

# 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)

Filing Date: **1994-01-04** | Period of Report: **1993-10-31**  
SEC Accession No. **0000745968-94-000001**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **FEDERATED GROWTH TRUST/CGF/FED ADV/FEDMGT/FED INV**

CIK: **745968** | Fiscal Year End: **1031**  
Type: **N-30D** | Act: **40** | File No.: **811-04017** | Film No.: **94500175**

Business Address  
*FEDERATED INVESTORS  
TWR  
PITTSBURGH PA 15222  
4122887496*

FEDERATED GROWTH TRUST  
PROSPECTUS

Federated Growth Trust (the "Trust") is a no-load, open-end, diversified management investment company (a mutual fund) that seeks appreciation of capital by investing primarily in equity securities of companies with prospects for above-average growth in earnings and dividends, or of companies where significant fundamental changes are taking place.

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 Federated Growth Trust. Keep this prospectus for future reference.

The Trust has also filed a Statement of Additional Information dated December 31, 1993, 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 Trust, contact the Trust 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.

Prospectus dated December 31, 1993

TABLE OF CONTENTS

SUMMARY OF TRUST EXPENSES	1
FINANCIAL HIGHLIGHTS	2
GENERAL INFORMATION	3
INVESTMENT INFORMATION	3
Investment Objective	3
Investment Policies	3
Acceptable Investments	3
Securities of Foreign Issuers	3
Convertible Securities	4
Restricted Securities	4
When-Issued and Delayed Delivery Transactions	4
Temporary Investments	5
Repurchase Agreements	5
Put and Call Options	5
Risks	5
Lending of Portfolio Securities	5
Portfolio Turnover	5

Investment Limitations	6
TRUST INFORMATION	6
-----	
Management of the Trust	6
Board of Trustees	6
Investment Adviser	6
Advisory Fees	6
Adviser's Background	7
Distribution of Trust Shares	7
Administrative Arrangements	7
Administration of the Trust	8
Administrative Services	8
Custodian	8
Transfer Agent, and Dividend Disbursing Agent	8
Legal Counsel	8
Independent Auditors	8
Brokerage Transactions	8
NET ASSET VALUE	8
-----	
INVESTING IN THE TRUST	9
-----	
Share Purchases	9
By Wire	9
By Mail	9
Minimum Investment Required	9
What Shares Cost	9
Exchanging Securities for Trust Shares	10
Subaccounting Services	10
Certificates and Confirmations	10
Dividends	10
Capital Gains	10
Retirement Plans	10
REDEEMING SHARES	11

Telephone Redemption	11
Written Requests	11
Signatures	11
Receiving Payment	12
Redemption Before Purchase	
Instruments Clear	12
Accounts with Low Balances	12
Redemption in Kind	12

-----

SHAREHOLDER INFORMATION

-----

Voting Rights	12
Massachusetts Partnership Law	13

TAX INFORMATION

-----

Federal Income Tax	13
Pennsylvania Corporate and Personal Property Taxes	13

PERFORMANCE INFORMATION

-----

FINANCIAL STATEMENTS

-----

REPORT OF ERNST & YOUNG, INDEPENDENT AUDITORS	23
--	----

-----

ADDRESSES	Inside Back Cover
-----------	-------------------

-----

SUMMARY OF TRUST EXPENSES

-----

<TABLE>	<C>	<C>
<S>		
SHAREHOLDER TRANSACTION EXPENSES		
Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....		None
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....		None
Deferred Sales Load (as a percentage of original purchase price or redemption proceeds as applicable).....		None
Redemption Fee (as a percentage of amount redeemed, if applicable).....		None
Exchange Fee.....		None
ANNUAL TRUST OPERATING EXPENSES (As a percentage of average net assets)		
Management Fee.....		0.75%
12b-1 Fee.....		None

Other Expenses.....	0.21%
Total Trust Operating Expenses.....	0.96%

</TABLE>

THE PURPOSE OF THIS TABLE IS TO ASSIST AN INVESTOR IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT A SHAREHOLDER OF THE TRUST WILL BEAR, EITHER DIRECTLY OR INDIRECTLY. FOR MORE COMPLETE DESCRIPTIONS OF THE VARIOUS COSTS AND EXPENSES, SEE "TRUST INFORMATION." WIRE-TRANSFERRED REDEMPTIONS OF LESS THAN \$5,000 MAY BE SUBJECT TO ADDITIONAL FEES.

<TABLE>  
<CAPTION>

EXAMPLE	1 year	3 years	5 years	10 years
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
You would pay the following expenses on a \$1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period. As noted in the table above, the Trust charges no redemption fees.....	\$ 10	\$31	\$53	\$118

</TABLE>

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

FEDERATED GROWTH TRUST

FINANCIAL HIGHLIGHTS

-----  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Reference is made to the Report of Ernst & Young, Independent Auditors, on page 23.

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,					PERIOD ENDED OCTOBER 31,	YEAR ENDED MAY 31,			
	1993	1992	1991	1990	1989	1988**	1988	1987	1986	1985***
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period	\$ 21.16	\$ 21.58	\$ 16.78	\$ 20.99	\$ 17.18	\$ 16.93	\$ 17.67	\$ 16.03	\$ 11.66	\$ 10.00
Income from investment operations										
Net investment income	.20	.33	.57	.75	.59	.09	.25	.28	.27	.27
Net realized and unrealized gain (loss) on investments	2.96	.45	5.97	(2.69)	3.80	1.08	(.23)	2.40	4.46	1.60
Total from investment operations	3.16	.78	6.54	(1.94)	4.39	1.17	.02	2.68	4.73	1.87
Less distributions										
Dividends to shareholders from net investment income	(.23)	(.33)	(.61)	(.79)	(.52)	(.15)	(.20)	(.26)	(.29)	(.21)
Distributions to shareholders from net realized gain on investment transactions	(.17)	(.87)	(1.13)	(1.48)	(.06)	(.77)	(.56)	(.78)	(.07)	--
Total distributions	(.40)	(1.20)	(1.74)	(2.27)	(.58)	(.92)	(.76)	(1.04)	(.36)	(.21)
Net asset value, end of period	\$ 23.92	\$ 21.16	\$ 21.58	\$ 16.78	\$ 20.99	\$ 17.18	\$ 16.93	\$ 17.67	\$ 16.03	\$ 11.66

Total return*	15.06%	3.93%	41.54%	(10.41%)	25.87%	6.95%	.50%	17.55%	41.58%	19.00%
Ratios/supplemental data										
Net assets, end of period (000 omitted)	\$460,811	\$391,655	\$275,561	\$138,407	\$134,735	\$104,146	\$102,395	\$134,657	\$47,318	\$ 7,966
Ratio of expenses to average net assets	.96%	1.01%	1.01%	1.01%	1.01%	1.00%(b)	1.00%	1.00%	1.00%	0.99%(b)
Ratio of net investment income to average net assets	.90%	1.54%	2.88%	4.00%	2.99%	1.30%(b)	1.39%	1.78%	2.35%	3.33%(b)
Expense adjustment (a)	--	--	0.10%	0.22%	0.14%	0.60%(b)	0.15%	0.18%	0.50%	0.51%(b)
Portfolio turnover rate	57%	46%	54%	67%	79%	24%	88%	66%	42%	46%

\* Based on net asset value, which does not reflect the sales load or redemption fee, if applicable.

\*\* For the five months ended October 31, 1988.

\*\*\* Reflects operations for the period from August 23, 1984, to May 31, 1985. For the period prior to August 23, 1984, net income per share aggregating \$0.167 was distributed to the Trust's investment adviser. Such distributions represented the net income of the Trust prior to the initial public offering of Trust shares, which commenced August 23, 1984.

(a) This expense decrease is reflected in both the expense and net investment income ratios shown above.

(b) Computed on an annualized basis.

Further information about the Trust's performance is contained in the Trust's annual report dated October 31, 1993, which can be obtained free of charge.

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

#### GENERAL INFORMATION

The Trust was established as a Massachusetts business trust under a Declaration of Trust dated April 17, 1984. The Trust is designed for assets held by bank customers or by banks in a fiduciary, advisory, agency, custodial (including individual retirement accounts), or similar capacity. The Trust is also designed for funds held by other institutions, corporations, trusts, brokers, investment counselors, pension and profit-sharing plans, and insurance companies. A minimum initial investment of \$25,000 over a 90-day period is required, except for retirement plans.

Trust shares are currently sold and redeemed at net asset value without a sales charge imposed by the Trust.

#### INVESTMENT INFORMATION

##### INVESTMENT OBJECTIVE

The investment objective of the Trust is appreciation of capital. The Trust pursues this investment objective by investing primarily in equity securities of companies with prospects for above-average growth in earnings and dividends, or of companies where significant fundamental changes are taking place. The

investment objective cannot be changed without approval of shareholders. While there is no assurance that the Trust will achieve its investment objective, it endeavors to do so by following the investment policies described in this prospectus.

#### INVESTMENT POLICIES

The investment policies described below may be changed by the Board of Trustees (the "Trustees") without shareholder approval. Shareholders will be notified before any material changes in these policies become effective.

**ACCEPTABLE INVESTMENTS.** The Trust invests primarily in equity securities of companies selected by the Trust's investment adviser on the basis of traditional research techniques, including assessment of earnings and dividend growth prospects and of the risk and volatility of each company's business. The Trust generally invests in companies with market capitalization of \$100,000,000 or more. The fundamental changes which the investment adviser will seek to identify in companies include, for example, restructuring of basic businesses or reallocations of assets which present opportunities for significant share price appreciation. At times, the Trust will invest in securities of companies which are deemed by the investment adviser to be candidates for acquisition by other entities as indicated by changes in ownership, changes in standard price-to-value ratios, and an examination of other standard analytical indices. The Trust may invest in preferred stocks, corporate bonds, debentures, notes, warrants, and put and call options on stocks.

**SECURITIES OF FOREIGN ISSUERS.** The Trust may invest in the securities of foreign issuers which are freely traded on United States securities exchanges or in the over-the-counter market in the form of depository receipts. Securities of a foreign issuer may present greater risks in the form of nationalization, confiscation, domestic marketability, or other national or international restrictions.

As a matter of practice, the Trust will not invest in the securities of a foreign issuer if any such risk appears to the investment adviser to be substantial.

**CONVERTIBLE SECURITIES.** 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 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 Trust 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 Trust in achieving its investment objectives. Otherwise, the Trust will hold or trade the convertible securities. In selecting convertible securities for the Trust, the Trust'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 Trust'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.

**RESTRICTED SECURITIES.** The Trust may acquire securities which are subject to legal or contractual delays, restrictions, and costs on resale. Because of time limitations, the Trust might not be able to dispose of these securities at reasonable prices or at times advantageous to the Trust. The Trust intends to limit the purchase of restricted securities which have not been determined by the Trustees to be liquid, together with other securities considered to be illiquid, including repurchase agreements providing for settlement in more than seven days after notice, to not more than 15% of its net assets.

**WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS.** The Trust may purchase securities on a when-issued or delayed delivery basis. In when-issued and delayed delivery transactions, the Trust relies on

the seller to complete the transaction. The seller's failure to complete the transaction may cause the Trust to miss a price or yield considered to be advantageous.

**TEMPORARY INVESTMENTS.** In such proportions as, in the judgment of its investment adviser, prevailing market conditions warrant, the Trust may, for temporary defensive purposes, invest in:

- short-term money market instruments;
- securities issued and/or guaranteed as to payment of principal and interest by the U.S. government, its agencies or instrumentalities; and
- repurchase agreements.

**REPURCHASE AGREEMENTS.** Certain securities in which the Trust invests may be purchased pursuant to 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 Trust and agree at the time of sale to repurchase them at a mutually agreed upon time and price. To the extent that the original seller does not repurchase the securities from the Trust, the Trust could receive less than the repurchase price on any sale of such securities.

**PUT AND CALL OPTIONS.** The Trust may purchase put options on stocks. These options will be used only as a hedge to attempt to protect securities which the Trust holds against decreases in value. The Trust may purchase these put options as long as they are listed on a recognized options exchange and the underlying stocks are held in its portfolio.

The Trust may also write call options on securities either held in its portfolio, or which it has the right to obtain without payment of further consideration, or for which it has segregated cash in the amount of any additional consideration. The call options which the Trust writes and sells must be listed on a recognized options exchange. Writing of calls by the Trust is intended to generate income for the Trust and, thereby, protect against price movements in particular securities in the Trust's portfolio.

**RISKS.** Prior to exercise or expiration, an option position can only be terminated by entering into a closing purchase or sale transaction. This requires a secondary market on an exchange which may or may not exist for any particular call or put option at any specific time. The absence of a liquid secondary market also may limit the Trust's ability to dispose of the securities underlying an option. The inability to close options also could have an adverse impact on the Trust's ability to effectively hedge its portfolio.

**LENDING OF PORTFOLIO SECURITIES.** In order to generate additional income, the Trust may lend its portfolio securities on a short-term or a long-term basis up to one-third of the value of its total assets to broker/dealers, banks, or other institutional borrowers of securities. The Trust will only enter into loan arrangements with broker/dealers, banks, or other institutions which the investment adviser has determined are creditworthy under guidelines established by the Trustees and will receive collateral equal to at least 100% of the value of the securities loaned.

**PORTFOLIO TURNOVER.** Although the Trust does not intend to invest for the purpose of seeking short-term profits, securities in its portfolio will be sold whenever the Trust's investment adviser believes it is appropriate to do so in light of the Trust's investment objective, without regard to the length of time a particular security may have been held.



## INVESTMENT LIMITATIONS

The Trust will not:

- borrow money directly or through reverse repurchase agreements (arrangements in which the Trust sells a portfolio instrument for a percentage of its cash value with an agreement to buy it back on a set date) except, under certain circumstances, the Trust may borrow up to one-third of the value of its net assets; or
- sell securities short except, under strict limitations, the Trust may maintain open short positions so long as not more than 10% of the value of its net assets is held as collateral for those positions.

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.

The Trust will not:

- purchase securities of other investment companies, except in open market transactions limited to not more than 10% of its total assets, or except as part of a merger, consolidation, or other acquisition;
- invest more than 5% of its total assets in securities of issuers that have records of less than three years of continuous operations and in equity securities of any issuer which are not readily marketable;
- commit more than 5% of its total assets to premiums on open put option positions;
- invest more than 5% of its total assets in securities of one issuer (except cash and cash items, repurchase agreements, and U.S. government obligations) or acquire more than 10% of any class of voting securities of any one issuer; or
- invest more than 5% of its total assets in warrants.

## TRUST INFORMATION

-----

### MANAGEMENT OF THE TRUST

**BOARD OF TRUSTEES.** The Trust is managed by a Board of Trustees. The Trustees are responsible for managing the Trust's business affairs and for exercising all 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.** Investment decisions for the Trust are made by Federated Management, the Trust's investment adviser (the "Adviser"), subject to direction by the Trustees. The Adviser continually conducts investment research and supervision for the Trust and is responsible for the purchase or sale of portfolio instruments, for which it receives an annual fee from the Trust.

**ADVISORY FEES.** The Trust's Adviser receives an annual investment advisory fee equal to 0.75 of 1% of the Trust's average daily net assets. Under the investment advisory contract, which provides for the voluntary waiver of the advisory fee by the Adviser, the Adviser may voluntarily waive

some or all of its fee. This does not include reimbursement to the Trust of any expenses incurred by shareholders who use the transfer agent's subaccounting facilities. The Adviser can terminate this voluntary waiver at any time in its sole discretion. The Adviser has also undertaken to reimburse the Trust for operating expenses in excess of limitations established by certain states.

**ADVISER'S BACKGROUND.** Federated Management, 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.

Gregory M. Melvin has been the Trust's portfolio manager since January

1987. Mr. Melvin joined Federated Investors in 1980 and has been a Vice President of the Trust's investment adviser since 1984. Mr. Melvin is a Chartered Financial Analyst and received his M.B.A. in Finance from Harvard Business School.

Federated Management 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.

#### DISTRIBUTION OF TRUST SHARES

Federated Securities Corp. is the principal distributor for shares of the Trust. 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.

#### ADMINISTRATIVE ARRANGEMENTS

The distributor may select brokers and dealers to provide distribution and administrative services. The distributor may also select administrators (including depository institutions such as commercial banks and savings and loan associations) to provide administrative services. These administrative services include, but are not limited to, distributing prospectuses and other information, providing accounting assistance and communicating or facilitating purchases and redemptions of Trust shares.

Brokers, dealers, and administrators will also receive fees from the distributor based upon shares owned by their clients or customers. The fees are calculated as a percentage of the average aggregate net asset value of shareholder accounts during the period for which the brokers, dealers, and administrators provide services. Any fees paid for these services by the distributor will be reimbursed by the Adviser.

The Glass-Steagall Act limits the ability of a depository institution (such as a commercial bank or a savings and loan association) to become an underwriter or distributor of securities. In the event the Glass-Steagall Act is deemed to prohibit depository institutions from acting in the capacities described above or should Congress relax current restrictions on depository institutions, the Trustees will consider appropriate changes in the administrative services.

State securities laws governing the ability of depository institutions to act as underwriters or distributors of securities may differ from interpretations given to the Glass-Steagall Act and, therefore, banks and financial institutions may be required to register as dealers pursuant to state law.

#### ADMINISTRATION OF THE TRUST

ADMINISTRATIVE SERVICES. Federated Administrative Services, Inc., a subsidiary of Federated Investors, provides the Trust with the administrative personnel and services necessary to operate the Trust. Such services include shareholder servicing and certain legal and accounting services. Federated Administrative Services, Inc., provides these at approximate cost.

CUSTODIAN. State Street Bank and Trust Company ("State Street Bank"), Boston, Massachusetts, is custodian for the securities and cash of the Trust.

TRANSFER AGENT, AND DIVIDEND DISBURSING AGENT. Federated Services Company, Pittsburgh, Pennsylvania, is transfer agent for the shares of the Trust, and dividend disbursing agent for the Trust.

LEGAL COUNSEL. Legal counsel is provided by Houston, Houston & Donnelly, Pittsburgh, Pennsylvania, and Dickstein, Shapiro & Morin, Washington, D.C.

INDEPENDENT AUDITORS. The independent auditors for the Trust are Ernst & Young, Pittsburgh, Pennsylvania.

## 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 Trust and 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.

## NET ASSET VALUE

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

## INVESTING IN THE TRUST

### SHARE PURCHASES

Trust shares are sold on days on which the New York Stock Exchange is open. Shares may be purchased either by wire or mail.

To purchase shares of the Trust, open an account by calling Federated Securities Corp. Information needed to establish the account will be taken over the telephone. The Trust reserves the right to reject any purchase request.

BY WIRE. To purchase shares of the Trust by Federal Reserve wire, call the Trust before 4:00 p.m. (Eastern time) to place an order. The order is considered received immediately. Payment by federal funds must be received before 3:00 p.m. (Eastern time) on the next business day following the order. Federal funds should be wired as follows: State Street Bank and Trust Company, Boston, Massachusetts; Attention: EDGEWIRE; For Credit to: Federated Growth Trust; Fund Number (this number can be found on the account statement or by contacting the Trust); Group Number or Order Number; Nominee or Institution Name; and ABA Number 011000028. Payment by Federal Reserve wire cannot be made on Columbus Day, Veterans' Day, or Martin Luther King Day.

BY MAIL. To purchase shares of the Trust by mail, send a check made payable to Federated Growth Trust to the Trust's transfer agent, State Street Bank and Trust Company, P.O. Box 8602, Boston, Massachusetts 02266-8602. Orders by mail are considered received after payment by check is converted by State Street Bank into federal funds. This is normally the next business day after State Street Bank receives the check.

### MINIMUM INVESTMENT REQUIRED

The minimum initial investment in the Trust is \$25,000 plus any non-affiliated bank or broker's fee, if applicable. However, an account may be opened with a smaller amount as long as the \$25,000 minimum is reached within 90 days. An institutional investor's minimum investment will be calculated by combining all accounts it maintains with the Trust. Accounts established through a non-affiliated bank or broker may be subject to a smaller minimum investment.

### WHAT SHARES COST

Trust shares are sold at their net asset value next determined after an order is received. There is no sales charge imposed by the Trust. Investors who purchase Trust shares through a non-affiliated bank or broker may be charged an additional service fee by that bank or broker.

The net asset value is determined at the close of business of the New York Stock Exchange, Monday through Friday, except on: (i) days on which there are not sufficient changes in the value of the Trust's portfolio securities that its net asset value might be materially affected; (ii) days during which no shares are tendered for redemption and no orders to purchase shares are received; or (iii) the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

### EXCHANGING SECURITIES FOR TRUST SHARES

Investors may exchange certain securities or a combination of securities and

cash for Trust shares. The securities and any cash must have a market value of at least \$25,000. The Trust reserves the right to determine the acceptability of securities to be exchanged. Securities accepted by the Trust are valued in the same manner as the Trust values its assets. Investors wishing to exchange securities should first contact Federated Securities Corp.

#### SUBACCOUNTING SERVICES

Institutions are encouraged to open single master accounts. However, certain institutions may wish to use the transfer agent's subaccounting system to minimize their internal recordkeeping requirements. The transfer agent charges a fee based on the level of subaccounting services rendered. Institutions holding Trust shares in a fiduciary, agency, custodial, or similar capacity may charge or pass through subaccounting fees as part of or in addition to normal trust or agency account fees. They may also charge fees for other services provided which may be related to the ownership of Trust shares. This prospectus should, therefore, be read together with any agreement between the customer and the institution with regard to the services provided, the fees charged for those services, and any restrictions and limitations imposed.

#### CERTIFICATES AND CONFIRMATIONS

As transfer agent for the Trust, Federated Services Company maintains a share account for each shareholder. Share certificates are not issued unless requested by contacting the Trust.

Detailed confirmations of each purchase or redemption are sent to each shareholder. Quarterly confirmations are sent to report dividends paid during that quarter.

#### DIVIDENDS

Dividends are declared and paid quarterly to all shareholders invested in the Trust on the record date. Unless shareholders request cash payments by writing to the Trust, dividends are automatically reinvested in additional shares of the Trust on payment dates at the ex-dividend date net asset value without a sales charge.

#### CAPITAL GAINS

Capital gains realized by the Trust, if any, will be distributed at least once every 12 months.

#### RETIREMENT PLANS

Shares of the Trust can be purchased as an investment for retirement plans or for IRA accounts. For further details, including prototype retirement plans, contact Federated Securities Corp. and consult a tax adviser.

#### REDEEMING SHARES

-----

The Trust redeems shares at their net asset value next determined after the Trust receives the redemption request. Redemptions will be made on days on which the Trust computes its net asset value. Redemption requests must be received in proper form and can be made by telephone request or by written request.

#### TELEPHONE REDEMPTION

Shareholders may redeem their shares by telephoning the Trust before 4:00 p.m. (Eastern time). The proceeds will normally be wired the following business day, but in no event more than seven days, to the shareholder's account at a domestic commercial bank that is a member of the Federal Reserve System. If at any time the Trust shall determine it necessary to terminate or modify this method of redemption, shareholders would be promptly notified.

An authorization form permitting the Trust to accept telephone requests must first be completed. Authorization forms and information on this service are available from Federated Securities Corp.

In the event of drastic economic or market changes, a shareholder may experience difficulty in redeeming by telephone. If such a case should occur, another method of redemption, such as "Written Requests," should be considered.

Telephone redemption instructions may be recorded. If reasonable procedures are not followed by the Trust, it may be liable for losses due to unauthorized or

fraudulent telephone instructions.

#### WRITTEN REQUESTS

Trust shares may also be redeemed by sending a written request to the Trust. Call the Trust for specific instructions before redeeming by letter. The shareholder will be asked to provide in the request his name, the Trust name, his account number, and the share or dollar amount requested. If share certificates have been issued, they must be properly endorsed and should be sent by registered or certified mail with the written request.

**SIGNATURES.** Shareholders requesting a redemption of \$50,000 or more, a redemption of any amount to be sent to an address other than that on record with the Trust, or a redemption payable other than to the shareholder of record must have signatures on written redemption requests guaranteed by:

- a trust company or commercial bank whose deposits are insured by the Bank Insurance Fund, which is administered by the Federal Deposit Insurance Corporation ("FDIC");
  
- a member of the New York, American, Boston, Midwest, or Pacific Stock Exchange;
  
- a savings bank or savings and loan association whose deposits are insured by the Savings Association Insurance Fund, which is administered by the FDIC; or
  
- any other "eligible guarantor institution," as defined in the Securities Exchange Act of 1934.

The Trust does not accept signatures guaranteed by a notary public.

The Trust and its transfer agent have adopted standards for accepting signature guarantees from the above institutions. The Trust may elect in the future to limit eligible signature guarantors to institutions

that are members of a signature guarantee program. The Trust and its transfer agent reserve the right to amend these standards at any time without notice.

**RECEIVING PAYMENT.** Normally, a check for the proceeds is mailed within one business day, but in no event more than seven days, after receipt of a proper written redemption request.

#### REDEMPTION BEFORE PURCHASE INSTRUMENTS CLEAR

When shares are purchased by check, the proceeds from the redemption of those shares are not available, and the shares may not be exchanged, until the Trust or its agents are reasonably certain that the purchase check has cleared, which could take up to 10 calendar days.

#### ACCOUNTS WITH LOW BALANCES

Due to the high cost of maintaining accounts with low balances, the Trust may redeem shares in any account and pay the proceeds to the shareholder if the account balance falls below a required minimum value of \$25,000. This requirement does not apply, however, if the balance falls below \$25,000 because of changes in the Trust's net asset value.

Before shares are redeemed to close an account, the shareholder is notified in writing and allowed 30 days to purchase additional shares to meet the minimum requirement.

#### REDEMPTION IN KIND

The Trust is obligated to redeem shares solely in cash up to \$250,000 or 1% of the Trust's net asset value, whichever is less, for any one shareholder within a 90-day period.

Any redemption beyond this amount will also be in cash unless the Trustees determine that payments should be in kind. In such a case, the Trust will pay all or a portion of the remainder of the redemption in portfolio instruments, valued in the same way as the Trust determines net asset value. The portfolio instruments will be selected in a manner that the Trustees deem fair and equitable.

Redemption in kind is not as liquid as a cash redemption. If redemption is made in kind, shareholders receiving their securities and selling them before their maturity could receive less than the redemption value of their securities and could incur certain transaction costs.

#### SHAREHOLDER INFORMATION

-----

##### VOTING RIGHTS

Each share of the Trust gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote. 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's operation and for the election of Trustees under 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 Trust's outstanding shares.

##### MASSACHUSETTS PARTNERSHIP LAW

Under certain circumstances, shareholders may be held personally liable as partners under Massachusetts law for obligations of the Trust. To protect its shareholders, the Trust has filed legal documents with Massachusetts that expressly disclaim the liability of its shareholders for acts or obligations of the Trust. 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.

In the unlikely event a shareholder is held personally liable for the Trust's obligations, the Trust is required to use its property to protect or compensate the shareholder. On request, the Trust will defend any claim made and pay any judgment against a shareholder for any act or obligation of the Trust. Therefore, financial loss resulting from liability as a shareholder will occur only if the Trust itself cannot meet its obligations to indemnify shareholders and pay judgments against them.

#### TAX INFORMATION

-----

##### FEDERAL INCOME TAX

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

Unless otherwise exempt, shareholders are required to pay federal income tax on any dividends and other distributions, including capital gains distributions, received. This applies whether dividends are received in cash or as additional shares. No federal income tax is due on any dividends earned in an IRA or qualified retirement plan until distributed.

##### PENNSYLVANIA CORPORATE AND PERSONAL PROPERTY TAXES

In the opinion of Houston, Houston & Donnelly, counsel to the Trust:

- the Trust is not subject to Pennsylvania corporate or personal property taxes; and
- Trust shares may be subject to personal property taxes imposed by counties, municipalities, and school districts in Pennsylvania to the extent that the portfolio securities in the Trust would be subject to such taxes if owned directly by residents of those jurisdictions.

Shareholders are urged to consult their own tax advisers regarding the status of their accounts under state and local tax laws.

#### PERFORMANCE INFORMATION

-----

From time to time, the Trust advertises its total return and yield.

Total return represents the change, over a specific period of time, in the value of an investment in the Trust 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 Trust is calculated by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Trust over a thirty-day period by the net asset value per share of the Trust 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 Trust and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

The Trust is sold without any sales load or other similar non-recurring charges.

From time to time, the Trust may advertise its performance using certain reporting services and/or compare its performance to certain indices.

FEDERATED GROWTH TRUST

PORTFOLIO OF INVESTMENTS

OCTOBER 31, 1993

<TABLE>  
<CAPTION>  
SHARES VALUE

---

<C> <S> <C>

COMMON STOCKS--79.4%

---

	AUTOMOTIVE PARTS--4.4%	
900,000	Allen Group, Inc.	\$ 20,250,000
	BANKING & FINANCE--6.2%	
500,000	MBNA Corp.	17,062,500
250,000	NationsBank Corp.	11,656,250
	Total	28,718,750

</TABLE>

<TABLE>  
<C> <S> <C>

BASIC INDUSTRY--5.5%

150,000	Cleveland-Cliffs, Inc.	5,400,000
310,000	Harsco Corp.	13,020,000
240,000	Medusa Corp.	6,600,000
	Total	25,020,000

CAPITAL GOODS--17.3%

545,000	Alliant Techsystems, Inc.**	15,873,125
222,100	Dover Corp.	12,770,750
475,000	Greenfield Industries, Inc.	7,837,500
670,000	Kenetech Corp.**	10,468,750
628,200	MagneTek, Inc.**	9,501,525
200,000	Stewart & Stevenson Services, Inc.	9,050,000
675,000	Valence Technology, Inc.**	14,343,750
	Total	79,845,400

CONSUMER GOODS--RETAIL--7.6%		
500,000	Blockbuster Entertainment Corp.	14,187,500
1,200,000	Service Merchandise, Inc.**	12,000,000
600,000	Showbiz Pizza Time, Inc.**	8,700,000
	Total	34,887,500

</TABLE>

FEDERATED GROWTH TRUST

<TABLE>		
<CAPTION>		
SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
CONSUMER PRODUCTS--15.2%		
1,200,000	ADT, Limited**	\$ 10,800,000
300,000	Dial Corp.	11,512,500
1,405,000	Dr. Pepper/7-Up Holding Co.**	29,329,375
40,000	Exide Electronics Group	740,000
450,000	Genlyte Group, Inc.**	1,687,500
150,000	Nike, Inc.	7,256,250
100,000	Sensormatic Electronics Corp.	4,650,000
200,000	Starter Corp.**	4,050,000
	Total	70,025,625
ENERGY--2.2%		
400,000	Valero Energy Corp.	10,050,000
HEALTHCARE--11.0%		
350,000	Genentech, Inc.**	16,143,750
460,000	Genetics Institute, Inc.**	19,550,000
350,000	National Health Laboratories, Inc.	4,768,750
250,000	Spacelabs Medical, Inc.**	5,937,500
93,000	U.S. Healthcare, Inc.	4,312,875
	Total	50,712,875
INSURANCE--1.9%		
250,000	Travelers Corp.	8,812,500
TRANSPORTATION--5.5%		
305,000	American President Companies, Ltd.	16,927,500
615,000	Greyhound Lines, Inc.**	8,533,125
	Total	25,460,625
WASTE DISPOSAL--2.6%		
3,025,000	Chambers Development, Inc.**	12,100,000
	TOTAL COMMON STOCKS (IDENTIFIED COST, \$293,095,490)	365,883,275

</TABLE>



<TABLE> <CAPTION> PRINCIPAL AMOUNT OR SHARES		VALUE
<C>	<S>	<C>
CONVERTIBLE SECURITIES--15.1%		
CONSUMER PRODUCTS--6.7%		
\$45,000,000	Coleman Worldwide Corp. LYON, 5/27/2013	\$12,375,000
3,100,000	Mattel, Inc., Conv. Deb., 8.00%, 3/15/2001	5,642,000
300,000	SunAmerica, Inc., Conv. Pfd., \$2.68, Series D	12,750,000
	Total	30,767,000

&lt;/TABLE&gt;

<TABLE> <C>		<S>	<C>
HEALTHCARE--6.0%			
45,000,000	Roche Holdings, Inc., 4.75% LYON, 9/23/2008		23,568,750
19,467	Schering-Plough Corp., Warrant Units, 12/2/96**		3,523,527
50,000	Schering-Plough Corp., Warrants, 12/2/96**		775,000
	Total		27,867,277
TRANSPORTATION--2.4%			
8,575,000	Greyhound Lines, Inc., Conv. Sub. Deb., 8.50%, 3/31/2007		11,233,250
	TOTAL CONVERTIBLE SECURITIES (IDENTIFIED COST, \$61,667,809)		69,867,527

## REPURCHASE AGREEMENT--3.2%

14,675,000	J.P. Morgan Securities, Inc., 2.99%, dated 10/29/93, due 11/1/93 (at amortized cost) (Note 1B)*	14,675,000
	TOTAL INVESTMENTS (IDENTIFIED COST, \$369,438,299)	\$450,425,802+

&lt;/TABLE&gt;

LYON--Liquid Yield Option Note.

+ The cost for federal tax purposes amounts to \$369,438,299. The net unrealized appreciation of investments on a federal tax basis amounts to \$80,987,503, which is comprised of \$103,478,932 appreciation and \$22,491,429 depreciation at October 31, 1993.

\* The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio. The investment in the repurchase agreement was through participation in a joint account with other Federated funds.

\*\* Non-income producing.

Note: The categories of investments are shown as a percentage of net assets (\$460,811,393) at October 31, 1993.

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

## STATEMENT OF ASSETS AND LIABILITIES

OCTOBER 31, 1993

	<C>	<C>
<b>ASSETS:</b>		
Investments at value (Notes 1A and 1B) (identified and tax cost, \$369,438,299)		\$450,425,802
Cash		1,252
Receivable for investments sold		12,389,189
Receivable for Trust shares sold		445,155
Dividends and interest receivable		382,601
<b>Total assets</b>		<b>463,643,999</b>
<b>LIABILITIES:</b>		
Payable for Trust shares repurchased	\$1,936,439	
Payable for investments purchased	800,000	
Accrued expenses	96,167	
<b>Total liabilities</b>		<b>2,832,606</b>
<b>NET ASSETS for 19,267,476 shares of beneficial interest outstanding</b>		<b>\$460,811,393</b>
<b>NET ASSETS CONSIST OF:</b>		
Paid-in capital		\$370,289,138
Net unrealized appreciation of investments		80,987,503
Accumulated undistributed net realized gain on investments		9,314,643
Undistributed net investment income		220,109
<b>Total</b>		<b>\$460,811,393</b>
<b>NET ASSET VALUE, Offering Price, and Redemption Price Per Share</b> ( $\$460,811,393 / 19,267,476$ shares of beneficial interest outstanding)		<b>\$23.92</b>

&lt;/TABLE&gt;

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

FEDERATED GROWTH TRUST  
STATEMENT OF OPERATIONS

YEAR ENDED OCTOBER 31, 1993

	<C>	<C>
<b>INVESTMENT INCOME:</b>		
<b>INCOME (Note 1C)--</b>		
Dividend income		\$ 4,653,615
Interest income		3,495,582
<b>Total income</b>		<b>8,149,197</b>
<b>EXPENSES--</b>		
Investment advisory fee (Note 3)	\$3,288,904	
Trustees' fees	13,837	

Administrative personnel and services (Note 3)	597,926	
Custodian, transfer and dividend disbursing agent fees and expenses	170,920	
Trust share registration costs	59,900	
Auditing fees	16,129	
Legal fees	15,906	
Printing and postage	13,622	
Insurance premiums	12,474	
Taxes	11,913	
Miscellaneous	4,124	
<b>Total expenses</b>	<b>4,205,655</b>	
<b>Net investment income</b>	<b>3,943,542</b>	
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:</b>		
Net realized gain on investment transactions (identified cost basis)	11,467,664	
Change in unrealized appreciation of investments	44,574,581	
<b>Net realized and unrealized gain on investments</b>	<b>56,042,245</b>	
<b>Change in net assets resulting from operations</b>	<b>\$59,985,787</b>	

</TABLE>

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

FEDERATED GROWTH TRUST

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

	YEAR ENDED OCTOBER 31,	
	1993	1992
	<C>	<C>
<b>INCREASE (DECREASE) IN NET ASSETS:</b>		
<b>OPERATIONS--</b>		
Net investment income	\$ 3,943,542	\$ 5,338,408
Net realized gain on investments (\$9,253,729 and \$3,178,328 net gain, respectively, as computed for federal tax purposes)	11,467,664	964,392
Change in unrealized appreciation (depreciation) of investments	44,574,581	(35,347)
<b>Change in net assets resulting from operations</b>	<b>59,985,787</b>	<b>6,267,453</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS (NOTE 1C)--</b>		
Dividends to shareholders from net investment income	(4,405,675)	(5,106,830)
Distributions to shareholders from net realized gain on investment transactions	(3,134,631)	(11,197,122)
<b>Change in net assets from distributions to shareholders</b>	<b>(7,540,306)</b>	<b>(16,303,952)</b>
<b>TRUST SHARE (PRINCIPAL) TRANSACTIONS (NOTE 2)--</b>		
Proceeds from sale of shares	219,086,722	280,410,282
Net asset value of shares issued to shareholders electing to receive payment of dividends in Trust shares	3,344,081	7,368,633
Cost of shares redeemed	(205,719,474)	(161,648,708)

Change in net assets from Trust share transactions	16,711,329	126,130,207
Change in net assets	69,156,810	116,093,708
NET ASSETS:		
Beginning of period	391,654,583	275,560,875
End of period (including undistributed net investment income of \$220,109 and \$682,242, respectively)	\$ 460,811,393	\$ 391,654,583

</TABLE>

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

FEDERATED GROWTH TRUST

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES

The Trust is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end, management investment company. The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

<TABLE>

<S> <C>

- A. INVESTMENT VALUATIONS--Equity portfolio securities listed on the New York Stock Exchange or any other national securities exchange are valued at the last sale price or, if there has been no sale on that day, at the mean between bid and asked prices. Unlisted equity securities are valued at the latest bid prices. Bonds and other fixed income portfolio securities (which may trade on a national securities exchange and/or over-the-counter) are valued at the last sale price on a national securities exchange on that day, if available; otherwise, they shall be valued on the basis of prices provided by an independent pricing service, when such prices are believed to reflect the fair market value of such securities. Short-term obligations shall ordinarily be valued at the mean between bid and asked prices as furnished by an independent pricing service. However, short-term obligations with maturities of 60 days or less are valued at amortized cost, which approximates value.
- B. REPURCHASE AGREEMENTS--It is the policy of the Trust to require the 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 in support of repurchase agreement investments. Additionally, procedures have been established by the Trust to monitor, on a daily basis, the market value of each repurchase agreement's underlying securities to ensure the existence of a proper level of collateral. The Trust will only enter into repurchase agreements with banks and other recognized financial institutions such as broker/dealers, which are deemed by the Trust's adviser to be creditworthy pursuant to guidelines established by the Trustees. Risks may arise from the potential inability of counterparties to honor the terms of the repurchase agreement. Accordingly, the Trust could receive less than the repurchase price on the sale of collateral securities.
- C. INCOME--Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Interest income includes interest and discount earned (net of premium) on short-term obligations and interest earned on all other debt securities, including original issue discount as required by the Internal Revenue Code, as amended. Dividends to shareholders and capital gain distributions, if any, are recorded on the ex-dividend date.
- D. FEDERAL TAXES--It is the Trust's policy to comply with the provisions of the Internal Revenue Code, as amended, available to regulated investment companies and distribute to shareholders each year all of its taxable income, including any net realized gain on investments. Accordingly, no provision for federal tax is necessary.

</TABLE>

FEDERATED GROWTH TRUST

<TABLE>

<S> <C>

- E. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Trust may engage in when-issued or delayed transactions. To the extent the Trust engages in such transactions, it will do so

for the purpose of acquiring portfolio securities consistent with its investment objective and policies, and not for the purpose of investment leverage. The Trust will record a when-issued security and the related liability on the trade date. Until the securities are received and paid for, the Trust will maintain 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.

F. OTHER--Investment transactions are accounted for on the date of the transaction.  
</TABLE>

(2) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value). Transactions in Trust shares were as follows:

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,	
	1993	1992
<S>	<C>	<C>
Shares outstanding, beginning of period	18,512,764	12,769,445
Shares sold	9,655,835	12,837,946
Shares issued to shareholders electing to receive payment of dividends and distributions in Trust shares	148,924	362,982
Shares redeemed	(9,050,047)	(7,457,609)
Shares outstanding, end of year	19,267,476	18,512,764

</TABLE>

(3) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Federated Management, the Trust's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .75 of 1% of the Trust's average daily net assets. For the fiscal year ended October 31, 1993, the advisory fee amounted to \$3,288,904. Administrative personnel and services were provided at approximate cost by Federated Administrative Services, Inc. Certain of the Officers and Trustees of the Trust are Officers and Directors of the above corporations.

(4) INVESTMENT TRANSACTIONS

Purchases and sales of investments (excluding short-term obligations) for the year ended October 31, 1993, were as follows:

<TABLE>  
<S>

	<C>
PURCHASES--	\$247,413,363
SALES--	\$237,644,647

</TABLE>

REPORT OF ERNST & YOUNG, INDEPENDENT AUDITORS

To the Trustees and Shareholders of  
FEDERATED GROWTH TRUST:

We have audited the accompanying statement of assets and liabilities including the portfolio of investments, of Federated Growth Trust, as of October 31, 1993, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights (see page 2 of this prospectus) for each of the ten years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility

is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 1993, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Federated Growth Trust at October 31, 1993, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and financial highlights for each of the ten years in the period then ended, in conformity with generally accepted accounting principles.

ERNST & YOUNG

Pittsburgh, Pennsylvania

December 10, 1993

[THIS PAGE INTENTIONALLY LEFT BLANK]

ADDRESSES

<TABLE> <S>	<C>	<C>
	Federated Growth Trust	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
Distributor	Federated Securities Corp.	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
Investment Adviser	Federated Management	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
Custodian	State Street Bank and Trust Company	P.O. Box 8602 Boston, Massachusetts 02266-8602
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	Ernst & Young	One Oxford Centre Pittsburgh, Pennsylvania 15219

FEDERATED GROWTH TRUST  
PROSPECTUS

A No-Load, Open-End, Diversified

December 31, 1993

FEDERATED SECURITIES CORP.  
(LOGO)

-----  
Distributor

A subsidiary of FEDERATED INVESTORS

FEDERATED INVESTORS TOWER

PITTSBURGH, PA 15222-3779

8112804A (12/93)

FEDERATED GROWTH TRUST

STATEMENT OF ADDITIONAL INFORMATION

This Statement of Additional Information should be read with the prospectus of Federated Growth Trust (the "Trust") dated December 31, 1993. This Statement is not a prospectus itself. To receive a copy of the prospectus, write or call the Trust.

FEDERATED INVESTORS TOWER  
PITTSBURGH, PENNSYLVANIA 15222-3779

Statement dated December 31, 1993

FEDERATED SECURITIES CORP.  
(LOGO)

-----  
Distributor

A subsidiary of FEDERATED INVESTORS

TABLE OF CONTENTS

-----	
GENERAL INFORMATION ABOUT THE TRUST	1
-----	
INVESTMENT OBJECTIVE AND POLICIES	1
-----	
Types of Investments	1
Temporary Investments	1
When-Issued and Delayed	
Delivery Transactions	2
Lending of Portfolio Securities	2
Repurchase Agreements	2
Reverse Repurchase Agreements	2
Portfolio Turnover	3
Investment Limitations	3
TRUST MANAGEMENT	5
-----	
Officers and Trustees	5
The Funds	7
Trust Ownership	7
Trustee Liability	7
INVESTMENT ADVISORY SERVICES	8
-----	
Adviser to the Trust	8
Advisory Fees	8

Other Related Services	8
ADMINISTRATIVE ARRANGEMENTS	8
-----	
ADMINISTRATIVE SERVICES	8
-----	
BROKERAGE TRANSACTIONS	9
-----	
PURCHASING SHARES	9
-----	
Conversion to Federal Funds	9
DETERMINING NET ASSET VALUE	9
-----	
Determining Market Value of Securities	9
REDEEMING SHARES	9
-----	
Redemption in Kind	9
EXCHANGING SECURITIES FOR TRUST SHARES	10
-----	
Tax Consequences	10
TAX STATUS	10
-----	
The Trust's Tax Status	10
Shareholders' Tax Status	10
TOTAL RETURN	10
-----	
YIELD	11
-----	
PERFORMANCE COMPARISONS	11
-----	

#### GENERAL INFORMATION ABOUT THE TRUST

-----

Federated Growth Trust (the "Trust") was established as a Massachusetts business trust under a Declaration of Trust dated April 17, 1984.

#### INVESTMENT OBJECTIVE AND POLICIES

-----

The Trust's investment objective is appreciation of capital. The Trust pursues this investment objective by investing primarily in equity securities of companies with prospects for above-average growth in earnings and dividends, or of companies where significant fundamental changes are taking place. The investment objective cannot be changed without approval of shareholders.

#### TYPES OF INVESTMENTS

The Trust may invest in common stocks, preferred stocks, corporate bonds, debentures, notes, warrants, and put options on stocks.

#### CORPORATE DEBT SECURITIES

Corporate debt securities may bear fixed, fixed and contingent, or variable rates of interest. They may involve equity features such as conversion or exchange rights, warrants for the acquisition of common stock of the same or a different issuer, participations based on revenues, sales, or profits, or the purchase of common stock in a unit transaction (where corporate debt securities and common stock are offered



as a unit).

#### RESTRICTED SECURITIES

The Trust expects that any restricted securities would be acquired either from institutional investors who originally acquired the securities in private placements or directly from the issuers of the securities in private placements. Restricted securities and securities that are not readily marketable may sell at a discount from the price they would bring if freely marketable.

#### PUT AND CALL OPTIONS

The Trust may purchase listed put options on stocks or write covered call options to protect against price movements in particular securities in its portfolio and generate income. A put option gives the Trust, in return for a premium, the right to sell the underlying security to the writer (seller) at a specified price during the term of the option. As writer of a call option, the Trust has the obligation upon exercise of the option during the option period to deliver the underlying security upon payment of the exercise price.

The Trust may only: (1) buy put options which are listed on a recognized options exchange and which are on securities held in its portfolio; and (2) sell listed call options either on securities held in its portfolio or on securities which it has the right to obtain without payment of further consideration (or has segregated cash in the amount of any such additional consideration). The Trust will maintain its positions in securities, option rights, and segregated cash subject to puts and calls until the options are exercised, closed, or expire. An option position may be closed out only on an exchange which provides a secondary market for an option of the same series. Although the investment adviser will consider liquidity before entering into option transactions, there is no assurance that a liquid secondary market on an exchange will exist for any particular option or at any particular time. The Trust reserves the right to hedge the portfolio by buying financial futures and put options on stock index futures and financial futures. However, the Trust will not engage in these transactions until (1) an amendment to its Registration Statement is filed with the Securities and Exchange Commission and becomes effective; and (2) ten days after a supplement to the prospectus disclosing this change in policy has been mailed to the shareholders.

#### TEMPORARY INVESTMENTS

The Trust may also invest in temporary investments from time to time for defensive purposes.

#### MONEY MARKET INSTRUMENTS

The Trust may invest in the following money market instruments:

- instruments of domestic and foreign banks and savings and loans if they have capital, surplus, and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured in full by the Bank Insurance Fund, which is administered by the Federal Deposit Insurance Corporation ("FDIC"), or the Savings Association Insurance Fund, which is administered by the FDIC; and
- prime commercial paper (rated A-1 by Standard and Poor's Corporation, Prime-1 by Moody's Investors Service, Inc., or F-1 by Fitch Investors Service, Inc.).

---

#### U.S. GOVERNMENT OBLIGATIONS

The types of U.S. government obligations in which the Trust may invest generally include direct obligations of the U.S. Treasury (such as U.S. Treasury bills, notes, and bonds) and obligations issued or guaranteed by 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 Banks;
- Federal Home Loan Banks;
- Federal National Mortgage Association;
- Student Loan Marketing Association; and
- Federal Home Loan Mortgage Corporation.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS

These transactions are arrangements in which the Trust purchases securities with payment and delivery scheduled for a future time. The Trust engages in when-issued and delayed delivery transactions only for the purpose of acquiring portfolio securities consistent with the Trust's investment objective and policies, not for investment leverage.

These transactions are made to secure what is considered to be an advantageous price and yield for the Trust. 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 prices.

No fees or other expenses, other than normal transaction costs, are incurred. However, liquid assets of the Trust sufficient to make payment for the securities to be purchased are segregated at the trade date. These securities are marked to market daily and are maintained until the transaction is settled.

The Trust may engage in these transactions to an extent that would cause the segregation of an amount up to 20% of the total value of its assets.

LENDING OF PORTFOLIO SECURITIES

The collateral received when the Trust 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 Trust. During the time portfolio securities are on loan, the borrower pays the Trust any dividends or interest paid on such securities. Loans are subject to termination at the option of the Trust or the borrower. The Trust 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 Trust 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.

REPURCHASE AGREEMENTS

The Trust or its custodian will take possession of the securities subject to repurchase agreements, and these securities will be marked to market daily. In the event that such a defaulting seller filed for bankruptcy or became insolvent, disposition of such securities by the Trust might be delayed pending court action. The Trust believes that under the regular procedures normally in effect for custody of the Trust's portfolio securities subject to repurchase agreements, a court of competent jurisdiction would rule in favor of the Trust and allow retention or disposition of such securities. The Trust will only enter into repurchase agreements with banks and other recognized financial institutions, such as broker/dealers, which are found by the Trust's investment adviser to be creditworthy pursuant to guidelines established by the Board of Trustees (the "Trustees").

REVERSE REPURCHASE AGREEMENTS

The Trust may also enter into reverse repurchase agreements. This transaction is similar to borrowing cash. In a reverse repurchase agreement, the Trust 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 Trust will repurchase the portfolio instrument by remitting the original consideration plus interest at an agreed upon rate. The use of reverse repurchase agreements may enable the Trust to

-----  
 avoid selling portfolio instruments at a time when a sale may be deemed to be disadvantageous, but the ability to enter into reverse repurchase agreements does not ensure that the Trust will be able to avoid selling portfolio instruments at a disadvantageous time.

When effecting reverse repurchase agreements, liquid assets of the Trust, 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 are maintained until the transaction is settled.

#### PORTFOLIO TURNOVER

The Trust will not attempt to set or meet a portfolio turnover rate since any turnover would be incidental to transactions undertaken in an attempt to achieve the Trust's investment objective. For the fiscal years ended October 31, 1993, and 1992, the portfolio turnover rates were 57% and 46%, respectively.

#### INVESTMENT LIMITATIONS

##### CONCENTRATION OF INVESTMENTS

The Trust will not purchase securities if, as a result of such purchase, 25% or more of the value of its total assets would be invested in any one industry.

However, the Trust may at times invest 25% or more of the value of its total assets in cash or cash items (not including certificates of deposit), securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, or repurchase agreements secured by such instruments.

##### INVESTING IN COMMODITIES

The Trust will not purchase or sell commodities. The Trust reserves the right to hedge the portfolio by purchasing financial futures and put options on stock index futures and on financial futures.

##### INVESTING IN REAL ESTATE

The Trust will not purchase or sell real estate, although it may invest in the securities of companies whose business involves the purchase or sale of real estate, or in securities which are secured by real estate or interests in real estate.

##### BUYING ON MARGIN

The Trust will not purchase any securities on margin but may obtain such short-term credits as may be necessary for clearance of transactions and may make margin payments in connection with buying financial futures, put options on stock index futures, and put options on financial futures.

##### SELLING SHORT

The Trust will not sell securities short unless:

- during the time the short position is open, it owns an equal amount of the securities sold or securities convertible into or exchangeable, without payment of additional consideration, for securities of the same issuer as, and equal in amount to, the securities sold short; and
- not more than 10% of the Trust's net assets (taken at current value) is held as collateral for such sales at any one time.

##### ISSUING SENIOR SECURITIES AND BORROWING MONEY

The Trust will not issue senior securities, except as permitted by its investment objective and policies, and except that the Trust may borrow money and engage in reverse repurchase agreements only in amounts up to one-third of the value of its net assets, including the amounts borrowed. The Trust will not borrow money or engage in reverse repurchase agreements for investment leverage, but rather as a temporary, extraordinary, or emergency measure, or to facilitate management of the portfolio by enabling the Trust to meet redemption requests where the liquidation of portfolio securities is deemed to be inconvenient or disadvantageous. The Trust will not purchase any securities while any such borrowings (including reverse repurchase agreements) are outstanding.

##### LENDING CASH OR SECURITIES

The Trust will not lend any of its assets except portfolio securities. This shall not prevent the purchase or holding of corporate or government bonds, debentures, notes, certificates of indebtedness, or other debt securities of an issuer, repurchase agreements, or other transactions

which are permitted by the Trust's investment objective and policies or Declaration of Trust.

---

#### UNDERWRITING

The Trust 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 objective, policies, and limitations.

#### INVESTING IN MINERALS

The Trust will not purchase interests in oil, gas, or other mineral exploration or development programs or leases, although it may invest in the securities of issuers which invest in or sponsor such programs.

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 SECURITIES OF OTHER INVESTMENT COMPANIES

The Trust will not purchase securities of other investment companies, except by purchases in the open market involving only customary brokerage commissions and as a result of which not more than 10% of the value of its total assets would be invested in such securities, or except as part of a merger, consolidation, or other acquisition. (It should be noted that investment companies incur certain expenses such as management fees and, therefore, any investment by the Trust in shares of another investment company would be subject to such duplicate expenses.)

#### INVESTING IN ILLIQUID SECURITIES

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

#### INVESTING IN NEW ISSUERS

The Trust will not invest more than 5% of the value of its total assets in securities of issuers which have records of less than three years of continuous operations, including the operation of any predecessor.

#### INVESTING IN ISSUERS WHOSE SECURITIES ARE OWNED BY OFFICERS OF THE TRUST

The Trust will not purchase or retain the securities of any issuer if the officers and Trustees of the Trust or its investment adviser owning individually more than 1/2 of 1% of the issuer's securities together own more than 5% of the issuer's securities.

#### PLEDGING ASSETS

The Trust 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 10% of the value of total assets at the time of the borrowing.

#### PURCHASING PUT OPTIONS

The Trust will not purchase put options on securities unless the securities are held in the Trust's portfolio and not more than 5% of the value of the Trust's total assets would be invested in premiums on open put options.

#### WRITING COVERED CALL OPTIONS

The Trust will not write call options on securities unless the securities are held in the Trust's portfolio or unless the Trust is entitled to them in deliverable form without further payment or after segregating cash in the amount of any further payment.

#### DIVERSIFICATION OF INVESTMENTS

The Trust will not purchase the securities of any issuer (other than the

U.S. government, its agencies, or instrumentalities, or instruments secured by securities of such issuers, such as repurchase agreements) if, as a result, more than 5% of the value of its total assets would be invested in the securities of such issuer or acquire more than 10% of any class of voting securities of any issuer. For these purposes, the Trust takes all common stock and all preferred stock of an issuer, each as a single class, regardless of priorities, series, designations, or other differences.

ACQUIRING SECURITIES

The Trust will not purchase securities of a company for the purpose of exercising control or management. However, the Trust may invest in up to 10% of the voting securities of any one issuer and may exercise its

-----  
 voting powers consistent with the best interests of the Trust. In addition, the Trust, other companies advised by the Trust's investment adviser, and other affiliated companies may together buy and hold substantial amounts of voting stock of a company and may vote together in regard to such company's affairs. In some such cases, the Trust and its affiliates might collectively be considered to be in control of such company. In some cases, Trustees and other persons associated with the Trust and its affiliates might possibly become directors of companies in which the Trust holds stock.

INVESTING IN WARRANTS

The Trust will not invest more than 5% of the value of its total assets in warrants. No more than 2% of this 5% may be warrants which are not listed on the New York or American Stock Exchange. Warrants acquired in units or attached to securities may be deemed to be without value for purposes of this policy.

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 or net assets will not result in a violation of such restriction. The Trust did not borrow money, sell securities short, or invest in reverse repurchase agreements in excess of 5% of the value of its total assets during the last fiscal year and has no present intent to do so in the coming fiscal year.

In addition to the limitations set forth above, the Trust will not purchase or sell real estate limited partnership interests or oil, gas, or other mineral leases, except that the Trust may purchase or sell securities of companies which invest in or hold the foregoing.

TRUST MANAGEMENT

OFFICERS AND TRUSTEES

Officers and Trustees are listed with their addresses, principal occupations, and present positions, including any affiliation with Federated Management, Federated Investors, Federated Securities Corp., Federated Administrative Services, Inc., and the Funds (as defined below).

<TABLE>

<CAPTION>

<S>	NAME AND ADDRESS <C>	POSITIONS WITH THE TRUST <C>	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS <C>
	John F. Donahue+* Federated Investors Tower Pittsburgh, PA	Chairman and Trustee	Chairman and Trustee, Federated Investors; Chairman and Trustee, Federated Advisers, Federated Management, and Federated Research; Director, Aetna Life and Casualty Company; Chief Executive Officer and Director, Trustee, or Managing General Partner of the Funds; formerly, Director, The Standard Fire Insurance Company. Mr. Donahue is the father of J. Christopher Donahue, Vice President of the Trust.

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>
	John T. Conroy, Jr. Wood/IPC Commercial Department	Trustee	President, Investment Properties Corporation; Senior Vice President, John R. Wood and Associates, Inc., Realtors; President Northgate Village Development Corporation;

John R. Wood and  
Associates, Inc.,  
Realtors  
3255 Tamiami Trail North  
Naples, FL

General 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

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

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.

</TABLE>

<TABLE>  
<CAPTION>

<S>	NAME AND ADDRESS <C>	POSITIONS WITH THE TRUST <C>	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS <C>
	Lawrence D. Ellis, M.D. 3471 Fifth Avenue Suite 1111 Pittsburgh, PA	Trustee	Hematologist, Oncologist, and Internist, Presbyterian and Montefiore Hospitals; Clinical Professor of Medicine and Trustee, University of Pittsburgh; Director, Trustee, or Managing General Partner of the Funds.
	Edward L. Flaherty, Jr.+ 5916 Penn Mall Pittsburgh, PA	Trustee	Attorney-at-Law; Partner, 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	Trustee	Consultant; State Representative, Commonwealth of Massachusetts; Director, Trustee, or Managing General Partner of the Funds; formerly, President, State Street Bank & Trust Company and State Street Boston Corporation and Trustee, Lahey Clinic Foundation, Inc.
	Gregor F. Meyer 5916 Penn Mall Pittsburgh, PA	Trustee	Attorney-at-law; Partner, 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.
	Wesley W. Posvar 1202 Cathedral of Learning University of Pittsburgh Pittsburgh, PA	Trustee	Professor, Foreign Policy and Management Consultant; Trustee; Carnegie Endowment for International Peace, and 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 & Technology.
	Marjorie P. Smuts 4905 Bayard Street Pittsburgh, PA	Trustee	Public relations/marketing consultant; Director, Trustee, or Managing General Partner of the Funds.
	J. Christopher Donahue Federated Investors Tower Pittsburgh, PA	Vice President	President and Trustee, Federated Investors; Trustee, Federated Advisers, Federated Management, and Federated Research; President and Director, Federated Administrative Services, Inc.; 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	Vice President	Executive Vice President and Trustee, Federated Investors; Chairman and Director, Federated Securities Corp.; President or Vice President of the Funds; Director or Trustee of some of the Funds.
	Edward C. Gonzales Federated Investors Tower Pittsburgh, PA	Vice President and Treasurer	Vice President, Treasurer, and Trustee, Federated Investors; Vice President and Treasurer, Federated Advisers, Federated Management, and Federated Research; Executive Vice President, Treasurer, and Director, Federated Securities Corp.; Chairman, Treasurer, and Director, Federated Administrative Services, Inc.; Trustee

or Director of some of the Funds; Vice President and Treasurer of the Funds.

Glen R. Johnson Federated Investors Tower Pittsburgh, PA	President	Trustee, Federated Investors; President and/or Trustee of some of the Funds; staff member, Federated Securities Corp. and Federated Administrative Services, Inc.
---	-----------	---

</TABLE>

<TABLE>  
<CAPTION>

<S>	NAME AND ADDRESS <C>	POSITIONS WITH THE TRUST <C>	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS <C>
	John W. McGonigle Federated Investors Tower Pittsburgh, PA	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; Executive Vice President, Secretary, and Director, Federated Administrative Services, Inc.; Director and Executive Vice President, Federated Securities Corp.; Vice President and Secretary of the Funds.
	John A. Staley, IV Federated Investors Tower Pittsburgh, PA	Vice President	Vice President and Trustee, Federated Investors; Executive Vice President, Federated Securities Corp.; President and Trustee, Federated Advisers, Federated Management, and Federated Research; Vice President of the Funds; Director, Trustee, or Managing General Partner of some of the Funds; formerly, Vice President, The Standard Fire Insurance Company and President of its Federated Research Division.

</TABLE>

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

+ Members of the Trust's Executive Committee. The Executive Committee of the Board of Trustees handles the responsibilities of the Board of Trustees between meetings of the Board.

#### THE FUNDS

"The Funds" and "Funds" mean the following investment companies: A.T. Ohio Tax-Free Money Fund; American Leaders Fund, Inc.; Annuity Management Series; Automated Cash Management Trust; Automated Government Money Trust; The Boulevard Funds; California Municipal Cash Trust; Cash Trust Series II; Cash Trust Series, Inc.; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; FT Series, Inc.; 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 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; Intermediate Municipal Trust; 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; Mark Twain Funds; Money Market Management, Inc.; Money Market Obligations Trust; Money Market Trust; Municipal Securities Income Trust; New York Municipal Cash Trust; 111 Corcoran Funds; The Planters Funds; Portage Funds; RIMCO Monument Funds; The Shawmut Funds; Short-Term Municipal Trust; Signet Select Funds; 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.

#### TRUST OWNERSHIP

Officers and Trustees own less than 1% of the Trust's outstanding shares. As of November 29, 1993, no shareholder of record owned 5% or more of the outstanding

shares of the Trust.

#### 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 TRUST

The Trust's investment adviser is Federated Management (the "Adviser"). It is a subsidiary of Federated Investors. All of the voting securities 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, Chairman and Trustee of Federated Management, is Chairman and Trustee of Federated Investors and Chairman and Trustee of the Trust. John A. Staley, IV, President and Trustee of Federated Management, is Vice President and Trustee of Federated Investors, Executive Vice President of Federated Securities Corp.; and Vice President of the Trust. J. Christopher Donahue, Trustee of Federated Management, is President and Trustee of Federated Investors; President and Director of Federated Administrative Services, Inc.; and Vice President of the Trust. John W. McGonigle, Vice President, Secretary, and Trustee of Federated Management, is Trustee, Vice President, Secretary, and General Counsel of Federated Investors; Director, Executive Vice President, and Secretary of Federated Administrative Services, Inc.; Executive Vice President and Director of Federated Securities Corp.; and Vice President and Secretary of the Trust.

The Adviser shall not be liable to the Trust 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 Management receives an annual investment advisory fee as described in the prospectus. During the fiscal years ended October 31, 1993, 1992, and 1991, the Trust's Adviser earned \$3,288,904, \$2,594,945, and \$1,579,396, respectively, which was reduced by \$0, \$0, and \$204,714, respectively.

#### STATE EXPENSE LIMITATION

The Adviser has undertaken to comply with the expense limitation established by certain states for investment companies whose shares are registered for sale in those states. If the Trust's normal operating expenses (including the investment advisory fee, but not including brokerage commissions, interest, taxes, and extraordinary expenses) exceed 2 1/2% per year of the first \$30 million of average net assets, 2% per year on the next \$70 million of average net assets, and 1 1/2% per year of the remaining average net assets, the Adviser will reimburse the Trust for its expenses over the limitation.

If the Trust's monthly projected operating expenses exceed this limitation, the investment advisory fee paid will be reduced by the amount of the excess, subject to an annual adjustment. If the expense limitation is exceeded, the amount to be reimbursed by the Adviser will be limited, in any single fiscal year, by the amount of the investment advisory fee. This arrangement is not part of the advisory contract and may be amended or rescinded in the future.

#### OTHER RELATED SERVICES

Affiliates of the Adviser may, from time to time, provide certain electronic equipment and software to institutional customers in order to facilitate the purchase of shares of funds offered by Federated Securities Corp.

#### ADMINISTRATIVE ARRANGEMENTS

-----

For the fiscal year ended October 31, 1993, the distributor paid \$202,675 to brokers and dealers for distribution and administrative services and to administrators for administrative services. The administrative services include,



but are not limited to, providing office space, equipment, telephone facilities, and various personnel, including clerical, supervisory, and computer, as is necessary or beneficial to establish and maintain shareholders' accounts and records; processing purchase and redemption transactions; processing automatic investments of client account cash balances; answering routine client inquiries regarding the Trust; assisting clients in changing dividend options, account designations, and addresses; and providing such other services as the Trust may reasonably request.

#### ADMINISTRATIVE SERVICES

-----

Federated Administrative Services, Inc., a subsidiary of Federated Investors, provides administrative personnel and services to the Trust at approximate cost. For the fiscal years ended October 31, 1993, 1992, and 1991, the Trust incurred costs for administrative services of \$597,926, \$515,312, and \$442,276, respectively. John A. Staley, IV, an officer of the Trust, and Dr. Henry J. Gailliot, an officer of Federated Management, the Adviser to the Trust, 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, Inc. For the fiscal years ended October 31, 1993, 1992, and 1991, Federated Administrative Services, Inc., paid \$165,431, \$189,741, and \$187,677, respectively, for services provided by Commercial Data Services, Inc.

#### BROKERAGE TRANSACTIONS

-----

The Adviser may select brokers and dealers who offer brokerage and research services. These services may be furnished directly to the Trust 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 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 fiscal years ended October 31, 1993, 1992, and 1991, the Trust paid total brokerage commissions of \$336,988, \$604,078, and \$311,540, respectively.

#### PURCHASING SHARES

-----

Shares 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 Trust is explained in the prospectus under "Investing in the Trust."

#### CONVERSION TO FEDERAL FUNDS

It is the Trust's policy to be as fully invested as possible so that maximum interest may be earned. To this end, all payments from shareholders must be in federal funds or be converted into federal funds. State Street Bank acts as the shareholder's agent in depositing checks and converting them to federal funds.

#### DETERMINING NET ASSET VALUE

-----

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

#### DETERMINING MARKET VALUE OF SECURITIES

Market values of the Trust's portfolio securities, other than options, are determined as follows:

- - 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 and for bonds and other fixed income securities as determined by an independent pricing service;
- - for unlisted equity securities, the latest bid prices; or
- - for short-term obligations, according to the mean between bid and asked prices as furnished by an independent pricing service or at fair value as determined in good faith by the Board of Trustees.

Options are valued at the market values established by the exchanges at the close of option trading unless the Trustees determine in good faith that another method of valuing option positions is necessary to appraise their fair value.

#### REDEEMING SHARES

-----  
The Trust redeems shares at the next computed net asset value after the Trust receives the redemption request. Redemption procedures are explained in the prospectus under "Redeeming Shares." Although State Street Bank does not charge for telephone redemptions, it reserves the right to charge a fee for the cost of wire-transferred redemptions of less than \$5,000.

#### REDEMPTION IN KIND

Although the Trust intends to redeem shares in cash, it reserves the right, under certain circumstances, to pay the redemption price in whole or in part by a distribution of securities from the Trust's portfolio.

-----  
Redemption in kind will be made in conformity with applicable Securities and Exchange Commission rules, taking such securities at the same value employed in determining net asset value and selecting the securities in a manner the Trustees determine to be fair and equitable. To the extent available, such securities will be readily marketable.

The Trust has elected to be governed by Rule 18f-1 of the Investment Company Act of 1940 under which the Trust is obligated to redeem shares for any one shareholder in cash only up to the lesser of \$250,000 or 1% of the Trust's net asset value during any 90-day period.

#### EXCHANGING SECURITIES FOR TRUST SHARES

-----  
Investors may exchange securities they already own for Trust shares, or they may exchange a combination of securities and cash for Trust shares. An investor should forward the securities in negotiable form with an authorized letter of transmittal to Federated Securities Corp. The Trust will notify the investor of its acceptance and valuation of the securities within five business days of their receipt by State Street Bank.

The Trust values securities in the same manner as the Trust values its assets. The basis of the exchange will depend upon the net asset value of Trust shares on the day the securities are valued. One share of the Trust will be issued for each equivalent amount of securities accepted.

Any interest earned on the securities prior to the exchange will be considered in valuing the securities. All interest, dividends, subscription, or other rights attached to the securities become the property of the Trust, along with the securities.

#### TAX CONSEQUENCES

Exercise of this exchange privilege is treated as a sale for federal income tax

purposes. Depending upon the cost basis of the securities exchanged for Trust shares, a gain or loss may be realized by the investor.

#### TAX STATUS

-----

##### THE TRUST'S TAX STATUS

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

##### SHAREHOLDERS' TAX STATUS

Shareholders are subject to federal income tax on dividends and capital gains received as cash or additional shares. No portion of any income dividend paid by the Trust is eligible for the dividends received deduction available to corporations. These dividends, and any short-term capital gains, are taxable as ordinary income.

##### CAPITAL GAINS

Shareholders will pay federal tax at capital gains rates on long-term capital gains distributed to them regardless of how long they have held the Trust shares.

##### TOTAL RETURN

-----

The Trust's average annual total return for the one-year and five-year periods ended October 31, 1993, and for the period from August 23, 1984 (effective date of the Trust's registration statement), to October 31, 1993, were 15.06%, 13.80%, and 16.48%, respectively.

The average annual total return for the Trust 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.

##### YIELD

-----

The Trust's yield for the thirty-day period ended October 31, 1993, was 0.63%. The yield for the Trust is determined by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Trust over a thirty-day period by the offering price per share of the Trust on the last day of the period. This value is 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 Trust 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. To the extent that financial institutions and broker/dealers charge fees in connection with services provided in conjunction with an investment in the Trust, performance will be reduced for those shareholders paying those fees.

##### PERFORMANCE COMPARISONS

-----

The Trust'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 Trust expenses; and
- - various other factors.

The Trust'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.

From time to time, the Trust may advertise its performance compared to similar funds or portfolios using certain indices, reporting services, and financial publications. These may include the following:

- - LIPPER ANALYTICAL SERVICES, INC., ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all capital gains distributions and income dividends and takes into account any change in net asset value over a specified period of time. From time to time, the Trust will quote its Lipper ranking in the "growth 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 LOW-PRICED INDEX compares a group of approximately twenty actively traded stocks priced under \$25 for one month periods and year-to-date.
- - 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 reinvestments 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.
- - STANDARD & POOR'S 500 (S&P 500) is an unmanaged index of common stocks in industry, transportation, finance, and public utilities denoting general market performance, as monitored by Standard & Poor's Corporation.
- - LIPPER GROWTH FUND AVERAGE is an average of the total returns for 251 growth funds tracked by Lipper Analytical Services, Inc., an independent mutual fund rating service.
- - LIPPER GROWTH FUND INDEX is an average of the net asset-valuated total returns for the top 30 growth funds tracked by Lipper Analytical Services, Inc., an independent mutual fund rating service.
- - 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.

Investors may use such indices or reporting services in addition to the Trust's prospectus to obtain a more complete view of the Trust's performance before investing. Of course, when comparing Trust performance to any index, factors such as composition of the index and prevailing market conditions should be considered in assessing the significance of such comparisons.

When comparing funds using reporting services, or total return and yield, investors should take into consideration any relevant differences in funds such as permitted portfolio compositions and methods used to value portfolio securities and compute offering price.

Advertisements and other sales literature for the Trust 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 Trust based on quarterly reinvestment of dividends over a specified period of time.

8112804B (12/93)

FEDERATED GROWTH TRUST

MANAGEMENT DISCUSSION & ANALYSIS:

Federated Growth Trust (the "Trust") was established in 1984 to provide an investor the opportunity for investment in a diversified portfolio of stocks which have prospects for substantial capital appreciation. The stock selection process for the Trust utilizes investment disciplines which the Federated organization has used successfully for several years. The investment emphasis is placed on stocks that have favorable price and earnings momentum characteristics. The Trust may also invest in companies that are candidates for corporate restructuring or acquisition. Managed to participate fully in up markets, the Trust offers the potential for significant capital appreciation over time.

Over the 12 months ended October 31, 1993, U.S. stocks have registered excellent results. Driven by the recovery in corporate profits, falling interest rates, and large flows of money into mutual funds, the S&P 500 Index recorded a total return of 14.92% for the year ended October 31, 1993. Small capitalization stocks were the standout, however, as the Russell 2000 Index had a total return of 32.41% for the same period. Perhaps the most important factor was the decline in interest rates. The yield on the 30-year U.S. Treasury bond dropped from 6.7% to 5.7% between May and September.

In addition to the relative value that growth stocks currently possess, the current macroeconomic conditions also favor investments in growth equities. As the workforce grows and domestic businesses continue to increase productivity, the circumstances exist which should provide for continued moderate economic growth and low relative interest rates through the end of the decade. The recent changes in the federal tax laws also increase the relative attractiveness of growth stocks, which produce more of their total returns in the form of capital gains than do other stocks. We believe these circumstances should produce the appropriate environment to provide continued reasonable returns to growth equities in the 1990s.

The Trust's value overlay results in a concentration on medium to high capitalization companies using the best available investment vehicles. These may include convertible and/or putable bonds, Liquid Yield Option Notes, and Preferred Equity Redemption Certificates, which tend to reduce the inherent volatility of the Trust.

The Trust's disciplined stock selection approach, with its concentration on reasonably priced stocks exhibiting positive relative earnings and price momentum, is designed to allow the Trust to take advantage of market opportunities. We believe the Trust is well-suited in the current environment to pursue a goal of strong performance not only in up markets, but over market cycles as well.

PERFORMANCE COMPARISON

COMPARISON OF CHANGE IN VALUE OF A HYPOTHETICAL \$10,000 PURCHASE

IN FEDERATED GROWTH TRUST, STANDARD & POORS 500 INDEX+,  
AND LIPPER GROWTH FUND INDEX+.

"Graphic representation "A" omitted. See Appendix."

Past performance is not indicative of future performance. Your investment return and principal value will fluctuate so when shares are redeemed, they may be worth more or less than original cost. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured.

This annual report incorporates by reference and accompanies the prospectus dated December 31, 1993.

\* Reflects operations of Federated Growth Trust from the start of business on

8/23/84, through 10/31/93.

\*\* The Trust's performance assumes the reinvestment of all dividends and distributions. The Standard & Poors 500 Index and the Lipper Growth Fund Index are adjusted to reflect reinvestment of dividends on securities in the indices.

+ The Standard & Poors 500 Index and the Lipper Growth Fund Index are not adjusted to reflect sales loads, expenses, or other fees that the SEC requires to be reflected in the Trust's performance.

FEDERATED SECURITIES CORP.

(LOGO)

---

Distributor

3110810-ARS (12/93)

#### APPENDIX

A. The graphic presentation here displayed consists of a boxed legend in the bottom center indicating the components of the corresponding line graph. Federated Growth Trust (the "Trust") is represented by a broken line followed by two periods. The Standard & Poors 500 Index is represented by a broken line followed by one period. The Lipper Growth Fund Index is represented by a series of broken lines. The line graph is a visual representation of a comparison of change in value of a hypothetical \$10,000 purchase in the Trust and the Standard & Poors 500 Index, and the Lipper Growth Fund Index. The "x" axis reflects the cost of the investment. The "y" axis reflects computation periods from the Trust's start of business, 8/23/84, through 10/31/93. The right margin reflects the ending value of the hypothetical investment in the Trust as compared to the Standard & Poors 500 Index and the Lipper Growth Fund Index; the ending values are \$40,627, \$38,407, and \$35,684, respectively. There is also a legend in the upper left quadrant of the graphic presentation which indicates the Average Annual Total Return for the period ended October 31, 1993; beginning with the since inception date of the Trust (8/23/84), and the one-year and five-year periods thereafter, the Average Annual Total Returns were 16.48%, 15.06%, and 13.80, respectively.