

SECURITIES AND EXCHANGE COMMISSION

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FILER

**MERRILL LYNCH MASSACHUSETTS MUNICIPAL BOND FUND**

CIK: **866089** | State of Incorpor.: **NJ** | Fiscal Year End: **1231**  
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MERRILL  
LYNCH  
MASSACHUSETTS  
MUNICIPAL  
BOND FUND

Semi-Annual Report January 31, 1994

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

Merrill Lynch Massachusetts  
Municipal Bond Fund  
Merrill Lynch Multi-State  
Municipal Series Trust  
Box 9011  
Princeton, New Jersey  
08543-9011

TO OUR SHAREHOLDERS

As 1993 drew to a close, the US economy showed signs of strong improvement. The initial estimate for gross domestic product (GDP) growth in the final quarter of 1993 was +5.9% in real terms, the strongest quarterly performance since the fourth quarter of 1987. GDP growth was led by interest rate-sensitive sectors, such as housing, durable goods orders and business investment in capital equipment. Consumer confidence also improved after remaining lackluster throughout most of 1993. While the exceptionally robust rate of growth may not be sustainable in the first quarter of 1994 (especially considering the harsh winter weather experienced by virtually half of the country in January), this strong showing suggests that the US economy may at last be gaining momentum. This was supported by the December increase in the Index of Leading Economic Indicators, the fifth monthly rise in this indicator of future economic activity.

At the same time, the rate of inflation remains in check. Nevertheless, concerns arose late in 1993 that the rate of business activity might increase inflationary pressures, which were reflected in an upturn of longer-term interest rates. In January, Federal Reserve Board Chairman Alan Greenspan indicated in Congressional testimony that continued strong expansion of economic activity would lead the central bank to tighten monetary policy in an effort to contain inflation. On February 4, 1994, the central bank broke with tradition and publicly announced an increase in short-term interest rates. In the weeks ahead, investors will continue to gauge the pace of the economic expansion and watch for signs of an overheating economy that could prompt successive Federal Reserve Board actions to raise short-term interest rates.

#### The Municipal Market

Yields on tax-exempt securities generally declined over the three months ended January 31, 1994. Long-term revenue bond yields, as measured by the Bond Buyer Revenue Bond Index, declined an additional six basis points (0.06%) to end the quarter at 5.50%. US Treasury bond yields, however, rose approximately 25 basis points to end the period at approximately 6.20%. This outperformance by municipal securities is likely to be the dominant theme for much of 1994.

During the January quarter, taxable yields remained volatile in reaction to the inherent conflicts between the extremely strong economic recovery seen during the last quarter of 1993 and continued low inflationary pressures. Tax-exempt bond yields, however, reflected very positive technical factors. During the 12 months ended January 31, 1994, municipalities issued more than \$288 billion in securities, an increase of more than 21% versus one year ago. As we have discussed in earlier reports to shareholders, much of this increase has been the result of municipalities refinancing existing higher-couponed debt. At current yield levels, few of these issues remain to be refunded. This has led to estimates of municipal bond issuance declining to approximately \$175 billion for all of 1994. More than \$290 billion in long-term tax-exempt securities was issued in 1993.

In addition to this dramatic decline in issuance, investor demand is expected to increase in the coming year. Greater demand should be generated by a number of factors, with the recent increases in marginal Federal income tax rates the most important. Also, bond calls and early redemptions are expected to increase significantly in the coming quarters

and last at least into early 1995. The combination of declining new-issue volume and increasing numbers of bonds redeemed prior to their stated maturities will eventually lead to a net decline in the number of bonds outstanding. In such a scenario, investor demand rises as bondholders are forced to continually purchase new municipal bonds to replace their previous holdings.

The outlook for the municipal bond market is very favorable. While the historic decline in yields seen over the last year are unlikely to be repeated, the strong technical framework within the tax-exempt market would support further modest declines in tax-exempt yields. At the very least, should interest rates rise in response to continued strong economic growth and a resurgence in inflationary pressures, we believe that municipal bond price deterioration will be minimal in comparison to any taxable investment alternative.

Portfolio Strategy

During the January quarter, the Fund's portfolio strategy consisted of selling discounted bonds and replacing them with higher-yielding current coupon bonds. This strategy enhanced the Fund's current income in a relatively stable market. Looking ahead, the current strength of the economic recovery is not likely to be sustained, and inflation will be kept in check. With this in mind, the bond market is likely to remain in a trading range with long-term yields eventually trending lower. Additionally, low inflation coupled with decreasing municipal issuance and larger tax bills set the stage for a strong technical environment in the municipal market. In fact, issuance of Massachusetts bonds during the January quarter versus the same period last year declined 3%. In conjunction with these developments, the Fund will continue to increase its holdings of good-quality current coupon bonds to seek to generate a higher yield for shareholders.

We appreciate your ongoing interest in Merrill Lynch Massachusetts Municipal Bond Fund, and we look forward to serving your investment needs and objectives in the months and years to come.

Sincerely,

(Arthur Zeikel)  
Arthur Zeikel  
President

(Vincent R. Giordano)  
Vincent R. Giordano  
Vice President and Portfolio Manager

March 2, 1994

PERFORMANCE DATA

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

<TABLE>

Recent Performance Results\*

<CAPTION>

	1/31/94	10/31/93	1/31/93	3 Month % Change	% Change
<S>	<C>	<C>	<C>	<C>	<C>
Class A Shares	\$11.35	\$11.43	\$ 10.54	+ 8.67%(1)	+ 0.21%(1)
Class B Shares	11.35	11.43	10.54	+ 8.67(1)	+ 0.21(1)
Class A Shares--Total Return				+15.17(2)	+ 2.01(3)
Class B Shares--Total Return				+14.60(4)	+ 1.88(5)
Class A Shares--Standardized 30-day Yield	4.56%				
Class B Shares--Standardized 30-day Yield	4.24%				

<FN>

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

(1)Percent change includes reinvestment of \$0.103 per share capital gains distributions.

(2)Percent change includes reinvestment of \$0.649 per share ordinary income dividends and \$0.103 per share capital gains distributions.

(3)Percent change includes reinvestment of \$0.202 per share ordinary income dividends and \$0.103 per share capital gains distributions.

(4)Percent change includes reinvestment of \$0.593 per share ordinary income dividends and \$0.103 per share capital gains distributions.

(5)Percent change includes reinvestment of \$0.187 per share ordinary income dividends and \$0.103 per share capital gains distributions.

</TABLE>

<TABLE>

<CAPTION>

Performance Summary--Class A Shares

Net Asset Value

Capital Gains

Period Covered	Beginning	Ending	Distributed	Dividends Paid*	% Change**
<C>	<C>	<C>	<C>	<C>	<C>
2/28/92--12/31/92	\$10.00	\$10.46	--	\$0.542	+10.24%
1993	10.46	11.22	\$0.103	0.652	+14.79
1/1/94--1/31/94	11.22	11.35	--	0.035	+ 1.57
			-----	-----	
			Total \$0.103	Total \$1.229	

Cumulative total return as of 1/31/94: +28.52%\*\*

<FN>

\*Figures may include short-term capital gains distributions.

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

<CAPTION>

Performance Summary--Class B Shares

Period Covered	Net Asset Value		Capital Gains	Dividends Paid*	% Change**
	Beginning	Ending	Distributed		
<C>	<C>	<C>	<C>	<C>	<C>
2/28/92--12/31/92	\$10.00	\$10.46	--	\$0.498	+ 9.77%
1993	10.46	11.22	\$0.103	0.596	+14.21
1/1/94--1/31/94	11.22	11.35	--	0.032	+ 1.53
			-----	-----	
			Total \$0.103	Total \$1.126	

Cumulative total return as of 1/31/94: 27.29%\*\*

<FN>

\*Figures may include short-term capital gains distributions.

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

</TABLE>

Average Annual Total Return

Class A Shares*	% Return Without Sales Charge	% Return With Sales Charge**
Year Ended 12/31/93	+14.79%	+10.20%
Inception (2/28/92) through 12/31/93	+13.64	+11.15

[FN]

\*Maximum sales charge is 4%.

\*\*Assuming maximum sales charge.

Class B Shares*	% Return Without CDSC	% Return With CDSC**
Year Ended 12/31/93	+14.21%	+10.21%
Inception (2/28/92) through 12/31/93	+13.07	+11.59

[FN]

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

\*\*Assuming payment of applicable contingent deferred sales charge.

#### PORTFOLIO ABBREVIATIONS

To simplify the listings of Merrill Lynch Massachusetts Municipal Bond Fund's portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list at right.

AMT	Alternative Minimum Tax (subject to)
GO	General Obligation Bonds
HFA	Housing Finance Authority
INFLOS	Inverse Floating Rate Municipal Bonds
LEVRRS	Leveraged Reverse Rate Securities
PCR	Pollution Control Revenue Bonds
RAN	Revenue Anticipation Notes
RIB	Residual Interest Bonds
UT	Unlimited Tax
VRDN	Variable Rate Demand Notes
YCN	Yield Curve Notes

<TABLE>

SCHEDULE OF INVESTMENTS

(in Thousands)

<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<C>	<S>	<C>
BBB	Baal	\$ 865	Boston, Massachusetts, Industrial Development Financing Authority, Sewer Facility	

			Revenue Bonds (Harbor Electric Energy Company Project), AMT, 7.375% due 5/15/2015	\$ 967
NR	Aaa	600	Boston, Massachusetts, Revenue Bonds (Boston City Hospital), Series A, 7.625% due 8/15/2000 (c) (g)	732
A	A	375	Boston, Massachusetts, Water and Sewer Community Revenue Bonds: Refunding, Series A, 5.75% due 11/01/2013	405
A	NR	300	Series A, 7.10% due 11/01/1999 (g)	354
A-	Baa	1,000	Brockton, Massachusetts, GO, 6.125% due 6/15/2018	1,057
NR	Baa	1,000	Greater New Bedford Regional Refuse Management District (Massachusetts Landfill), AMT, 5.875% due 5/01/2013	1,002
NR	Baa1	1,650	Lowell, Massachusetts, GO: 7.625% due 2/15/2001 (g)	2,018
AAA	Aaa	2,000	Refunding, Series A, 5.50% due 1/15/2010 (f)	2,064
A+	A	1,250	Massachusetts Bay Transportation Authority Revenue Bonds: Refunding, Series B, 6.20% due 3/01/2016	1,411
A+	Aaa	3,305	Series A, 7% due 3/01/2001 (g)	3,927
A+	A	1,000	Massachusetts State Convention Center Authority Revenue Bonds (Boston Common Parking Garage), Series A, 5.375% due 9/01/2013	1,010
A+	A	1,285	Massachusetts State GO, Consolidated Loan: Series A, 6.50% due 6/01/2008	1,447
A+	A	2,000	Series B, UT, 4.875% due 10/01/2010	1,963
A+	Aaa	3,250	Series C, UT, 7% due 12/01/2000 (g)	3,819

</TABLE>

<TABLE>  
SCHEDULE OF INVESTMENTS (continued) (in Thousands)  
<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<C>	<S>	<C>
Massachusetts (continued)				
Massachusetts State Health and Educational Facilities Authority Revenue Bonds:				
NR	Baa	\$2,000	(Anna Jaques Hospital), Series B, 6.875% due 10/01/2012	\$2,178
AAA	Aaa	2,000	(Beth Israel), INFLOS, 9.384% due 7/01/2025 (j)	2,270
SP1+	VMIG1	700	(Capital Asset Program), Series D, 2.20% due 1/01/2035 (a) (e)	700
A1+	VMIG1	400	(Capital Asset Program), VRDN, Series B, 2.30% due 7/01/2005 (a) (e)	400
A-	NR	1,000	(Jordan Hospital), Series B, 6.875% due 10/01/2015	1,099
A-	NR	1,250	(Jordan Hospital), Series C, 6.875% due 10/01/2022	1,360
AAA	Aaa	1,000	(Massachusetts General Hospital), Series F, 6.25% due 7/01/2020 (b)	1,097
NR	A	2,000	(Metro West Health), Series C, 6.50% due 11/15/2018	2,163
A	A	2,020	(New England Deaconess Hospital), Series D, 6.875% due 4/01/2022	2,262
AAA	Aaa	1,000	(New England Medical Center), YCN, Series F, 6.50% due 7/01/2012 (h)	1,134
AAA	Aaa	2,900	(New England Medical Center Hospitals), RIB, 7.88% due 7/01/2018 (e) (i)	2,907
NR	Baa	1,000	(New England Memorial Hospital), Series B, 6.125% due 7/01/2013	1,036
AAA	Aaa	1,000	(Northeastern University), Series E, 6.55% due 10/01/2022 (e)	1,141
BBB	Baa1	2,000	(Sisters of Providence Health Systems), Series A, 6.625% due 11/15/2022	2,100
AAA	Aaa	1,000	(Stonehill College), Series E, 6.60% due 7/01/2020 (e)	1,146
AAA	NR	1,000	(Suffolk University), Series B, 6.35% due 7/01/2022 (i)	1,087
AAA	NR	3,445	(Wentworth Technology Institute), Series B, 5.50% due 10/01/2023 (i)	3,465
A1+	NR	100	(Williams College), VRDN, Series E, 2.15% due 8/01/2014 (a)	100
Massachusetts State HFA Revenue Bonds (Residential Development) (d):				
AAA	Aaa	1,000	Series C, 6.90% due 11/15/2021	1,106
AAA	Aaa	1,000	Series F, 6.30% due 11/15/2024	1,062
A+	A1	1,500	Massachusetts State HFA, Revenue Refunding Bonds (Housing Projects), Series A, 6.375% due 4/01/2021	1,579
NR	MIG1++	100	Massachusetts State Industrial Finance Agency, Health Care Facility Revenue Bonds (Beverly Enterprises), VRDN, 2.20% due 4/01/2009 (a)	100
BBB	Baa2	2,750	Massachusetts State Industrial Finance Agency, PCR, Refunding (Eastern Edison Company Project), 5.875% due 8/01/2008	2,849
Massachusetts State Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds:				
A1+	VMIG1	300	(Odgen Haverhill Project), Series A, VRDN, 2.05% due 12/01/2006 (a)	300
BBB	Baa1	3,000	(Refusetech Inc. Project), Series A, 6.30% due 7/01/2005	3,173
Massachusetts State Industrial Finance Agency Revenue Bonds:				
AAA	Aaa	1,000	(Babson College), Series A, 6.50% due 10/01/2022 (e)	1,132
NR	Aa	2,500	(Whitehead Biomedical Research), 5.125% due 7/01/2026	2,455
Massachusetts State Municipal Wholesale Electric Company Revenue Bonds (Power Supply System):				
BBB+	A	2,000	Refunding, Series A, 6.75% due 7/01/2011	2,237
BBB+	A	2,750	Series E, 6.125% due 7/01/2019	2,869

A+	A1	2,500	Massachusetts State Turnpike Authority, Revenue Refunding Bonds, Series A, 5% due 1/01/2020	2,405
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<TABLE>

SCHEDULE OF INVESTMENTS (concluded) (in Thousands)

<CAPTION>

S&P Ratings <S>	Moody's Ratings <S>	Face Amount <C>	Issue <S>	Value (Note 1a) <C>
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Massachusetts (concluded)

Massachusetts State Water Resource Authority Revenue Bonds:				
A	A	\$2,000	Series A, 6.50% due 7/15/2019	\$ 2,310
A	A	2,000	Series B, 6.25% due 11/01/2010	2,176
A	A	1,000	Series B, 5.25% due 3/01/2013	993
A	A	2,000	Series B, 5% due 3/01/2022	1,879

NR	A	1,000	New England Educational Loan Marketing Corporation, Massachusetts, Student Loan Revenue Bonds, Sub-Issue H, AMT, 6.90% due 11/01/2009	1,120
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AAA	Aaa	1,000	Southern Berkshire, Massachusetts, Regional School District Revenue Bonds, GO, UT, 7% due 4/15/2011 (e)	1,172
-----	-----	-------	--	-------

AAA	Aaa	1,000	Springfield, Massachusetts, GO, Series B, 6% due 1/15/2013 (e)	1,083
-----	-----	-------	--	-------

NR	NR	1,000	Springfield, Massachusetts, RAN, 3.30% due 2/04/1994	1,000
----	----	-------	--	-------

NR	Baa	1,500	Springfield, Massachusetts, School Project Loan Revenue Bonds, Series B, 7.10% due 9/01/2011	1,700
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A+	A	1,000	Woods Hole-Martha's Vineyard and Nantucket, Massachusetts, Revenue Refunding Bonds, 6.60% due 3/01/2003	1,147
----	---	-------	--	-------

Puerto Rico--3.5%				
BBB	Baa	750	Puerto Rico Commonwealth, Aqueduct and Sewer Authority Revenue Bonds, Series A, 7.875% due 7/01/2017	861

AAA	Aaa	1,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, LEVRRS, RIB, 9.428% due 7/01/2023 (f) (j)	1,160
-----	-----	-------	---	-------

A-	Baa1	1,000	Puerto Rico Electric Power Authority, Power Revenue Refunding Bonds, Series N, 7% due 7/01/2007	1,133
----	------	-------	--	-------

Total Investments (Cost--\$81,855)--98.3%				88,822
---	--	--	--	--------

Other Assets Less Liabilities--1.7%				1,563
-------------------------------------	--	--	--	-------

Net Assets--100.0%				\$90,385
				=====

<FN>

(a) The interest rate is subject to change periodically based upon the prevailing market rate. The interest rate shown is the rate in effect at January 31, 1994.

(b) AMBAC Insured.

(c) FHA Insured.

(d) FNMA Collateralized.

(e) MBIA Insured.

(f) FSA Insured.

(g) Prerefunded.

(h) FGIC Insured.

(i) Connie Lee Insured.

(j) The interest rate is subject to change periodically and inversely based upon the prevailing market rate.

The interest rate shown is the rate in effect at January 31, 1994.

++Highest short-term rating by Moody's Investors Service, Inc.

See Notes to Financial Statements.

</TABLE>

<TABLE>

FINANCIAL INFORMATION

<CAPTION>

Statement of Assets and Liabilities as of January 31, 1994

<S>	<S>	<C>	<C>
Assets:	Investments, at value (identified cost--\$81,855,021) (Note 1a)		\$88,821,729
	Cash		105,947
	Receivables:		
	Securities sold	\$4,038,333	
	Interest	1,216,401	
	Beneficial interest sold	505,437	5,760,171
		-----	
	Deferred organization expenses (Note 1e)		37,078
	Prepaid expenses and other assets (Note 1e)		24,336

Total assets		94,749,261
-----		
Liabilities:	Payables:	
	Securities purchased	4,077,962
	Dividends to shareholders (Note 1f)	80,887
	Beneficial interest redeemed	80,196
	Distributor (Note 2)	31,721
	Investment adviser (Note 2)	21,168
		4,291,934
		-----
	Accrued expenses and other liabilities	71,988
		-----
	Total liabilities	4,363,922
		-----
Net Assets:	Net assets	\$90,385,339
		=====
Net Assets	Class A Shares of beneficial interest, \$.10 par value, unlimited number of	
Consist of:	shares authorized	\$ 78,964
	Class B Shares of beneficial interest, \$.10 par value, unlimited number of	
	shares authorized	717,344
	Paid-in capital in excess of par	82,376,011
	Undistributed realized capital gains--net	246,312
	Unrealized appreciation on investments--net	6,966,708
		-----
	Net assets	\$90,385,339
		=====
Net Asset Value:	Class A--Based on net assets of \$8,962,887 and 789,641 shares of	
	beneficial interest outstanding	\$ 11.35
		=====
	Class B--Based on net assets of \$81,422,452 and 7,173,435 shares of	
	beneficial interest outstanding	\$ 11.35
		=====
	See Notes to Financial Statements.	

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FINANCIAL INFORMATION (continued)

<CAPTION>

Statement of Operations

		For the
		Six Months Ended
		January 31, 1994
		<C>
<S>	<S>	
Investment Income	Interest and amortization of premium and discount earned	\$ 2,451,958
(Note 1d):		
Expenses:	Investment advisory fees (Note 2)	236,016
	Distribution fees--Class B (Note 2)	193,816
	Professional fees	31,512
	Printing and shareholder reports	25,695
	Transfer agent fees--Class B (Note 2)	20,551
	Accounting services (Note 2)	18,485
	Registration fees (Note 1e)	7,284
	Custodian fees	6,526
	Amortization of organization expenses (Note 1e)	5,482
	Pricing fees	3,679
	Trustees' fees and expenses	1,964
	Transfer agent fees--Class A (Note 2)	1,924
	Other	1,206
		-----
	Total expenses before reimbursement	554,140
	Reimbursement of expenses (Note 2)	(114,353)
		-----
	Total expenses after reimbursement	439,787
		-----
	Investment income--net	2,012,171
		-----
Realized &	Realized gain on investments--net	340,859
Unrealized	Change in unrealized appreciation on investments--net	2,898,401
Gain on		-----
Investments--Net	Net Increase in Net Assets Resulting from Operations	\$ 5,251,431
(Notes 1d & 3):		=====

See Notes to Financial Statements.

</TABLE>

<TABLE>

FINANCIAL INFORMATION (continued)

<CAPTION>

Statements of Changes in Net Assets

		For the Six	For the Year
		Months Ended	Ended
		Jan. 31, 1994	July 31, 1993
Increase (Decrease) in Net Assets:			

<S>	<S>	<C>	<C>
Operations:	Investment income--net	\$ 2,012,171	\$ 3,173,589
	Realized gain on investments--net	340,859	1,192,844
	Change in unrealized appreciation on investments--net	2,898,401	1,786,432
		-----	-----
	Net increase in net assets resulting from operations	5,251,431	6,152,865
		-----	-----
Dividends & Distributions to Shareholders (Note 1f):	Investment income--net:		
	Class A	(213,538)	(300,336)
	Class B	(1,798,633)	(2,873,253)
	Realized gain on investments--net:		
	Class A	(127,538)	(10,398)
	Class B	(1,102,712)	(128,953)
		-----	-----
	Net decrease in net assets resulting from dividends and distributions to shareholders	(3,242,421)	(3,312,940)
		-----	-----
Beneficial Interest Transactions (Note 4):	Net increase in net assets derived from beneficial interest transactions	9,854,587	31,906,779
		-----	-----
Net Assets:	Total increase in net assets	11,863,597	34,746,704
	Beginning of period	78,521,742	43,775,038
		-----	-----
	End of period	\$90,385,339	\$78,521,742
		=====	=====
	See Notes to Financial Statements.		

</TABLE>

<TABLE>  
FINANCIAL INFORMATION (continued)  
Financial Highlights  
<CAPTION>

			Class A	
The following per share data and ratios have been derived from information provided in the financial statements.		Six Months Ended January 31, 1994	Year Ended July 31, 1993	For the Feb. 28, 1992++ to July 31, 1992
Increase (Decrease) in Net Asset Value:	<S>	<C>	<C>	<C>
Per Share Operating Performance:	Net asset value, beginning of period	\$11.07	\$10.68	\$10.00
	Investment income--net	.29	.63	.25
	Realized and unrealized gain on investments--net	.44	.42	.68
	Total from investment operations	.73	1.05	.93
	Less dividends and distributions:			
	Investment income--net	(.29)	(.63)	(.25)
	Realized gain on investments--net	(.16)	(.03)	--
	Total dividends and distributions	(.45)	(.66)	(.25)
	Net asset value, end of period	\$11.35	\$11.07	\$10.68
		=====	=====	=====
Total Investment Return:**	Based on net asset value per share	6.68%+++	10.08%	9.44%+++
		=====	=====	=====
Ratios to Average Net Assets:	Expenses, net of reimbursement	.57%*	.42%	.12%*
	Expenses	.83%*	.95%	1.16%*
	Investment income--net	5.15%*	5.75%	5.82%*
Supplemental Data:	Net assets, end of period (in thousands)	\$8,963	\$7,093	\$4,828
	Portfolio turnover	19.48%	39.37%	18.86%
		=====	=====	=====

<FN>  
\*Annualized.  
\*\*Total investment returns exclude the effects of sales loads.  
++Commencement of Operations.  
+++Aggregate total investment return.  
See Notes to Financial Statements.  
</TABLE>

<TABLE>  
FINANCIAL INFORMATION (concluded)  
<CAPTION>  
Financial Highlights (concluded)

Class B



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

		For the Six Months Ended January 31, 1994	For the Year Ended July 31, 1993	For the Period Feb. 28, 1992++ to July 31, 1992
Increase (Decrease) in Net Asset Value:	<S>	<C>	<C>	<C>
Per Share	Net asset value, beginning of period	\$ 11.07	\$ 10.68	\$ 10.00
Operating Performance:	Investment income--net	.26	.57	.23
	Realized and unrealized gain on investments--net	.44	.42	.68
	Total from investment operations	.70	.99	.91
	Less dividends and distributions:			
	Investment income--net	(.26)	(.57)	(.23)
	Realized gain on investments--net	(.16)	(.03)	--
	Total dividends and distributions	(.42)	(.60)	(.23)
	Net asset value, end of period	\$ 11.35	\$ 11.07	\$ 10.68
Total Investment Return:**	Based on net asset value per share	6.41%+++	9.53%	9.22%+++
Ratios to Average Net Assets:	Expenses, excluding distribution fees and net of reimbursement	.57%*	.43%	.12%*
	Expenses, net of reimbursement	1.07%*	.93%	.62%*
	Expenses	1.34%*	1.45%	1.68%*
	Investment income--net	4.64%*	5.24%	5.32%*
Supplemental Data:	Net assets, end of period (in thousands)	\$81,422	\$71,429	\$38,947
	Portfolio turnover	19.48%	39.37%	18.86%

<FN>

\*Annualized.

\*\*Total investment returns exclude the effects of sales loads.

++Commencement of Operations.

+++Aggregate total investment return.

See Notes to Financial Statements.

</TABLE>

#### NOTES TO FINANCIAL STATEMENTS

##### 1. Significant Accounting Policies:

Merrill Lynch Massachusetts Municipal Bond Fund (the "Fund") is part of Merrill Lynch Multi-State Municipal Series Trust (the "Trust"). The Fund is registered under the Investment Company Act of 1940 as a non-diversified, open-end management investment company. The Fund offers both Class A and Class B Shares. Class A Shares are sold with a front-end sales charge. Class B Shares may be subject to a contingent deferred sales charge. Both classes of shares have identical voting, dividend, liquidation and other rights and the same terms and conditions, except that Class B Shares bear certain expenses related to the distribution of such shares and have exclusive voting rights with respect to matters relating to such distribution expenditures. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Municipal bonds and other portfolio securities in which the Fund invests are traded primarily in the over-the-counter municipal bond and money markets and are valued at the last available bid price in the over-the-counter market or on the basis of yield equivalents as obtained from one or more dealers that make markets in the securities. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their settlement prices as of the close of such exchanges. Options, which are traded on exchanges, are valued at their last sale price as of the close of such exchanges or, lacking any sales, at the last available bid price. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Trustees of the Trust, including valuations furnished by a pricing service retained by the Trust, which may utilize a matrix system for valuations. The procedures of the pricing service and its valuations are reviewed by the officers of the Trust under the general supervision of the Trustees.

(b) Financial futures contracts--The Fund may purchase or sell interest rate futures contracts and options on such futures contracts for the purpose of hedging the market risk on existing securities or the intended purchase of securities. Futures contracts are contracts for de-

layed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

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

(d) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Interest income is recognized on the accrual basis. Original issue discounts and market premiums are amortized into interest income. Realized gains and losses on security transactions are determined on the identified cost basis.

(e) Deferred organization expenses and prepaid registration fees--Deferred organization expenses are charged to expense on a straight-line basis over a five-year period. Prepaid registration fees are charged to expense as the related shares are issued.

(f) Dividends and distributions--Dividends from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

## 2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). Effective January 1, 1994, the investment advisory business of FAM was reorganized from a corporation to a limited partnership. Both prior to and after the reorganization, ultimate control of FAM has vested with Merrill Lynch & Co., Inc. ("ML & Co."). The general partner of FAM is Princeton Services, Inc., an indirect wholly-owned subsidiary of ML & Co. The limited partners are ML & Co. and Merrill Lynch Investment Management, Inc. ("MLIM"), which is also an indirect wholly-owned subsidiary of ML & Co. The Fund has also entered into Distribution Agreements and a Distribution Plan with Merrill Lynch Funds Distributor, Inc. ("MLFD" or "Distributor"), a wholly-owned subsidiary of MLIM.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee based upon the average daily value of the Fund's net assets at the following annual rates: 0.55% of the Fund's average daily net assets not exceeding \$500 million; 0.525% of average daily net assets in excess of \$500 million but not exceeding \$1 billion; and 0.50% of average daily net assets in excess of \$1 billion. For the six months ended January 31, 1994, FAM earned fees of \$236,016, of which \$114,353 was voluntarily waived.

Pursuant to a distribution plan ("the Plan") adopted by the Fund under Rule 12b-1 under the Investment Company Act of 1940, the Fund pays the Distributor ongoing account maintenance and distribution fees relating to Class B Shares which are accrued daily and paid monthly at the annual rates of 0.25% and 0.25%, respectively, of the average daily net assets of the Class B Shares of the Fund. This fee is to compensate the Distributor for services provided and the expenses borne by the Distributor under the Distribution Agreement. As authorized by the Plan, the Distributor has entered into an agreement with Merrill Lynch, Pierce, Fenner & Smith Inc. ("MLPF&S"), an affiliate of FAM, which provides for the compensation of MLPF&S for providing distribution-related services to the Fund.

For the six months ended January 31, 1994, MLFD earned underwriting discounts of \$3,532, and MLPF&S earned dealer concessions of \$28,766 on sales of the Fund's Class A Shares.

MLPF&S also received contingent deferred sales charges of \$128,544 for the sale of Class B Shares during the period.

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

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

Certain officers and/or trustees of the Fund are officers and/or directors of FAM, MLIM, MLFD, FDS, MLPF&S, and/or ML & Co.

## 3. Investments:

Purchases and sales of investments, excluding short-term securities, for

the six months ended January 31, 1994 were \$25,030,095 and \$15,814,026, respectively.

Net realized and unrealized gains (losses) as of January 31, 1994 were as follows:

	Realized Gains (Losses)	Unrealized Gains (Losses)
Long-term investments	\$ 346,247	\$6,966,771
Short-term investments	--	(63)
Futures contracts	(5,388)	--
	-----	-----
Total	\$ 340,859	\$6,966,708
	=====	=====

As of January 31, 1994, net unrealized appreciation for Federal income tax purposes aggregated \$6,966,708, of which \$6,966,771 related to appreciated securities and \$63 related to depreciated securities. The aggregate cost of investments at January 31, 1994 for Federal income tax purposes was \$81,855,021.

NOTES TO FINANCIAL STATEMENTS (concluded)

4. Beneficial Interest Transactions:

Net increase in net assets derived from beneficial interest transactions was \$9,854,587 and \$31,906,779 for the six months ended January 31, 1994 and the year ended July 31, 1993, respectively.

Transactions in shares of beneficial interest for Class A and Class B Shares were as follows:

Class A Shares for the Six Months Ended Jan. 31, 1994	Shares	Dollar Amount
Shares sold	209,384	\$ 2,383,071
Shares issued to shareholders in reinvestment of dividends and distributions	11,230	126,521
	-----	-----
Total issued	220,614	2,509,592
Shares redeemed	(71,682)	(838,786)
	-----	-----
Net increase	148,932	\$ 1,670,806
	=====	=====

Class A Shares for the Year Ended July 31, 1993	Shares	Dollar Amount
Shares sold	354,701	\$ 3,828,180
Shares issued to shareholders in reinvestment of dividends and distributions	13,015	138,508
	-----	-----
Total issued	367,716	3,966,688
Shares redeemed	(179,030)	(1,881,614)
	-----	-----
Net increase	188,686	\$ 2,085,074
	=====	=====

Class B Shares for the Six Months Ended Jan. 31, 1994	Shares	Dollar Amount
Shares sold	1,147,604	\$12,992,518
Shares issued to shareholders in reinvestment of dividends and distributions	153,145	1,725,433
	-----	-----
Total issued	1,300,749	14,717,951
Shares redeemed	(579,257)	(6,534,170)
	-----	-----
Net increase	721,492	\$ 8,183,781
	=====	=====

Class B Shares for the Year Ended July 31, 1993	Shares	Dollar Amount
Shares sold	3,127,040	\$33,253,505
Shares issued to shareholders in reinvestment of dividends and distributions	159,939	1,704,515
	-----	-----
Total issued	3,286,979	34,958,020
Shares redeemed	(481,243)	(5,136,315)
	-----	-----

Net increase	----- 2,805,736 =====	----- \$29,821,705 =====
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OFFICERS AND TRUSTEES

Arthur Zeikel, President and Trustee  
Kenneth S. Axelson, Trustee  
Herbert I. London, Trustee  
Robert R. Martin, Trustee  
Joseph L. May, Trustee  
Andre F. Perold, Trustee  
Terry K. Glenn, Executive Vice President  
Donald C. Burke, Vice President  
Vincent R. Giordano, Vice President  
Kenneth A. Jacob, Vice President  
Gerald M. Richard, Treasurer  
Jerry Weiss, Secretary

Custodian  
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10 Exchange Place  
Jersey City, New Jersey 07302

Transfer Agent  
Financial Data Services, Inc.  
4800 Deer Lake Drive East  
Jacksonville, Florida 32246-6484  
(800) 637-3863