
Director and Member of the Executive Committee, Michael Baker, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Vice Chairman and Director, PNC Bank, N.A., and PNC Bank Corp. and Director, Ryan Homes, Inc.

James E. Dowd
571 Hayward Mill Road
Concord, MA
Birthdate: May 18, 1922
Trustee
Attorney-at-law; Director, The Emerging Germany Fund, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Director,

Blue Cross of Massachusetts, Inc.

Lawrence D. Ellis, M.D.

3471 Fifth Avenue, Suite 1111

Pittsburgh, PA

Birthdate: October 11, 1932

Trustee

Professor of Medicine and Member, Board of Trustees, University of Pittsburgh; Medical Director, University of Pittsburgh Medical Center - Downtown; Member, Board of Directors, University of Pittsburgh Medical Center; formerly, Hematologist, Oncologist, and Internist, Presbyterian and Montefiore Hospitals; Director, Trustee, or Managing General Partner of the Funds.

Edward L. Flaherty, Jr. @

Henny, Koehuba, Meyer and Flaherty

Two Gateway Center - Suite 674

Pittsburgh, PA

Birthdate: June 18, 1924

Trustee

Attorney-at-law; Partner, Henny, Koehuba, Meyer and Flaherty; Director, Eat'N Park Restaurants, Inc., and Statewide Settlement Agency, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Counsel, Horizon Financial, F.A., Western Region.

Peter E. Madden

225 Franklin Street

Boston, MA

Birthdate: April 16, 1942

Trustee

Consultant; State Representative, Commonwealth of Massachusetts; Director, Trustee, or Managing General Partner of the Funds; formerly, President, State Street Bank and Trust Company and State Street Boston Corporation and Trustee, Lahey Clinic Foundation, Inc.

Gregor F. Meyer

Henny, Koehuba, Meyer and Flaherty

Two Gateway Center - Suite 674

Pittsburgh, PA

Birthdate: October 6, 1926

Trustee

Attorney-at-law; Partner, Henny, Koehuba, Meyer and Flaherty; Chairman, Meritcare, Inc.; Director, Eat'N Park Restaurants, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Vice Chairman, Horizon Financial, F.A.

John E. Murray, Jr., J.D., S.J.D.

President

Duquesne University

Pittsburgh, PA

Birthdate: December 20, 1932

Trustee

President, Law Professor, Duquesne University; Consulting Partner, Mollica, Murray and Hogue; Director, Trustee or Managing General Partner of the Funds.

Wesley W. Posvar

1202 Cathedral of Learning

University of Pittsburgh

Pittsburgh, PA

Birthdate: September 14, 1925

Trustee

Professor, Foreign Policy and Management Consultant; Trustee, Carnegie Endowment for International Peace, RAND Corporation, Online Computer Library Center, Inc., and U.S. Space Foundation; Chairman, Czecho Slovak Management Center; Director, Trustee, or Managing General Partner of the Funds; President Emeritus, University of Pittsburgh; formerly, Chairman, National Advisory Council for Environmental Policy and Technology.

Marjorie P. Smuts

4905 Bayard Street

Pittsburgh, PA

Birthdate: June 21, 1935

Trustee

Public relations/marketing consultant; Director, Trustee, or Managing General Partner of the Funds.

J. Christopher Donahue *

Federated Investors Tower

Pittsburgh, PA

Birthdate: April 11, 1949

President and Trustee

President and Trustee, Federated Investors, Federated Advisers, Federated Management, and Federated Research; President and Director, Federated Research Corp.; President, Passport Research, Ltd.; Trustee, Federated Administrative Services, Federated Services Company, and Federated Shareholder Services; President or Vice President of the Funds; Director, Trustee, or Managing General Partner of some of the Funds. Mr. Donahue is the son of John F. Donahue, Chairman and Trustee of the Trust.

Richard B. Fisher

Federated Investors Tower

Pittsburgh, PA

Birthdate: May 17, 1923

Vice President

Executive Vice President and Trustee, Federated Investors; Director, Federated Research Corp.; Chairman and Director, Federated Securities Corp.; President or Vice President of some of the Funds; Director or Trustee of some of the Funds.

Edward C. Gonzales
Federated Investors Tower
Pittsburgh, PA

Birthdate: October 22, 1930

Vice President and Treasurer

Vice President, Treasurer, and Trustee, Federated Investors; Vice President and Treasurer, Federated Advisers, Federated Management, Federated Research, Federated Research Corp., and Passport Research, Ltd.; Executive Vice President, Treasurer, and Director, Federated Securities Corp.; Trustee, Federated Services Company and Federated Shareholder Services; Chairman, Treasurer, and Trustee, Federated Administrative Services; Trustee or Director of some of the Funds; Vice President and Treasurer of the Funds.

John W. McGonigle

Federated Investors Tower
Pittsburgh, PA

Birthdate: October 26, 1938

Vice President and Secretary

Vice President, Secretary, General Counsel, and Trustee, Federated Investors; Vice President, Secretary, and Trustee, Federated Advisers, Federated Management, and Federated Research; Vice President and Secretary, Federated Research Corp. and Passport Research, Ltd.; Trustee, Federated Services Company; Executive Vice President, Secretary, and Trustee, Federated Administrative Services; Secretary and Trustee, Federated Shareholder Services; Executive Vice President and Director, Federated Securities Corp.; Vice President and Secretary of the Funds.

* This Trustee is deemed to be an "interested person" as defined in the Investment Company Act of 1940, as amended.

@ Member of the Executive Committee. The Executive Committee of the Board of Trustees handles the responsibilities of the Board of Trustees between meetings of the Board.

As used in the table above, "The Funds" and "Funds" mean the following investment companies: American Leaders Fund, Inc.; Annuity Management Series; Arrow Funds; Automated Cash Management Trust; Automated Government Money Trust; California Municipal Cash Trust; Cash Trust Series II; Cash Trust Series, Inc.; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated Growth Trust; Federated High Yield Trust; Federated Income Securities Trust; Federated Income Trust; Federated Index Trust; Federated Institutional Trust; Federated Intermediate Government Trust; Federated Master Trust; Federated Municipal Trust; Federated Short-Intermediate Government Trust; Federated Short-Term U.S. Government Trust; Federated Stock Trust; Federated Tax-Free Trust; Federated U.S. Government Bond Fund; First Priority Funds; Fixed Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund, Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.; Fund for U.S. Government

Securities, Inc.; Government Income Securities, Inc.; High Yield Cash Trust; Insight Institutional Series, Inc.; Intermediate Municipal Trust; International Series, Inc.; Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty U.S. Government Money Market Trust; Liberty Term Trust, Inc. - 1999; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series Trust; The Medalist Funds; Money Market Management, Inc.; Money Market Obligations Trust; Money Market Trust; Municipal Securities Income Trust; Newpoint Funds; New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; RIMCO Monument Funds; The Shawmut Funds; Short-Term Municipal Trust; Star Funds; The Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust; Trademark Funds; Trust for Financial Institutions; Trust For Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; World Investment Series, Inc.

Fund Ownership

Officers and Trustees own less than 1% of the Fund's outstanding shares.

Trustees Compensation

NAME , POSITION WITH TRUST	AGGREGATE COMPENSATION FROM TRUST*#	TOTAL COMPENSATION PAID FROM FUND COMPLEX +
John F. Donahue, Trustee and Chairman Complex	\$0	\$0 for the Trust and 69 other investment companies in the Fund
Thomas G. Bigley, Trustee Complex	\$252	\$20,688 for the Trust and 50 other investment companies in the Fund
John T. Conroy, Jr., Trustee Complex	\$276	\$117,202 for the Trust and 65 other investment companies in the Fund
William J. Copeland, Trustee Complex	\$276	\$117,202 for the Trust and 65 other investment companies in the Fund
J. Christopher Donahue, Trustee and President Complex	\$0	\$0 for the Trust and 15 other investment companies in the Fund
James E. Dowd, Trustee Complex	\$276	\$117,202 for the Trust and 65 other investment companies in the Fund
Lawrence D. Ellis, M.D., Trustee Complex	\$252	\$106,460 for the Trust and 65 other investment companies in the Fund
Edward L. Flaherty, Jr.,	\$276	\$117,202 for the Trust and

Trustee Complex		65 other investment companies in the Fund
Peter E. Madden, Trustee Complex	\$100	\$90,563 for the Trust and 65 other investment companies in the Fund
Gregor F. Meyer, Trustee Complex	\$252	\$106.460 for the Trust and 65 other investment companies in the Fund
John E. Murray, Jr. Trustee Complex	\$0	\$0 for the Trust and 69 other investment companies in the Fund
Wesley W. Posvar, Trustee Complex	\$252	\$106,460 for the Trust and 65 other investment companies in the Fund
Marjorie P. Smuts, Trustee Complex	\$252	\$106.460 for the Trust and 65 other investment companies in the Fund

*Information is furnished for the fiscal year ended December 31, 1994.

#The aggregate compensation is provided for the Trust which is comprised of six portfolios.

+The information is provided for the last calendar year.

Trustee Liability

The Trust's Declaration of Trust provides that the Trustees will not be liable for errors of judgment or mistakes of fact or law. However, they are not protected against any liability to which they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

Investment Advisory Services

Adviser to the Fund

Pursuant to an investment advisory contract with the Trust, the Fund's investment adviser is Federated Advisers (the "Adviser"). It is a subsidiary of Federated Investors. All the Class A (voting) shares of Federated Investors are owned by a trust, the trustees of which are John F. Donahue, his wife, and his son, J. Christopher Donahue. John F. Donahue is Chairman and Trustee of Federated Advisers, Chairman and Trustee, Federated Investors, and Chairman and Trustee of the Trust. John A. Staley, IV, is President and Trustee of Federated Advisers, Vice President and Trustee, Federated Investors, Executive Vice President, Federated Securities Corp., and Vice President of the Trust. J. Christopher Donahue is Trustee, Federated Advisers, President and Trustee, Federated Investors, President and Trustee, Federated Administrative Services, Trustee, Federated Services Company, and President and Trustee of the Trust. John W. McGonigle is Vice President, Secretary and Trustee of Federated Advisers, Trustee, Vice President, Secretary and General Counsel, Federated Investors, Executive Vice President, Secretary and Trustee, Federated Administrative Services, Trustee, Federated Services Company, Executive Vice President and Director, Federated Securities Corp., and Vice President and Secretary

of the Trust.

The Adviser shall not be liable to the Fund or any shareholder for any losses that may be sustained in the purchase, holding, or sale of any security or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties imposed upon it by its contract with the Trust.

Advisory Fees

For its advisory services, Federated Advisers receives an annual investment advisory fee as described in the prospectus.

For the period from February 10, 1994 (date of initial public investment), to March 31, 1994, the Adviser earned advisory fees from the Fund of \$502, all of which were waived.

Administrative Services

Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services to the Fund for a fee as described in the prospectus. For the period ended March 31, 1994, the Fund did not incur any costs for administrative services. John A. Staley, IV, an officer of the Trust, and Dr. Henry J. Gailliot, an officer of Federated Advisers, the Adviser to the Fund, each hold approximately 15% and 20%, respectively, of the outstanding common stock and serve as directors of Commercial Data Services, Inc., a company which provides computer processing services to Federated Administrative Services.

Brokerage Transactions

The Adviser may select brokers and dealers who offer brokerage and research services. These services may be furnished directly to the Fund or to the Adviser and may include:

- advice as to the advisability of investing in securities;
- security analysis and reports;
- economic studies;
- industry studies;
- receipt of quotations for portfolio evaluations; and
- similar services.

The Adviser and its affiliates exercise reasonable business judgment in selecting brokers who offer brokerage and research services to execute securities transactions. They determine in good faith that commissions charged by such persons are reasonable in relationship to the value of the brokerage and research services provided.

Research services provided by brokers may be used by the Adviser or by affiliates of Federated Investors in advising Federated funds and other accounts. To the extent that receipt of these services may supplant services for which the Adviser or its affiliates might otherwise have paid, it would tend to reduce their expenses.

For the period from February 10, 1994 (date of initial public investment), to March 31, 1994, the Fund paid \$668 in brokerage commissions on brokerage transactions.

Purchasing Shares

Shares of the Fund are sold at their net asset value without a sales charge on days the New York Stock Exchange is open for business. The procedure for purchasing shares of the Fund is explained in the prospectus under "Purchases and Redemptions" and "What Shares Cost."

Determining Net Asset Value

Net asset value generally changes each day. The days on which net asset value is calculated by the Fund are described in the prospectus.

Determining Value of Securities

The values of the Fund's portfolio securities are determined as follows:

- for equity securities and bonds and other fixed income securities, according to the last sale price on a national securities exchange, if available;
- in the absence of recorded sales for equity securities, according to the mean between the last closing bid and asked prices;
- for bonds and other fixed income securities, at the last sale price on a national securities exchange, if available; otherwise, as determined by an independent pricing service;
- for unlisted equity securities, the latest mean prices;
- for short-term obligations, according to the mean between bid and asked prices as furnished by an independent pricing service; or
- for all other securities, at fair value as determined in good faith by the Board of Trustees.

Massachusetts Partnership Law

Under certain circumstances, shareholders of the Fund may be held liable as partners under Massachusetts law for obligations of the Fund. To protect shareholders of the Fund, the Fund has filed legal documents with Massachusetts that expressly disclaim the liability of shareholders for acts or obligations of the Fund. These documents require notice of this disclaimer to be given in each agreement, obligation, or instrument the Trust or its Trustees enter into or sign on behalf of the Fund. In the unlikely event a shareholder of the Fund is held personally liable for the Trust's obligations on behalf of the Fund, the Trust is required to use the property of the Fund to protect or compensate the shareholder. On request, the Trust will defend any claim made and pay any judgment against a shareholder of the Fund for any act or obligation of the Trust on behalf of the Fund. Therefore, financial loss resulting from liability as a shareholder of the Fund will occur only if the Trust itself cannot meet its obligations to indemnify shareholders and pay judgments against them from the assets of the Fund.

Tax Status

The Fund's Tax Status

The Fund will pay no federal income tax because it expects to meet the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. To qualify for this treatment, the Fund must, among other requirements:

- derive at least 90% of its gross income from dividends, interest, and gains from the sale of securities;
- derive less than 30% of its gross income from the sale of securities held less than three months;
- invest in securities within certain statutory limits; and
- distribute to its shareholders at least 90% of its net income earned during the year.

Shareholder's Tax Status

The Fund intends to comply with the variable asset diversification regulations which are described in the prospectus and this Statement. If the Fund fails to comply with these regulations, contracts invested in the Fund shall not be treated as annuity, endowment, or life insurance contracts under the Internal Revenue Code.

Contract owners should review the contract prospectus for information concerning the federal income tax treatment of their contracts and distributions from the Fund to the separate accounts.

Total Return

The Fund's cumulative total return for the period from February 10, 1994 (date of initial public investment), to March 31, 1994, was (5.00%).

Cumulative total return reflects a Fund's total performance over a specific period of time. The Fund's cumulative total return is representative of only two months of Fund activity.

The average annual total return for the Fund is the average compounded rate of return for a given period that would equate a \$1,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of shares owned at the end of the period by the offering price per share at the end of the period. The number of shares owned at the end of the period is based on the number of shares purchased at the beginning of the period with \$1,000, adjusted over the period by any additional shares, assuming the quarterly reinvestment of all dividends and distributions. You should review the performance figures for your insurance contract, which figures reflect the applicable charges and expenses of the contract. Such performance figures will accompany any advertisement of the Fund's performance.

Yield

The yield for the Fund for the thirty-day period ended March 31, 1994 was 2.17%.

The yield for the Fund is determined by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the offering price per share of the Fund on the last day of the period. This value is then annualized using semi-annual compounding. This means that the amount of income generated during the thirty-day period is assumed to be generated each month over a twelve-month period and is reinvested every six months. The yield does not necessarily reflect income actually earned by the Fund because of certain adjustments required by the Securities and Exchange Commission and, therefore, may not correlate to the dividends or other distributions paid to shareholders. Also, the yield does not reflect the charges and expenses of an insurance contract. You should review the performance figures for your insurance contract, which figures reflect the applicable charges and expenses of the contract. Such performance figures will accompany any advertisement of the Fund's performance.

Performance Comparisons

The Fund's performance depends upon such variables as:

- portfolio quality;
- average portfolio maturity;

- type of instruments in which the portfolio is invested;
- changes in interest rates and market value of portfolio securities;
- changes in Fund expenses; and
- the relative amount of the Fund's cash flow.

The Fund's performance fluctuates on a daily basis largely because net earnings and offering price per share fluctuate daily. Both net earnings and offering price per share are factors in the computation of yield and total return.

Investors may use financial publications and/or indices to obtain a more complete view of the Fund's performance. When comparing performance, investors should consider all relevant factors such as the composition of any index used, prevailing market conditions, portfolio compositions of other funds, and methods used to value portfolio securities and compute offering price. The financial publications and/or indices which the Fund uses in advertising may include:

- Lipper Analytical Services, Inc., ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all income dividends and capital gains distributions, if any. From time to time, the Fund will quote its Lipper ranking in the growth and income funds category in advertising and sales literature.
- Dow Jones Industrial Average ('`DJIA'), is an unmanaged index representing share prices of major industrial corporations, public utilities, and transportation companies. Produced by the Dow Jones & Company, it is cited as a principal indicator of market conditions.
- Standard & Poor's Daily Stock Price Index Of 500 Common Stocks, a composite index of common stocks in industry, transportation, and financial and public utility companies, can be used to compare to the total returns of funds whose portfolios are invested primarily in common stocks. In addition, the Standard & Poor's index assumes reinvestment of all dividends paid by stocks listed on its index. Taxes due on any of these distributions are not included, nor are brokerage or other fees calculated in the Standard & Poor's figures.
- Morningstar, Inc., an independent rating service, is the publisher of the bi-weekly Mutual Fund Values. Mutual Fund Values rates more than 1,000 NASDAQ-listed mutual funds of all types, according to their risk-adjusted returns. The maximum rating is five stars, and ratings are effective for two weeks.

Advertisements and sales literature for the Fund may quote total returns which are calculated on non-standardized base periods. These total returns also represent the historic change in the value of an investment in the Fund based on quarterly reinvestment of dividends over a specified period of time.

From time to time as it deems appropriate, the Fund may advertise its performance using charts, graphs, and descriptions, compared to

federally insured bank products, including certificates of deposit and time deposits and to money market funds using the Lipper Analytical Services money market instruments average.

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PART C. OTHER INFORMATION.

Item 24. Financial Statements and Exhibits:

- amendment;
- (a) Financial Statements: (1-4) To be filed by
(5-6) To be filed with 4-6 month update;
 - (b) Exhibits:
 - (1) Conformed copy of Amended and Restated Declaration of Trust; (3)
 - (2) Copy of By-Laws; (2)
 - (3) Not Applicable;
 - (4) (i) Copy of Specimen Certificate for Shares of Beneficial Interest of Equity Growth Income Fund; (2)
 - (ii) Copy of Specimen Certificate for Shares of Beneficial Interest of Utility Fund; (2)
 - (iii) Copy of Specimen Certificate for Shares of Beneficial Interest of U.S. Government Bond Fund; (2)
 - (iv) Copy of Specimen Certificate for Shares of Beneficial Interest of Corporate Bond Fund; (2)
 - (v) Copy of Specimen Certificate for Shares of Beneficial Interest of Prime Money Fund; (2)
 - (vi) Copy of Specimen Certificate for Shares of Beneficial Interest of International Equity Fund; (4)
 - (5) Conformed copy of Investment Advisory Contract; (3)
 - (i) Form of Exhibit F to Investment Advisory Contract; +
 - (6) Conformed copy of Distributor's Contract; (3)
 - (7) Not Applicable;
 - (8) Conformed copy of the Custodian Agreement; (2)
 - (9) Conformed copy of Agreement for Fund Accounting, Shareholder Recordkeeping and Custody Services Procurement; (3)
 - (10) Conformed copy of Opinion and Consent of Counsel as to legality of shares being registered; (2)
 - (11) Not Applicable;

- (12) Not Applicable;
- (13) Conformed copy of Initial Capital Understanding; (2)
- (14) Not Applicable;
- (15) Not Applicable;

+ All exhibits have been filed electronically.

- (1) Response is incorporated by reference to Registrant's Pre-Effective Amendment No. 1 on Form N-1A filed December 10, 1993. (File Nos. 33-69268 and 811-8042)
- (2) Response is incorporated by reference to Registrant's Post-Effective Amendment No. 1 on Form N-1A filed April 29, 1994. (File Nos. 33-69268 and 811-8042)
- (3) Response is incorporated by reference to Registrant's Post-Effective Amendment No. 2 on Form N-1A filed August 23, 1994. (File Nos. 33-69268 and 811-8042)
- (4) Response is incorporated by reference to Registrant's Post-Effective Amendment No. 3 on Form N-1A filed January 19, 1995. (File Nos. 33-69268 and 811-80420)

- (16) (i) Copy of Equity Growth and Income Fund Schedule for Computation of Fund Performance Data; (3)

- (ii) Copy of Utility Fund Schedule for Computation of Fund Performance Data; (3)

- (iii) Copy of U.S. Government Bond Fund Schedule for Computation of Fund Performance Data; (3)

- (iv) Copy of Corporate Bond Fund Schedule for Computation of Fund Performance Data; (2)

- (17) (i) Copy of Financial Data Schedule of Equity Growth and Income Fund; +

- (ii) Copy of Financial Data Schedule of Utility Fund; +

- (iii) Copy of Financial Data Schedule of U.S. Government Bond Fund; +

- (iv) Copy of Financial Data Schedule of Corporate Bond Fund; +

- (v) Copy of Financial Data Schedule of Prime Money Fund; +

- (18) Not applicable

- (19) Conformed copy of Power of Attorney; +

Item 25. Persons Controlled by or Under Common Control with Registrant:

None

+ All exhibits have been filed electronically.

- (1) Response is incorporated by reference to Registrant's Pre-Effective Amendment No. 1 on Form N-1A filed December 10, 1993. (File Nos. 33-69268 and 811-8042)

- (2) Response is incorporated by reference to Registrant's Post-Effective Amendment No. 1 on Form N-1A filed April 29, 1994. (File Nos. 33-69268 and 811-8042)
- (3) Response is incorporated by reference to Registrant's Post-Effective Amendment No. 2 on Form N-1A filed August 23, 1994. (File Nos. 33-69268 and 811-8042)
- (4) Response is incorporated by reference to Registrant's Post-Effective Amendment No. 3 on Form N-1A filed January 19, 1995. (File Nos. 33-69268 and 811-80420)

Item 26. Number of Holders of Securities:

Title of Class	Number of Record Holders as of January 6, 1995
Shares of beneficial interest (no par value)	
Equity Growth and Income Fund	4
Utility Fund	6
U.S. Government Bond Fund	8
Corporate Bond Fund	6
Prime Money Fund	4
International Equity Fund	0

Item 27. Indemnification: (1)

Item 28. Business and Other Connections of Investment Adviser:

For a description of the other business of the investment adviser, see the section entitled "Fund Information - Management of the Fund" in Part A. The affiliations with the Registrant of four of the Trustees and one of the Officers of the investment adviser are included in Part B of this Registration Statement under "Insurance Management Series Management." The remaining Trustee of the investment adviser, his position with the investment adviser, and, in parentheses, his principal occupation is: Mark D. Olson (Partner, Wilson, Holbrook and Bayard), 107 W. Market Street, Georgetown, Delaware 19447.

The remaining Officers of the investment adviser are: William D. Dawson, III, J. Thomas Madden, and Mark L. Mallon, Executive Vice Presidents; Henry J. Gailliot, Senior Vice President-Economist; Peter R. Anderson, Gary J. Madich, and J. Alan Minter, Senior Vice Presidents; J. Scott Albrecht, Randall A. Bauer, Jonathan C. Conley, Deborah A. Cunningham, Michael P. Donnelly, Mark E. Durbiano, Kathleen M. Foody-Malus, Thomas M. Franks, Edward C. Gonzales, Jeff A. Kozemchak, Marian R. Marinack, John W. McGonigle, Gregory M. Melvin, Susan M. Nason, Mary Jo Ochson, Robert J. Ostrowski, Frederick L. Plautz, Jr., Charles A. Ritter, James D. Roberge, and Christopher H. Wiles, Vice Presidents; Edward C. Gonzales, Treasurer; and John W. McGonigle, Secretary.

The business address of each of the Officers of the investment adviser is Federated Investors Tower, Pittsburgh, PA 15222-3779. These individuals are also officers of a majority of the investment advisers to the Funds listed in Part B of this Registration Statement.

Item 29. Principal Underwriters:

- (a) Federated Securities Corp., the Distributor for shares of the Registrant, also acts as principal underwriter for the following open-end investment companies: Alexander Hamilton Funds; American Leaders Fund, Inc.; Annuity Management Series; Arrow Funds; Automated Cash Management Trust; Automated Government Money Trust; BayFunds; The Biltmore Funds; The Biltmore Municipal Funds; California Municipal Cash Trust; Cash Trust Series, Inc.; Cash Trust Series II; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated Growth Trust; Federated High Yield Trust; Federated Income Securities Trust; Federated Income Trust; Federated Index Trust; Federated Institutional Trust; Federated Intermediate Government Trust; Federated Master Trust; Federated Municipal Trust; Federated Short-Intermediate Government Trust; Federated Short-Term U.S. Government Trust; Federated Stock Trust; Federated Tax-Free Trust; Federated U.S. Government Bond Fund; First Priority Funds; First Union Funds; Fixed Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund, Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.; Fountain Square Funds; Fund for U.S. Government Securities, Inc.; Government Income Securities, Inc.; High Yield Cash Trust; Independence One Mutual Funds; Insight Institutional Series, Inc.; Intermediate Municipal Trust; International Series Inc.; Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty U.S. Government Money Market Trust; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series Trust; Marshall Funds, Inc.; Money Market Management, Inc.; The Medalist Funds; Money Market Obligations Trust; Money Market Trust; The Monitor Funds; Municipal Securities Income Trust; Newpoint Funds; New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; RIMCO Monument Funds; The Shawmut Funds; Short-Term Municipal Trust; SouthTrust Vulcan Funds; Star Funds; The Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust; Tower Mutual Funds; Trademark Funds; Trust for Financial Institutions; Trust for Government Cash Reserves; Trust for Short-Term U.S.

Government Securities; Trust for U.S. Treasury Obligations; Vision Fiduciary Funds, Inc.; Vision Group of Funds, Inc.; and World Investment Series, Inc.

Federated Securities Corp. also acts as principal underwriter for the following closed-end investment company: Liberty Term Trust, Inc.- 1999.

(b)

(1)	(2)	(3)
Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
Richard B. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	Director, Chairman, Chief Executive Officer, Chief Operating Officer, and Asst. Treasurer, Federated Securities Corp.	Vice President
Edward C. Gonzales Federated Investors Tower Pittsburgh, PA 15222-3779	Director, Executive Vice President, and Treasurer, Federated Securities Corp.	Vice President and Treasurer
John W. McGonigle Federated Investors Tower Pittsburgh, PA 15222-3779	Director, Executive Vice President, and Assistant Secretary, Federated Securities Corp.	Vice President and Secretary
John B. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	President-Institutional Sales, Federated Securities Corp.	--
James F. Getz Federated Investors Tower Pittsburgh, PA 15222-3779	President-Broker/Dealer, Federated Securities Corp.	--
Mark R. Gensheimer Federated Investors Tower Pittsburgh, PA 15222-3779	Executive Vice President of Bank/Trust Federated Securities Corp.	--
Mark W. Bloss Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Theodore Fadool, Jr. Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
(1)	(2)	(3)
Name and Principal	Positions and Offices	Positions and Offices

Business Address	With Underwriter	With Registrant
Bryant R. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Christopher T. Fives Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
James S. Hamilton Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
James M. Heaton Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
H. Joseph Kennedy Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Keith Nixon Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Timothy C. Pillion Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Richard W. Boyd Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Jane E. Broeren-Lambesis Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Mary J. Combs Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
R. Edmond Connell, Jr. Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Laura M. Deger Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Jill Ehrenfeld	Vice President,	--

Federated Investors Tower Pittsburgh, PA 15222-3779	Federated Securities Corp.	
Mark D. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Michael D. Fitzgerald Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
(1)	(2)	(3)
Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
Joseph D. Gibbons Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
David C. Glabicki Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Richard C. Gonzales Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Newton Heston, III Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President Federated Securities Corp.	--
Scott A. Hutton Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
William J. Kerns Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
William E. Kugler Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Stephen A. La Versa Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President Federated Securities Corp.	--
Dennis M. Laffey Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Francis J. Matten, Jr.	Vice President,	--

Federated Investors Tower Pittsburgh, PA 15222-3779	Federated Securities Corp.	
Mark J. Miehle Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Richard C. Mihm Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
J. Michael Miller Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
R. Jeffrey Niss Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Michael P. O'Brien Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
(1)	(2)	(3)
Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
Robert D. Oehlschlager Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	
Solon A. Person, IV Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Robert F. Phillips Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Eugene B. Reed Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Paul V. Riordan Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Charles A. Robison Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
David W. Spears	Vice President,	--

Federated Investors Tower Pittsburgh, PA 15222-3779	Federated Securities Corp.	
Jeffrey A. Stewart Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Thomas E. Territ Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Jamie M. Teschner Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
William C. Tustin Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Richard B. Watts Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Charles H. Field Federated Investors Tower Pittsburgh, PA 15222-3779	Assistant Vice President, Federated Securities Corp.	--
Philip C. Hetzel Federated Investors Tower Pittsburgh, PA 15222-3779	Assistant Vice President, Federated Securities Corp.	--
Ernest L. Linane Federated Investors Tower Pittsburgh, PA 15222-3779	Assistant Vice President, Federated Securities Corp.	--
(1)	(2)	(3)
Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
S. Elliott Cohan Federated Investors Tower Pittsburgh, PA 15222-3779	Secretary, Federated Securities Corp.	Assistant Secretary

(c) Not applicable

Item 30. Location of Accounts and Records:
All accounts and records required to be maintained by Section 31(a) of the Investment Company Act of 1940 and Rules 31a-1 through 31a-3 promulgated thereunder are maintained at one of the following locations:

Registrant	Federated Investors Tower Pittsburgh, PA 15222-3779
Federated Services Company Transfer Agent, Dividend Disbursing Agent and Portfolio Recordkeeper	Federated Investors Tower Pittsburgh, PA 15222-3779
Federated Administrative Services Administrator	Federated Investors Tower Pittsburgh, PA 15222-3779
Federated Advisers Investment Adviser	Federated Investors Tower Pittsburgh, PA 15222-3779
State Street Bank and Trust Company Custodian	P.O. Box 8604 Boston, Massachusetts 02266-8604

Item 31. Management Services: Not applicable.

Item 32. Undertakings:

Registrant hereby undertakes to comply with the provisions of Section 16(c) of the 1940 Act with respect to the removal of Trustees and the calling of special shareholder meetings by shareholders.

Registrant hereby undertakes to furnish each person to whom a prospectus is delivered, a copy of the Registrant's latest annual report to shareholders, upon request and without charge.

Registrant hereby undertakes to file a post-effective amendment on behalf of Prime Money Fund, using financial statements for Prime Money Fund, which need not be certified, within four to six months from the effective date of Post-Effective Amendment No. 2.

Registrant hereby undertakes to file a post-effective amendment on behalf of International Equity Fund, using financial statements for International Equity Fund, which need not be certified, within four to six months from the effective date of Post-Effective Amendment No. 3.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, INSURANCE MANAGEMENT SERIES, has duly caused this Amendment to its Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized, in the City of Pittsburgh and Commonwealth of Pennsylvania, on the 22st day of February, 1995.

INSURANCE MANAGEMENT SERIES

BY: /s/G. Andrew Bonnewell
G. Andrew Bonnewell, Assistant Secretary
Attorney in Fact for John F. Donahue
February 22, 1995

Pursuant to the requirements of the Securities Act of 1933, this Amendment to its Registration Statement has been signed below by the following person in the capacity and on the date indicated:

NAME	TITLE	DATE
By: /s/G. Andrew Bonnewell G. Andrew Bonnewell ASSISTANT SECRETARY	Attorney In Fact For the Persons Listed Below	February 22, 1995

NAME	TITLE
John F. Donahue*	Chairman and Trustee (Chief Executive Officer)
J. Christopher Donahue*	President and Trustee
Edward C. Gonzales*	Vice President and Treasurer (Principal Financial and Accounting Officer)
Thomas G. Bigley*	Trustee
John T. Conroy, Jr.*	Trustee
William J. Copeland*	Trustee
James E. Dowd*	Trustee
Lawrence D. Ellis, M.D.*	Trustee
Edward L. Flaherty, Jr.*	Trustee
Peter E. Madden*	Trustee
Gregor F. Meyer*	Trustee
John E. Murray, Jr.*	Trustee
Wesley W. Posvar*	Trustee

Marjorie P. Smuts*

Trustee

* By Power of Attorney

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints the Secretary and Assistant Secretary of (SEE BELOW*) and the Assistant General Counsel of Federated Investors, and each of them, their true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for them and in their names, place and stead, in any and all capacities, to sign any and all documents to be filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Company Act of 1940, by means of the EDGAR; and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agents, and each of them, full power and authority to sign and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

SIGNATURES	TITLE	DATE
/S/John F. Donahue John F. Donahue	Chairman and Trustee (Chief Executive Officer)	February 21, 1995
/s/J. Christopher Donahue J. Christopher Donahue	President and Trustee	February 21, 1995
/s/Edward C. Gonzales Edward C. Gonzales	Vice President and Treasurer (Principal Financial and Accounting Officer)	February 21, 1995
/s/Thomas G. Bigley Thomas G. Bigley	Trustee	February 21, 1995

/s/John T. Conroy, Jr. John T. Conroy, Jr.	Trustee	February 21, 1995
/s/William J. Copeland William J. Copeland	Trustee	February 21, 1995
*INSURANCE MANAGEMENT SERIES SIGNATURES	TITLE	DATE
/s/James E. Dowd James E. Dowd	Trustee	February 21, 1995
/s/Lawrence D. Ellis, M.D. Lawrence D. Ellis, M.D.	Trustee	February 21, 1995
/s/Edward L. Flaherty, Jr. Edward L. Flaherty, Jr.	Trustee	February 21, 1995
/s/Peter E. Madden Peter E. Madden	Trustee	February 21, 1995
/s/Gregor F. Meyer Gregor F. Meyer	Trustee	February 21, 1995
/s/John E. Murray, Jr. John E. Murray, Jr.	Trustee	February 21, 1995
/s/Wesley W. Posvar Wesley W. Posvar	Trustee	February 21, 1995
/s/Marjorie P. Smuts Marjorie P. Smuts	Trustee	February 21, 1995

Sworn to and subscribed before me this 21st day of February ,
1995

/s/Marie M. Hamm
Marie M. Hamm
Notary Public

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<SHARES-REINVESTED>	752

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<OVERDIST-NET-GAINS-PRIOR>	0
<GROSS-ADVISORY-FEES>	2,077
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<PERIOD-TYPE>	1-MO
<FISCAL-YEAR-END>	Dec-31-1994
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<INVESTMENTS-AT-COST>	570,731
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EXHIBIT F
to the
Investment Advisory Contract

International Equity Fund

For all services rendered by Adviser hereunder, the above-named Fund of the Trust shall pay to Adviser and Adviser agrees to accept as full compensation for all services rendered hereunder, an annual investment advisory fee equal to 1% of the average daily net assets of the Fund.

The portion of the fee based upon the average daily net assets of the Fund shall be accrued daily at the rate of 12/365th of 1% applied to the daily net assets of the Fund.

The advisory fee so accrued shall be paid to Adviser daily.

Witness the due execution hereof this ___ day of _____, 19__.

Attest:

FEDERATED ADVISERS

By:

Secretary

Executive Vice President

Attest:

INSURANCE MANAGEMENT SERIES

By:

Assistant Secretary

Vice President