

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

WORLD INVESTMENT SERIES INC

CIK: **918199** | State of Incorporation: **PA** | Fiscal Year End: **1231**
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Mailing Address

*FEDERATED INVESTERS
TOWER
PITTSBURGH PA 15222-3779*

Business Address

*FEDERATED INVESTMENT
TOWER
PITTSBURGH PA 15222-3779
412-288-14*

[LOGO] FEDERATED INVESTORS

World Utility
Fund

Semi-Annual Report
May 31, 1995

Established 1994

EQUITY

President's Message

Dear Fellow Shareholder:

World Utility Fund was established in April 1994, and I am pleased to present the Semi-Annual Report to shareholders for the period from December 1, 1994 to May 31, 1995. The report includes an interview with the fund's portfolio manager, Christopher H. Wiles, Vice President of Federated Management. The interview is followed by a listing of the fund's portfolio of utility stocks (domestic and foreign) and other investments (convertible bonds and convertible preferreds), and its financial statements.

During the past six-months, the fund paid Class A and Fortress shareholders \$0.20 and \$0.19 in dividends per share, respectively. The net asset value per share of Class A Shares and Fortress Shares increased from \$9.62 and \$9.61 on December 1, 1994 to \$10.34 and \$10.32 on May 31, 1995, respectively. The fund's total net assets were \$11.5 million as of May 31, 1995.

The World Utility Fund is designed to provide a total investment return by selecting both domestic and foreign companies in the utilities industries. The fund has maintained a diversified portfolio_33.33% electric, 14.17% natural gas, 24.21% telecommunications, 2.12% water and 25.72% non-utilities (percentages based on net assets as of May 31, 1995). These investments were evenly weighted between domestic and international issues. Our diversified portfolio helped World Utility Fund perform respectably against its peers in domestic utility stocks and avoid the volatility of many international markets.

For investors who want to have international exposure, the World Utility Fund, which emphasizes utility companies from around the world, offers ownership of vital service companies with expanding futures.

The fund's shares can be purchased regularly as an international investment plan with dividends reinvested to compound shares for future income. I recommend adding to your account on a regular basis.

Thank you for your participation in the fund. As always, your comments and suggestions are welcome.

Very sincerely yours,

Richard B. Fisher
President
July 14, 1995

Investment Review

[INSERT PHOTO HERE]

Christopher Wiles
Vice President,
Federated Management

Q Will you give us an overview of the international utilities market?

A In local currency terms, results have varied considerably. In Europe, the Belgian, German, French and Spanish markets have performed well, generally aided by the strong bond performance of the "core" European countries. Italian

utilities have been a notable laggard in Europe. Political factors have hampered the performance of these stocks.

Most Asian utilities are doing well in 1995, due to a return of foreign money to these markets after a weak 1994. Japanese utilities have done badly in local currency terms and on an absolute basis, were down an average of 6.3%. However, this is strong on a relative basis as the Nikkei Index* is down 25% for the year to date.

Latin America remains weak, with most utilities off between 10-20%. Chile has fared better, with most off less than 5%.

The weak performance of the dollar has been a general positive to U.S. dollar-based investors in 1995.

Q How did World Utility Fund perform amid this activity?

A The World Utility Fund has performed well in this environment. Through May 31, 1995, the fund was up 10.46%. The Global Utility Index*, a representative index of global utilities compiled by the London Financial Times, advanced 8.86% in the same five months.

Q Will you reiterate the fund's long-term investment philosophy?

A The fund's long-term goal is to provide investors a total investment return through income-producing global equity exposure. To achieve this goal, we will maintain somewhat balanced exposure among three regions: Asia, Other Americas and Europe and maintain a more concentrated exposure in the United States. Our investment philosophy emphasizes buying undervalued utilities in countries where improving political and economic conditions offer potential for capital and currency appreciation. Also, we seek to enhance income and lower interest rate risk by using convertible securities, both foreign and domestic.

* These indices are unmanaged.

Q What are your near-term plans for the fund?

A We have generally completed our rounding out of the portfolio's global structure. Currently, we are seeking to move out of markets that have advanced rapidly this year if valuations seemed to have extended themselves. Hong Kong is one particular example on which we are focusing. We will then seek to adjust weightings where markets are undervalued and the potential for a positive valuation correction is approaching. Spain has potential in this regard. So, our near-term strategy is really one of regional weighting adjustments.

Q What potential advantages are there in pursuing long-term financial goals through a global utility investment such as World Utility Fund?

A Our studies have shown that in the years from 1990 to 1994, global utilities as an asset class have outperformed the Morgan Stanley Capital International Europe Australia Far East Index*, on a total return basis, by a ratio of 2.9 to 1. Additionally, the risk, as measured by yearly standard deviation, is over 25% less.** Through global utility investing, one receives exposure to foreign economies, portfolio diversification, and better income potential than most international funds. Combining these characteristics with the historical risk/return profile makes global utility investment an extremely compelling investment opportunity.

* This index is unmanaged.

**Performance quoted represents past performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

World Utility Fund_
Portfolio Update

[INSERT GRAPH HERE]

World Utility Fund_
Portfolio Update (continued)

[INSERT GRAPH HERE]

Distributor

A Subsidiary of Federated Investors

Federated Investors Tower
Pittsburgh, PA 15222-3779

Cusip 981487101
Cusip 981487200
G00259-05 (7/95)

World Utility Fund
Portfolio of Investments

May 31, 1995 (unaudited)

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--77.6%		
UTILITY--68.4%		
5,000	AT&T Corp.	\$ 253,750
70,000	Australian Gas Light Co.	216,189
4,000	BellSouth Telecommunications, Inc.	245,500
2,500	British Telecommunications PLC, ADR	157,813
46,000	Central Costanera S.A.	133,400
22,500	China Light and Power	123,040
25,000	China Light and Power, ADR	136,715
7,000	Cinergy Corp.	186,375
9,000	Compania Boliviana de Energia Electrica	235,125
10,000	DPL, Inc.	220,000
9,000	DQE, Inc.	220,500
5,000	Duke Power Co.	208,750
4,700	Empresa Nacional, ADR	226,775
7,000	Enron Corp.	255,500
7,000	Enron Global Power & Pipelines L.L.C.	173,250
8,000	Equitable Resources, Inc.	239,000
5,000	FPL Group, Inc.	196,250
5,000	GTE Corp.	166,875
7,000	Hong Kong Telecommunications Ltd., ADR	149,625
9,000	Pacific Enterprises	227,250
5,000	Pacific Telesis Group	133,750
10,000	PacifiCorp	197,500
10,000	Pinnacle West Capital Corp.	230,000
11,000	National Power Co. PLC, ADR	140,250

25	Nippon Telegraph & Telephone Corp.	206,795
6,000	NIPSCO Industries, Inc.	207,000
9,000	Sonat, Inc.	295,875

</TABLE>

World Utility Fund

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
UTILITY--CONTINUED		
8,000	Southern Co.	\$ 177,000
20,000	Southern Electric PLC	208,353
12,000	Southern Water PLC	121,772
90,000	Stet Societa Finanziaria Telefonica	259,062
8,500	Telecomunicacoes Brasileiras, ADR	302,881
5,000	Telefonica de Espana, ADR	200,000
50,000	Tenaga Nasional Berhad	206,939
7,000	Tokyo Electric Power	221,684
8,000	Utilicorp United, Inc.	228,000
600	Veba AG	228,104
15,000	Westcoast Energy, Inc.	226,875
12,000	Welsh Water PLC	122,344
	Total	7,885,866
NON-UTILITY--9.2%		
3,000	American Home Products Corp.	220,875
10,000	Hanson PLC, ADR	190,000
7,000	Meditrust, REIT	223,125
20,000	National Australia Bank Ltd., Melbourne	170,366
2,000	Royal Dutch Petroleum Co., ADR	253,500
	Total	1,057,866
	TOTAL COMMON STOCKS (IDENTIFIED COST \$8,393,609)	8,943,732

</TABLE>

World Utility Fund

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>

 CONVERTIBLE SECURITIES--20.3%

UTILITY--5.4%		
4,900	(a)Cointel/Telefonia De Argentina SA, PRIDES, \$5.04	\$ 274,400
\$ 250,000	(a)Telekom Malaysia Berhad, Conv. Bond, 4.00%, 10/3/2004	233,750
4,000	Nacional Financiera, SNC, TMX, PRIDES, \$6.79	116,000
Total		624,150
NON-UTILITY--14.9%		
3,000	Allstate Corp., Conv. Pfd., \$2.30	116,625
20,000,000	Bank of Tokyo, Cayman Finance, Conv. Bond, 4.25%, 3/31/2049	271,787
1,900	(a)Freeport McMoRan, Inc., Conv. Pfd., \$4.38	96,188
15,000	Kaufman and Broad Homes, Inc., Conv. Pfd., Series B, \$1.52	230,625
100,000	Pennzoil Co., Conv. Deb., 6.50%, 1/15/2003	120,890
25,000	RJR Nabisco Holdings Corp., Conv. Pfd., Series C, \$0.60	153,125
5,000	Reynolds Metals Co., PRIDES, \$3.30	233,750
500,000	Roche Holdings, Inc., Conv. LYON, 7.00% accrual, 4/20/2010	191,250
20,000	(a)Westinghouse Electric Corp., PEPS, Series C, \$1.30	297,500
Total		1,711,740
TOTAL CONVERTIBLE SECURITIES (IDENTIFIED COST \$2,291,991)		2,335,890

</TABLE>

World Utility Fund

<TABLE>
 <CAPTION>
 PRINCIPAL AMOUNT

<C>	<S>	VALUE <C>
*REPURCHASE AGREEMENT--1.7%		
\$ 195,000	J.P. Morgan Securities, Inc., 6.17%, dated 5/31/1995, due 6/1/1995 (AT AMORTIZED COST)	\$ 195,000
TOTAL INVESTMENTS (IDENTIFIED COST \$10,880,600) (B)		\$ 11,474,622

</TABLE>

The following abbreviations are used in this portfolio:

- ADR--American Depository Receipts
- LYON--Liquid Yield Option Note
- PEPS--Participating Equity Preferred Stock
- PLC--Public Limited Company
- PRIDES--Preferred Redeemable Increased Dividend Equity Securities
- REIT--Real Estate Investment Trust

- (a) Restricted securities--Investments in securities not registered under the Securities Act of 1933. At the end of the period, these securities amounted to \$901,838 which represents 7.8% of net assets.
- (b) The cost of investments for federal tax purposes amounts to \$10,880,600. The net unrealized appreciation of investments on a federal tax cost basis amounts to \$594,022, which is comprised of \$594,022 appreciation at May 31, 1995.

* The repurchase agreement is fully collateralized by U.S. government and/or agency obligations. The investment in the repurchase agreement is through participation in a joint account with other Federated funds.

Note: The categories of investments are shown as a percentage of net assets (\$11,527,753) at May 31, 1995.

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

World Utility Fund
Statement of Assets and Liabilities

May 31, 1995 (unaudited)

<TABLE> <S>	<C>	<C>
ASSETS:		
Investments in securities, at value (identified and tax cost; \$10,880,600)		\$ 11,474,622
Cash		3,171
Income receivable		56,640
Receivable for capital stock sold		30,524
Deferred expenses		28,128
Total assets		11,593,085
LIABILITIES:		
Payable for capital stock redeemed	\$ 47,356	
Tax withholding liability	2,006	
Accrued expenses	15,970	
Total liabilities		65,332
NET ASSETS for 1,115,795 shares of capital stock outstanding		\$ 11,527,753
NET ASSETS CONSIST OF:		
Paid-in capital		\$ 11,148,830
Net unrealized appreciation (depreciation) of investments and translation of assets and liabilities in foreign currency		594,163
Accumulated net realized gain (loss) on investment and foreign currency transactions		(303,405)
Undistributed net investment income		88,165
Total Net Assets		\$ 11,527,753
NET ASSET VALUE PER SHARE:		
Class A Shares (net assets of \$6,054,526 / 585,612 shares of capital stock outstanding)		\$10.34
Fortress Shares (net assets of \$5,473,227 / 530,183 shares of capital stock outstanding)		\$10.32
OFFERING PRICE PER SHARE:*		
Class A Shares (100/94.5 of \$10.34)		\$10.94
Fortress Shares (100/99 of \$10.32)		\$10.42
REDEMPTION PROCEEDS PER SHARE:**		
Class A Shares		\$10.34
Fortress Shares (99/100 of \$10.32)		\$10.22

</TABLE>

*See "What Shares Cost" in the prospectus.

**See "Contingent Deferred Sales Charge" in the prospectus.

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

World Utility Fund
Statement of Operations

Six Months Ended May 31, 1995 (unaudited)

	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividend income (net of foreign taxes withheld of \$7,843)			\$ 227,959
Interest			21,948
Total investment income			249,907
EXPENSES:			
Investment advisory fee		\$ 52,501	
Administrative personnel and services fees		77,288	
Custodian and portfolio accounting fees		15,426	
Transfer agent and dividend disbursing agent fees and expenses		17,618	
Directors'/Trustees' fees		1,250	
Auditing fees		5,000	
Distribution services fee		6,309	
Shareholder services fee--Class A Shares		6,815	
Shareholder services fee--Fortress Shares		6,309	
Share registration costs		19,506	
Legal fees		6,282	
Printing and postage		16,016	
Insurance premiums		2,552	
Taxes		2,000	
Miscellaneous		8,366	
Total expenses		243,238	
Deduct--			
Waiver of investment advisory fee	\$ 52,501		
Reimbursement of other operating expenses	171,303	223,804	
Net expenses			19,434
Net investment income			230,473
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:			
Net realized gain (loss) on investment and foreign currency transactions (identified cost basis)			(261,140)
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currency			985,792

Net realized and unrealized gain (loss) on investments and foreign currency	724,652
-----	-----
Change in net assets resulting from operations	\$ 955,125
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</TABLE>

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

World Utility Fund
Statement of Changes in Net Assets

<TABLE>
<CAPTION>

	SIX MONTHS ENDED MAY 31, 1995 (UNAUDITED) <C>	PERIOD ENDED NOVEMBER 30, 1994* <C>
<S>		
INCREASE (DECREASE) IN NET ASSETS:		

OPERATIONS--		

Net investment income	\$ 230,473	\$ 175,680

Net realized gain (loss) on investment and foreign currency transactions (\$261,140 and \$42,265 net loss, respectively, as computed for federal tax purposes)	(261,140)	(46,782)

Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currency	985,792	(391,629)

Change in net assets resulting from operations	955,125	(262,731)

DISTRIBUTIONS TO SHAREHOLDERS--		

Distributions to shareholders from net investment income		

Class A Shares	(108,605)	(54,743)

Fortress Shares	(96,197)	(53,926)

Change in net assets resulting from distributions to shareholders	(204,802)	(108,669)

SHARE TRANSACTIONS--		

Proceeds from sale of shares	1,544,196	11,113,812

Net asset value of shares issued to shareholders in payment of dividends declared	115,924	57,563

Cost of shares redeemed	(652,099)	(1,130,566)

Change in net assets resulting from Share transactions	1,008,021	10,040,809

Change in net assets	1,758,344	9,669,409

NET ASSETS:		

Beginning of period	9,769,409	100,000

End of period (including undistributed net investment income of \$88,165 and \$62,494, respectively)	\$ 11,527,753	\$ 9,769,409

</TABLE>

*For the period from March 17, 1994 (start of business) to November 30, 1994.

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

World Utility Fund
Financial Highlights--Class A Shares

(For a share outstanding throughout each period)

<TABLE>
<CAPTION>

	SIX MONTHS ENDED MAY 31, 1995 (UNAUDITED)	PERIOD ENDED NOVEMBER 30, 1994 (B)
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 9.67	\$ 10.06

INCOME FROM INVESTMENT OPERATIONS		

Net investment income	0.21	0.24

Net realized and unrealized gain (loss) on investment and foreign currency transactions	0.66	(0.46)

Total from investment operations	0.87	(0.22)

LESS DISTRIBUTIONS		

Distributions to shareholders from net investment income	(0.20)	(0.17)

NET ASSET VALUE, END OF PERIOD	\$ 10.34	\$ 9.67

TOTAL RETURN (A)	9.18%	(3.00%)

RATIOS TO AVERAGE NET ASSETS		

Expenses	0.25% (d)	0.25% (c) (d)

Net investment income	4.53% (d)	5.10% (c) (d)

Expense waiver/reimbursement	4.26% (d) (e)	4.43% (c) (d)

SUPPLEMENTAL DATA		

Net assets, end of period (000 omitted)	\$6,055	\$4,948

Portfolio turnover rate	21 %	7 %

</TABLE>

- (a) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.
- (b) Reflects operations for the period from April 21, 1994 (date of initial public investment) to November 30, 1994. For the period from the start of business, March 17, 1994, to April 20, 1994, Class A Shares had no public investment.
- (c) The Adviser waived all of its investment advisory fee, 1.00%, and reimbursed other operating expenses, 0.86%, to comply with certain state expense limitations. The remainder of the reimbursement was voluntary. This expense decrease is reflected in both the expense and net investment income ratios shown above.
- (d) Computed on an annualized basis.
- (e) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

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

World Utility Fund
Financial Highlights--Fortress Shares

(For a share outstanding throughout each period)

<TABLE>
<CAPTION>

SIX MONTHS
ENDED
PERIOD

	MAY 31, 1995 (UNAUDITED)	ENDED NOVEMBER 30, 1994 (B)
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 9.66	\$ 10.04

INCOME FROM INVESTMENT OPERATIONS		

Net investment income	0.20	0.21

Net realized and unrealized gain (loss) on investment and foreign currency transactions	0.65	(0.43)

Total from investment operations	0.85	(0.22)

LESS DISTRIBUTIONS		

Distributions to shareholders from net investment income	(0.19)	(0.16)

NET ASSET VALUE, END OF PERIOD	\$ 10.32	\$ 9.66

TOTAL RETURN (A)	8.95%	(3.07%)

RATIOS TO AVERAGE NET ASSETS		

Expenses	0.50% (d)	0.50% (c) (d)

Net investment income	4.27% (d)	4.59% (c) (d)

Expense waiver/reimbursement	4.26% (d) (e)	4.43% (c) (d)

SUPPLEMENTAL DATA		

Net assets, end of period (000 omitted)	\$5,473	\$4,821

Portfolio turnover rate	21 %	7 %

</TABLE>

- (a) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.
- (b) Reflects operations for the period from April 21, 1994 (date of initial public investment) to November 30, 1994. For the period from the start of business, March 28, 1994, to April 20, 1994, Fortress Shares had no public investment.
- (c) The Adviser waived all of its investment advisory fee, 1.00%, and reimbursed other operating expenses, 0.86%, to comply with certain state expense limitations. The remainder of the reimbursement was voluntary. This expense decrease is reflected in both the expense and net investment income ratios shown above.
- (d) Computed on an annualized basis.
- (e) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

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

World Utility Fund
Notes to Financial Statements

May 31, 1995 (unaudited)

(1) ORGANIZATION

World Investment Series, Inc. (the "Corporation") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Corporation consists of one diversified portfolio, World Utility Fund (the "Fund").

The Fund offers two classes of shares: Class A Shares and Fortress Shares.

(2) SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles.

- A. INVESTMENT VALUATIONS--Listed equity securities and fixed income securities are valued at the last sale price reported on national securities exchanges. Listed corporate bonds, unlisted securities, and short-term securities are generally valued at the price provided by an independent pricing service. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be valued at amortized cost, which approximates market value.
- B. REPURCHASE AGREEMENTS--It is the policy of the Fund to require a custodian bank to take possession, to have legally segregated in the Federal Reserve Book Entry System, or to have segregated within the custodian bank's vault, all securities held as collateral under repurchase agreement transactions. Additionally, procedures have been established by the Fund to monitor, on a daily basis, the market value of each repurchase agreement's collateral to ensure that the value of collateral at least equals the repurchase price to be paid under the repurchase agreement transaction.

The Fund will only enter into repurchase agreements with banks and other recognized financial institutions, such as broker/dealers, which are deemed by the Fund's adviser to be creditworthy pursuant to guidelines and/or standards reviewed or established by the Board of Directors (the "Directors").

- C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code").
- D. FOREIGN CURRENCY--The accounting records of the Fund are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies ("FC") are translated into U.S. dollars based on the rate of exchange of such currencies against U.S. dollars on the date of valuation. Purchases and sales of securities, income and expenses are translated at the rate of exchange quoted on the respective date that such transactions are recorded. Differences between income and expense amounts recorded and collected or paid are adjusted when reported by the custodian bank. The Fund does not isolate that portion of the results of

World Utility Fund

operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of FCs, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate.

- E. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its income. Accordingly, no provisions for federal tax are necessary. However, federal taxes may be imposed on the Fund upon the disposition of certain investments in passive foreign investment companies. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates. At November 30, 1994, the Funds, for federal tax purposes, had a capital loss carryforward of \$42,265, which will reduce the Funds taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of the distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal

tax. Pursuant to the Code, such capital loss carryforward will expire in 2002.

- F. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date.
- G. CONCENTRATION OF CREDIT RISK--The Fund invests in equity and fixed income securities of non-U.S. issuers. Although the Fund maintains a diversified investment portfolio, the political or economic developments within a particular country or region may have an adverse effect on the ability of domiciled issuers to meet their obligations. Additionally, political or economic developments may have an effect on the liquidity and volatility of portfolio securities and currency holdings.

World Utility Fund

At May 31, 1995, the portfolio was diversified with the following countries:

<TABLE>

<S>	<C>
Argentina	5.0%
Australia	3.4%
Brazil	2.6%
Bolivia	2.0%
Canada	2.0%
Germany	2.0%
Hong Kong	3.6%
Italy	2.3%
Japan	6.1%
Malaysia	3.8%
Mexico	1.0%
Netherlands	2.2%
Spain	3.7%
Switzerland	1.6%
United Kingdom	8.1%
United States	50.6%

</TABLE>

- H. RESTRICTED SECURITIES--Restricted securities are securities that may only be resold upon registration under federal securities laws or in transactions exempt from such registration. In some cases, the issuer of restricted securities has agreed to register such securities for resale, at the issuer's expense either upon demand by the Fund or in connection with another registered offering of the securities. Many restricted securities may be resold in the secondary market in transactions exempt from registration. Such restricted securities may be determined to be liquid under criteria established by the Directors. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities are valued at the price provided by dealers in the secondary market or, if no market prices are available, at the fair value as determined by the Fund's pricing committee. Additional information on each restricted security held at May 31, 1995 is as follows:

<TABLE>
<CAPTION>

SECURITY	ACQUISITION DATE	ACQUISITION COST
<S>	<C>	<C>
Cointel/Telefonica De Argentina SA, PRIDES	4/15/94-9/15/94	\$ 203,575
Freeport McMoRan, Inc., Conv. Bond	11/15/94	144,000
Telekom Malaysia Berhad, Conv. Bond	9/22/94	200,000
Westinghouse Electric Corp., PEPS Series C	4/15/94-9/28/94	205,750

</TABLE>

- I. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering its shares, have been deferred and are being amortized using the straight-line method not to exceed a period of five

years from the Fund's commencement date.

- J. RECLASSIFICATION--Income distribution and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments for foreign currency transactions. Amounts as of November 30, 1994, have been reclassified to reflect a decrease in undistributed net investment income of \$4,517, and an increase in accumulated net realized gain/loss, of \$4,517. Net investment income, net realized gains, and net assets were not affected by this change.
- K. OTHER--Investment transactions are accounted for on the trade date.

World Utility Fund

(3) CAPITAL STOCK

At May 31, 1995, there were 1,000,000,000 shares of \$0.001 par value capital stock authorized for Class A Shares and Fortress Shares, respectively. Transactions in capital stock were as follows:

<TABLE>
<CAPTION>

CLASS A SHARES <S>	SIX MONTHS ENDED MAY 31, 1995		PERIOD ENDED NOVEMBER 30, 1994*	
	SHARES <C>	DOLLARS <C>	SHARES <C>	DOLLARS <C>
Shares sold	105,174	\$ 1,018,113	603,819	\$ 6,052,720
Shares issued to shareholders in payment of dividends declared	8,199	78,253	4,034	40,152
Shares redeemed	(39,267)	(389,753)	(106,347)	(1,072,939)
Net change resulting from Class A Shares transactions	74,106	\$ 706,613	501,506	\$ 5,019,933

</TABLE>

<TABLE>
<CAPTION>

FORTRESS SHARES <S>	SIX MONTHS ENDED MAY 31, 1995		PERIOD ENDED NOVEMBER 30, 1994**	
	SHARES <C>	DOLLARS <C>	SHARES <C>	DOLLARS <C>
Shares sold	54,589	\$ 526,083	503,245	\$ 5,061,092
Shares issued to shareholders in payment of dividends declared	3,951	37,671	1,751	17,411
Shares redeemed	(27,498)	(262,346)	(5,855)	(57,627)
Net change resulting from Fortress Shares transactions	31,042	\$ 301,408	499,141	\$ 5,020,876
Net change resulting from capital stock transactions	105,148	\$ 1,008,021	1,000,647	\$ 10,040,809

</TABLE>

* For the period from March 17, 1994 (start of business) to November 30, 1994.

** For the period from March 28, 1994 (start of business) to November 30, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser (the "Adviser") receives for its services an annual investment advisory fee equal to 1.00% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

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

DISTRIBUTION AND SHAREHOLDER SERVICES FEE--The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Fund to finance activities intended to result in the sale of the Fund's Fortress Shares. The Plan provides that the Fund may incur distribution expenses up to 0.25 of 1% of the average daily net assets of the Fortress Shares, annually, to compensate FSC.

Under the terms of a Shareholder Services Agreement with Federated Shareholder Services ("FSS"), the Fund will pay FSS up to .25 of 1% of average daily net assets of the fund for the period. This fee is to obtain certain services for shareholders and the maintenance of shareholder accounts.

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

ORGANIZATIONAL EXPENSES--Organizational expenses and start-up administrative service expenses incurred by the Fund will be borne initially by the Administrator. The Fund has agreed to reimburse the Administrator for the organizational expenses and start-up administrative expenses during the five year period following April 12, 1994 (the date the Fund first became effective). For the six months ended May 31, 1995, the Fund paid \$0 and \$0, respectively, pursuant to this agreement.

SUBSEQUENT EVENT--Effective July 26, 1995 the Fund will offer two additional classes of shares; Class B Shares and Class C Shares.

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

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities and in kind contributions, for the six months ended May 31, 1995 were as follows:

<S>	<C>
PURCHASES	\$ 3,566,652
SALES	\$ 2,144,140

Directors

Officers

John F. Donahue
 Thomas G. Bigley
 John T. Conroy, Jr.
 William J. Copeland
 James E. Dowd
 Lawrence D. Ellis, M.D.
 Richard B. Fisher
 Edward L. Flaherty, Jr.
 Peter E. Madden
 Gregor F. Meyer
 John E. Murray, Jr.
 Wesley W. Posvar
 Marjorie P. Smuts

John F. Donahue
 Chairman
 Richard B. Fisher
 President
 J. Christopher Donahue
 Vice President
 Edward C. Gonzales
 Vice President and Treasurer
 John W. McGonigle
 Vice President and Secretary
 David M. Taylor
 Assistant Treasurer
 Byron F. Bowman

Assistant Secretary

Mutual funds are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the FDIC, the Federal Reserve Board, or any other governmental agency. Investment in mutual funds involves risk, including possible loss of principal.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's prospectus which contains facts concerning its objective and policies, management fees, expenses and other information.

[LOGO]

Federated Securities Corp.

Distributor

A Subsidiary of Federated Investors

Federated Investors Tower
Pittsburgh, PA 15222-3779

Cusip 338319700
Cusip 338319809
Cusip 338319882
G00324-01 (7/95)