

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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CURRENT INCOME SHARES INC

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CURRENT INCOME SHARES, INC.

DIRECTORS

Lorenzo D. Courtright* Clark R. Gates
Morris A. Densmore* William R. Howell*
Stephen J. Dunn* Michael L. Noel*
*Serve as members of the Audit Committee

OFFICERS

Morris A. Densmore CHAIRMAN
Clark R. Gates PRESIDENT
James V. Atkinson VICE PRESIDENT AND
 PORTFOLIO
 MANAGER
Richard H. Earnest VICE PRESIDENT
Kevin A. Rogers VICE PRESIDENT
Paul Mastin TREASURER
Jonathan A. Wright SECRETARY

AUDITORS

Arthur Andersen LLP
701 "B" Street (1600)
San Diego, CA 92101

CUSTODIAN

Bankers Trust Company
16 Wall Street
New York, N.Y. 10015

TRANSFER & DIVIDEND
REINVESTMENT PLAN AGENT

Harris Trust Company of California
311 West Monroe St. (11th Floor)
Chicago, IL 60606
(800) 554-3406

COMPANY MAILING ADDRESS
Current Income Shares, Inc.
P.O. Box 3100
Terminal Annex
Los Angeles, California 90030

COMPANY TELEPHONE
(800) 634-6521

NYSE SYMBOL
"CUR"

SEMI-ANNUAL REPORT
JUNE 30, 1996

Investment Adviser:
MERUS-UCA
CAPITAL MANAGEMENTSM
A DIVISION OF
UNION BANK OF CALIFORNIA, N.A.
445 South Figueroa Street
Los Angeles, California 90071

CURRENT INCOME SHARES, INC.

Dear Shareholder:

We are pleased to report to you the results of the operation of your Company for the first half of 1996. During the six month period, net investment income was \$1,507,697. Quarterly dividends per share paid were 14.44 cents for the first quarter and 22 cents for the second quarter. In addition a capital gains distribution of 5.56 cents was also paid in the first quarter bringing the total first quarter payout per share to 20 cents and total first half year payout per share to 42 cents. During the first half of the year net assets decreased \$2,946,942, a culmination of declining bond prices and the capital gain payout. Net asset value also decreased similarly from 13.64 per share to 12.84 exclusive of the 42 cent payout to shareholders.

With the exception of 1994, the first six months of this year have generated the worst first half bond market performance since 1994. Interest rates have continued their upward trend as the ten-year Treasury reached a yield of 6.7%, and the thirty-year bond ended the second quarter at a yield of 6.9%. Both the Government and corporate sectors gained .5% for the quarter, while mortgage-backed securities returned .8%, primarily due to their shorter durations. Despite already narrow spreads, corporate bonds continued to benefit from gradual spread tightening, especially among lower quality issues. Bond market returns were positive for the second quarter despite rising interest rates, as coupon income was enough to overcome lower prices.

Only a sharp rally in the final week prevented June from becoming the fifth consecutive month in which interest rates ended the month higher than they began. Even so, the ten-year Treasury ended the quarter 114 basis points higher than at year-end. In a reversal of last year, when the economic news tended to be surprisingly weak, the growth surprises this year have consistently been to the upside. A series of stunningly robust employment reports has caused a massive swing in market expectations. Back in January, the two-year Treasury traded at an average of 40 basis points lower than the federal funds rate, reflecting the market's expectation that the Federal Reserve would continue to lower interest rates, while on June 30 the two-year was 85 basis points higher than fed funds, a swing of 125 basis points.

The strength in employment this year has been impressive, with job growth for the first six months averaging 233,000 per month, compared to labor force growth of only 125,000 to 150,000 per month. The gains have been broad based, and with the unemployment rate now at its lowest level since June of 1990, concern over wage pressures is beginning to mount. The June employment report revealed a .8% increase in average hourly earnings, boosting the year-over-year gain to 3.4%, a new high for this cycle. Having already risen more than 100 basis points in anticipation of an increase in the fed funds rate to at least 5.75%, most of the cyclical rise in rates has probably already occurred. However, with the economy already at full employment, a continuation of the current above-trend growth would put further upward pressure on interest rates.

Looking forward, we do not believe real GDP will continue at the first half growth levels but will slow somewhat to around an annual rate of 2.5%, slightly above the Fed forecast target of 2-2.25%. Whether the Fed moves to tighten sooner or later will depend on whether the economy does begin to slow in the third quarter. However, if it does not show signs of slowing quickly, then the Fed will help with an increase in rates.

The Current Income Shares, Inc. twenty third annual shareholders meeting was held on March 14, 1996. We continue to appreciate the support of the shareholders who attended the annual meeting and those who responded by executing and sending in their proxies.

The unaudited financial statements for the period ended June 30, 1996, together with the portfolio of investments owned on the same date, are presented on the following pages. The table below reflects the current portfolio distribution according to the rating grades assigned by Standard & Poor's.

<TABLE>
<CAPTION>

Grade	As a Percent of Total Investments in Securities
<S>	<C>
AAA.....	29.10%
AA.....	0%
A.....	22.80%
BBB.....	32.90%
Subtotal.....	84.80%
BB.....	14.10%
A-1.....	1.10%
	100.00%

</TABLE>

If you have any questions regarding Current Income Shares, Inc., please contact us or our transfer agent, Harris Trust Company of California, at the address or phone number presented on the cover of this report.

[SIGNATURE]

Clark R. Gates
President

July 30, 1996

CURRENT INCOME SHARES, INC.

<TABLE>		
<S>		<C>
STATEMENT OF ASSETS AND LIABILITIES		STATEMENT OF OPERATIONS
JUNE 30, 1996		FOR THE SIX MONTHS ENDED JUNE 30, 1996
(Unaudited)		(Unaudited)

</TABLE>

<TABLE>		
<S>		<C>
ASSETS		
Investments in securities at market value:		
Bonds (Cost \$45,838,676).....	\$ 46,390,041	
Cash.....	15,581	
Interest Receivable.....	802,502	

Total Assets.....	47,208,124	

LIABILITIES		
Accrued expenses.....	34,843	

NET ASSETS.....	\$ 47,173,281	

Net assets are represented by:		
Capital stock, \$1 par, 25,000,000 shares authorized, 3,673,334 shares issued and outstanding.....	\$ 3,673,334	
Paid-in capital in excess of par value.....	42,977,827	
Accumulated net realized losses.....	(192,875)	
Unrealized appreciation on investments.....	551,365	
Undistributed net investment income.....	163,630	

NET ASSETS.....	\$ 47,173,281	

NET ASSET VALUE PER SHARE		
(\$47,173,281 DIVIDED BY 3,673,334 shares of common stock outstanding).....	\$12.84	

<TABLE>			
<S>		<C>	<C>
INVESTMENT INCOME			
Interest.....	\$ 1,733,814		

Total Investment Income.....		\$ 1,733,814	
EXPENSES			
Investment management and advisory fees.....	120,263		
Custodian fees.....	6,721		
Transfer agent fees.....	26,478		
Directors' fees and shareholder expenses.....	14,918		
Printing.....	16,652		
Legal and auditing fees.....	20,724		
Listing fees -- NYSE.....	2,494		
Insurance expense.....	10,944		
Pricing expense.....	430		
Taxes.....	2,494		
Other Expenses.....	3,999		

Total Expenses.....		226,117	

Net Investment Income.....		\$ 1,507,697	

REALIZED AND UNREALIZED GAINS AND LOSSES ON INVESTMENTS IN SECURITIES		
Realized gain from securities transactions:		
Proceeds from sales.....	\$ 49,170,822	
Cost of securities		

sold.....	(49,363,791)	
Net realized (loss) on investments sold.....		(192,969)
Unrealized appreciation/ (depreciation) of investments:		
Beginning of period.....	3,270,235	
End of period.....	551,365	
Net unrealized (depreciation) during the period.....		\$ (2,718,870)
Net realized and unrealized (losses) on investments.....		\$ (2,911,839)
Net decrease in net assets resulting from operations.....		\$ (1,404,142)

</TABLE>

The accompanying notes are an integral part of these financial statements.

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CURRENT INCOME SHARES, INC.
STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

FOR THE PERIODS ENDED

<TABLE>
<CAPTION>

	SIX MONTHS JUNE 30, 1996	Twelve Months DECEMBER 31, 1995
<S>	<C>	<C>
FROM INVESTMENT ACTIVITIES		
Net investment income.....	\$ 1,507,697	\$ 3,239,415
Net realized gain (loss) on investments sold.....	(192,969)	2,730,664
Net unrealized appreciation (depreciation) of investments during the period.....	(2,718,870)	3,836,426
Net increase (decrease) in net assets resulting from operations.....	(1,404,142)	9,806,505
Dividends to shareholders from net investment income.....	(1,542,800)	(5,424,782)
Increase (decrease) in net assets.....	(2,946,942)	4,381,723
NET ASSETS		
Beginning of period.....	50,120,223	45,738,500
End of period [including (under/(over)distributed) net investment income of \$163,630 and \$(5,504) respectively].....	\$ 47,173,281	\$ 50,120,223

The accompanying notes are an integral part of these financial statements.

</TABLE>

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CURRENT INCOME SHARES, INC.
PORTFOLIO OF INVESTMENT IN SECURITIES

(Unaudited)

JUNE 30, 1996

<TABLE>
<CAPTION>

Security	Standard & Poor's Rating	Principal Amount	Market Value
<S>	<C>	<C>	<C>

BONDS -- (98.34%)			

ASSET BACKED (4.06% OF NET ASSETS)			
Standard Credit Card 95-9A 6.55%, 10/07/07.....	AAA	\$2,000,000	\$ 1,914,153
TOTAL ASSET BACKED (Cost \$1,998,590)			1,914,153
BANKS (8.64% OF NET ASSETS)			
Bankers Trust Company 7.25%, 01/15/03.....	A	1,500,000	1,496,250
First Bank of Puerto Rico 7.625%, 12/15/05.....	BB+	1,000,000	965,000
NationsBank Corporation 7.75%, 08/15/15.....	A-	1,600,000	1,614,000
TOTAL BANKS (Cost \$4,139,255)			4,075,250
CANADIANS (5.13% OF NET ASSETS)			
Nova Scotia Province 8.75%, 04/01/22.....	A-	1,100,000	1,222,375
Saskatchewan Province Deb. 9.375%, 12/15/20.....	BBB+	1,000,000	1,195,000
TOTAL CANADIANS (Cost \$2,186,933)			2,417,375
CONSUMER (4.23% OF NET ASSETS)			
Ralston Purina Company 7.75%, 10/01/15.....	A-	2,000,000	1,992,500
TOTAL CONSUMER (Cost \$2,088,831)			1,992,500
ELECTRIC UTILITIES (10.25% OF NET ASSETS)			
Chugach Electric Assn., Inc. 9.14%, 03/15/22	A	1,000,000	1,095,000
Houston Industries, Inc. 9.375%, 06/01/01.....	BBB	2,000,000	2,180,000
UtiliCorp United 8.45%, 11/15/99.....	BBB	1,500,000	1,561,875
ELECTRIC UTILITIES (Cost \$4,598,876)			4,836,875
ENERGY (4.73% OF NET ASSETS)			
Union Oil Co. of California 9.125%, 02/15/06.....	BBB	2,000,000	2,230,000
TOTAL ENERGY (Cost \$2,161,687)			2,230,000
GAS (7.05% OF NET ASSETS)			
Coastal Corporation 9.625%, 05/15/12.....	BB+	2,000,000	2,297,500
Panhandle Eastern Corporation 7.875%, 08/15/04.....	BBB	1,000,000	1,030,000
TOTAL GAS (Cost \$3,046,024)			3,327,500
MANUFACTURING (7.12% OF NET ASSETS)			
Georgia Pacific Corporation 7.7%, 06/15/15.....	BBB-	750,000	723,750
Lockheed Martin Corporation 7.7%, 06/15/08.....	BBB+	1,500,000	1,526,250
Westvaco Corporation 10.125%, 06/01/19.....	A	1,000,000	1,110,000
TOTAL MANUFACTURING (Cost \$3,274,668)			3,360,000
TOTAL OTHER FINANCE (3.09% OF NET ASSETS)			
Ford Motor Credit Corporation 5.37%, 07/05/96.....	A-1	500,000	499,999
U.S. West Capital Funding, Inc. 6.75%, 10/01/05.....	A+	1,000,000	956,250
TOTAL OTHER FINANCE (Cost \$1,500,489)			\$ 1,456,249

</TABLE>

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CURRENT INCOME SHARES, INC.
PORTFOLIO OF INVESTMENTS IN SECURITIES (CONTINUED)
(Unaudited)

JUNE 30, 1996

<TABLE>
<CAPTION>

<S>	Security	Standard & Poor's Rating <C>	Principal Amount <C>	Market Value <C>
SECURITIES BROKERS (5.37% OF NET ASSETS)				
	Lehman Brothers Holdings, Inc. Note 8.8%, 03/01/15.....	A	\$1,000,000	\$ 1,098,750
	Salomon, Inc. 6.75%, 02/15/03.....	BBB	1,500,000	1,436,250
TOTAL SECURITIES BROKERS (Cost \$2,602,798)				2,535,000
SERVICE (3.15% OF NET ASSETS)				
	Loewen Group, Inc. 8.25%, 04/15/03.....	BB+	1,500,000	1,486,875
TOTAL SERVICE (Cost \$1,498,424)				1,486,875
TELECOMMUNICATIONS (7.16% OF NET ASSETS)				

GTE Corporation 10.3%, 11/15/17.....	BBB+	2,000,000	2,182,500
360 Communication Company 7.5%, 03/01/06.....	BBB-	1,250,000	1,193,750
TOTAL TELECOMMUNICATIONS (Cost \$3,550,652)			3,376,250
TRANSPORTATION (3.78% OF NET ASSETS)			
AMR Corporation Deb 10%, 04/15/21.....	BB+	1,500,000	1,785,000
TOTAL TRANSPORTATION (Cost \$1,470,671)			1,785,000
U.S. GOVERNMENT (24.58% OF NET ASSETS)			
U.S. Treasury Note 7.5%, 11/15/01.....	AAA	1,000,000	1,043,990
U.S. Treasury Note 6.5%, 05/15/05.....	AAA	1,650,000	1,628,055
U.S. Treasury Note 6.25%, 05/31/00.....	AAA	1,000,000	993,780
U.S. Treasury Note 6.5%, 08/15/05.....	AAA	3,000,000	2,957,339
U.S. Treasury Note 6.125%, 09/30/00.....	AAA	2,500,000	2,471,075
U.S. Treasury Note 6.125%, 03/31/98.....	AAA	2,500,000	2,502,775
TOTAL U.S. GOVERNMENT (Cost \$11,720,778)			11,597,014
TOTAL INVESTMENTS (98.34% OF NET ASSETS) (COST \$45,838,676)			46,390,041
OTHER ASSETS AND LIABILITIES, NET (1.66% of Net Assets)			783,240
NET ASSETS (100.00% OF NET ASSETS)			\$47,173,281

</TABLE>

The accompanying notes are an integral part of these financial statements.

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CURRENT INCOME SHARES, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

JUNE 30, 1996

1. Significant Accounting Policies

Current Income Shares, Inc. (the "Company") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Company was incorporated on November 15, 1972, and commenced operations on March 27, 1973. The primary investment objective of the Company is to seek a high level of current income for its shareholders consistent with investment in a diversified portfolio in which marketable debt securities considered by management to be of high quality will predominate. To a lesser extent the Company may also invest in other debt securities and in certain equities.

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

- (a) Security valuation -- Portfolio securities listed or traded on a national securities exchange are valued at the last reported sales price; securities traded in the over-the-counter market and listed securities for which no sales were reported on that date are valued at the most recent bid price.
- (b) Federal income taxes -- It is the Company's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income and net capital gains to its shareholders. Accordingly, no Federal income tax provision is required.
- (c) Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results could differ from those estimates.
- (d) Other -- Security transactions are accounted for on the trade date the securities are purchased or sold. Purchased discounts and premiums on securities held are accreted or amortized to interest income over the life of each security using a method which approximates the effective interest method. Interest income is recognized on the accrual basis of accounting.

Realized gains and losses are computed using the specific cost of the securities sold.

2. Purchases and Sales of Securities

Purchases and proceeds of securities other than short-term securities and U.S. Government obligations aggregated \$12,152,976 and \$20,265,822, respectively. Purchases and redemptions of U.S. Government obligations aggregated \$8,806,148 and \$12,273,078, respectively.

As of June 30, 1996, unrealized appreciation for Federal income tax purposes aggregated \$551,365 of which \$1,251,587 related to appreciated securities and \$700,222 related to depreciated securities. The aggregate cost for Federal income tax purposes was not materially different from amounts reported for financial reporting purposes.

3. Transactions with Affiliates

Union Bank of California (the "Adviser") received fees of \$120,263 during the six months ended June 30, 1996 for providing investment management and advisory services to the Company. The fee is based on an annual rate of 0.5% of the Company's average net assets.

The Advisory Agreement requires that the Adviser reimburse the Company for expenses (excluding interest, taxes, the expenses of any offering of the Company's securities and brokerage commissions) incurred by the Company in excess of one and one-half percent (1 1/2%) per year of the first \$30 million of average net assets of the

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CURRENT INCOME SHARES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

JUNE 30, 1996

Company and one percent (1%) of average net assets in excess of \$30 million. The expenses incurred by the Company for the six months ended June 30, 1996 did not exceed the limitation established by the Advisory Agreement.

4. Agreements with Service Providers

Harris Trust Company of California provides Transfer Agent and Dividend Reinvestment Plan services and Bankers Trust Company provides custodial services for the Company.

5. Financial Highlights

Selected data for each share of capital stock outstanding throughout each period follows:

<TABLE>
<CAPTION>

	01/01/96 TO 06/30/96	01/01/95 to 12/31/95	01/01/94 to 12/31/94	01/01/93 to 12/31/93	01/01/92 to 12/31/92	01/01/91 to 12/31/91
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PER SHARE OPERATING PERFORMANCE						
Investment Income.....	\$ 0.47	\$ 1.00	\$ 1.06	\$ 1.09	\$ 1.10	\$ 1.19
Expenses.....	0.06	0.12	0.12	0.12	0.12	0.12
Net Investment Income.....	0.41	0.88	0.94	0.97	0.98	1.07
Dividends distributed from net Investment Income.....	(0.42)	(1.48)	(0.94)	(0.97)	(1.03)	(1.09)
Net realized and unrealized gain (loss) on investments.....	(0.79)	1.79	(1.74)	0.86	0.22	1.38
Net increase (decrease) in net asset value.....	(0.80)	1.19	(1.74)	0.86	0.17	1.36
Net asset value: Beginning of period.....	13.64	12.45	14.19	13.33	13.16	11.80
End of period.....	\$ 12.84	\$ 13.64	\$ 12.45	\$ 14.19	\$ 13.33	\$ 13.16
Per share market value: End of period.....	\$ 10.875	\$ 11.875	\$ 11.000	\$ 13.00	\$ 12.625	\$ 13.25
Total investment return+.....	(4.94)%	22.25%	(8.33)%	10.53%	3.22%	20.51%
RATIOS AND SUPPLEMENTAL DATA						
Ratio of expenses to average net assets...	0.9%*	0.9%	0.9%	0.8%	0.9%	0.9%
Ratio of net investment income to average						

net assets.....	6.2%*	6.6%	7.2%	6.9%	7.5%	8.6%
Portfolio turnover rate.....	42.23%	118.52%	42.21%	24.15%	87.08%	82.38%
Net assets, end of period (000).....	\$ 47,173	\$ 50,120	\$ 45,739	\$ 52,137	\$ 48,967	\$ 48,359

</TABLE>

+ Excluding the effect of shareholders' buy/sell brokerage commissions, if any.

* Annualized

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CURRENT INCOME SHARES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

JUNE 30, 1996

6. Unaudited Quarterly Results of Operations

The following is a summary of unaudited quarterly results of operations:

<TABLE>
<CAPTION>

	Investment Income	Net Investment Income		Net Realized and Unrealized Gain (Loss) on Investments	
		Amount	Per Share	Amount	Per Share
<S>	<C>	<C>	<C>	<C>	<C>
Three months ended:					
June 30, 1996.....	\$ 871,085	\$ 760,129	\$ 0.21	\$ (637,224)	\$ 0.17
March 31, 1996.....	862,729	747,568	0.20	(2,274,615)	0.62
December 31, 1995.....	887,539	750,401	0.21	1,879,952	0.51
September 30, 1995.....	922,945	815,939	0.22	503,217	0.14
June 30, 1995.....	\$ 958,845	\$ 854,814	\$ 0.23	\$ 2,635,465	\$ 0.72
March 31, 1995.....	918,292	818,261	0.22	1,548,456	0.42
December 31, 1994.....	962,818	856,558	0.24	(576,482)	(0.15)
September 30, 1994.....	980,816	877,637	0.23	(812,300)	(0.22)

</TABLE>

7. Dividend Reinvestment Plan

The Company maintains a Dividend Reinvestment Plan in which shareholders may participate. The Plan is offered through Harris Trust Company of California (the "Agent"). Under the Plan the Agent uses dividends and other cash distributions from the Company to purchase additional shares of Company common stock in the open market for Plan participants. Participants may also make certain cash contributions to the Plan. Further information regarding the Plan may be obtained by writing to the Agent at: Harris Trust Company of California, 311 West Monroe Street (11th floor), Chicago, IL 60606.

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