

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **1994-10-24**
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FILER

FEDERATED MUNICIPAL TRUST

CIK: **855108** | State of Incorporation: **MA** | Fiscal Year End: **1031**
Type: **485BPOS** | Act: **33** | File No.: **033-31259** | Film No.: **94554621**

Business Address
*FEDERATED INVESTORS
TOWER
PITTSBURGH PA 15222
4122887496*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 X

Pre-Effective Amendment No.

Post-Effective Amendment No. 31 X

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 X

Amendment No. 31 X

FEDERATED MUNICIPAL TRUST

(Exact Name of Registrant as Specified in Charter)

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

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

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

It is proposed that this filing will become effective:

- _____ immediately upon filing pursuant to paragraph (b)
X on October 31, 1994 pursuant to paragraph (b)
60 days after filing pursuant to paragraph (a) (i)
_____ on _____ pursuant to paragraph (a) (i)
_____ 75 days after filing pursuant to paragraph (a) (ii)
_____ on _____ pursuant to paragraph (a) (ii) of Rule 485.

If appropriate, check the following box:

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

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

- _____ filed the Notice required by that Rule on _____; or
X intends to file the Notice required by that Rule on or about December 15, 1994; or
during the most recent fiscal year did not sell any securities pursuant to Rule 24f-2 under the Investment Company Act of 1940, and, pursuant to Rule 24f-2(b) (2), need not file the Notice.

Copies to:

Thomas J. Donnelly, Esquire
Houston, Houston & Donnelly
2510 Centre City Tower
650 Smithfield Street
Pittsburgh, Pennsylvania 15222

Charles H. Morin, Esquire
Dickstein, Shapiro & Morin, L.L.P.
2101 L Street, N.W.
Washington, D.C. 20037

CROSS-REFERENCE SHEET

This Amendment to the Registration Statement of FEDERATED MUNICIPAL TRUST, which consists of thirteen portfolios: (1) Connecticut Municipal Cash Trust, (a) Institutional Service Shares; (2) Pennsylvania

Municipal Cash Trust, (a) Cash Series Shares and (b) Institutional Service Shares; (3) Massachusetts Municipal Cash Trust, (a) Institutional Service Shares and (b) BayFunds Shares; (4) Minnesota Municipal Cash Trust, (a) Cash Series Shares and (b) Institutional Shares; (5) New Jersey Municipal Cash Trust, (a) Institutional Shares and (b) Institutional Service Shares; (6) Ohio Municipal Cash Trust, (a) Cash II Shares and (b) Institutional Shares; (7) Virginia Municipal Cash Trust, (a) Institutional Shares and (b) Institutional Service Shares; (8) Alabama Municipal Cash Trust; (9) North Carolina Municipal Cash Trust; (10) Maryland Municipal Cash Trust; (11) California Municipal Cash Trust; (12) New York Municipal Cash Trust, (a) Cash II Shares and (b) Institutional Service Shares; and (13) Florida Municipal Cash Trust, relates only to the Maryland Municipal Cash Trust and is comprised of the following:

PART A. INFORMATION REQUIRED IN A PROSPECTUS.

	Prospectus Heading (Rule 404(c) Cross Reference)
Item 1. Cover Page	(1-13) Cover Page.
Item 2. Synopsis	(1-13) Summary of Fund Expenses.
Item 3. Condensed Financial Information	(8,9,10) Financial Highlights; (1-10) Performance Information; (3b) Tax-Equivalent Yield.
Item 4. General Description of Registrant	(1-13) General Information; (1-13) Investment Information; (1-13) Investment Objective; (1-13) Investment Policies; (1) Connecticut Municipal Securities; (2) Pennsylvania Municipal Securities; (3) Massachusetts Municipal Securities; (4) Minnesota Municipal Securities; (5) New Jersey Municipal Securities; (6) Ohio Municipal Securities; (7) Virginia Municipal Securities; (8) Alabama Municipal Securities; (9) North Carolina Municipal Securities; (10) Maryland Municipal Securities; (11) California Municipal Securities; (12) New York Municipal Securities; (13) Florida Municipal Securities; (1-13) Standby Commitments; (1) Connecticut Investment Risks; (2) Pennsylvania Investment Risks; (3) Massachusetts Investment Risks; (4) Minnesota Investment Risks; (5) New Jersey Investment Risks; (6) Ohio Investment Risks; (7) Virginia Investment Risks; (8) Alabama Investment Risks; (9) North Carolina Investment Risks; (10) Maryland Investment Risks; (11) California Investment Risks; (12) New York Investment Risks; (1-13) Non-Diversification; (1-13) Investment Limitations; (1-13) Regulatory Compliance.
Item 5. Management of the Fund	(1-13) Federated Municipal Trust Information; (1-13)

Management of Federated
Municipal Trust; (1-7, 12)
Distribution of Cash Series,
Institutional, Institutional
Service, or Cash II Shares;
(10,11,13) Distribution of
Fund Shares; (1-13)
Administration of the Fund;
(7,11,12) Expenses of the Fund
and Institutional,
Institutional Service, or Cash
II Shares; (8-13) Expenses of
the Fund.

Item 6. Capital Stock and Other
Securities

(1-13) Dividends; (1-13)
Capital Gains; (1-13)
Shareholder Information; (1-
13) Voting Rights; (1-13)
Massachusetts Partnership Law;
(1-13) Tax Information; (1-12)
Federal Income Tax; (1)
Connecticut Tax
Considerations; (2)
Pennsylvania Tax
Considerations; (3)
Massachusetts Tax
Considerations; (4) Minnesota
Tax Considerations; (5) New
Jersey Tax Considerations; (6)
Ohio Tax Considerations; (7)
Virginia Tax Considerations;
(8) Alabama Taxes; (9) North
Carolina Taxes; (10) Maryland
Tax Considerations; (11)
California State Income Taxes;
(12) New York State Tax
Considerations; (13) Florida
Tax Considerations; (1-
13) Other State and Local
Taxes; (2,3,4,5,6,7,12) Other
Classes of Shares.

Item 7. Purchase of Securities Being
Offered

(1-13) Net Asset Value;
(4a,5a,6a) Distribution Plan;
(12) Distribution and
Shareholder Servicing
Arrangements; (13)
Distribution and Shareholder
Services Plan; (8,9,10,12,13)
Other Payments to Financial
Institutions; (3b,7b,10)
Shareholder Services Plan; (1-
7,10,12) Investing in Cash
Series, Institutional,
Institutional Services or Cash
II Shares; (8,9,10,11,13)
Investing in Fund Shares; (1-
6,11,12,13) Share Purchases;
(1-13) Minimum Investment
Required; (1-12) What Shares
Cost; (2a,4a,6a) Systematic
Investment Program; (2a,4a,6a)
Automatic Investments; (1-13)
Subaccounting Services; (1-13)
Certificates and
Confirmations.

Item 8. Redemption or Repurchase

(1-7,12) Redeeming Cash
Series, Institutional,
Institutional Service or Cash
II Shares; (8,9) Redeeming
Fund Shares; (11,13) Redeeming
Shares; (2a,4a,6a,13) Through
a Financial Institution;
(2a,4a,6a,10) Directly from

the Fund;
(1,2,3,4b,5,6b,7,11,12)
Telephone Redemption; (1-
9,11,12) Written Requests;
(12, 13) By Mail; (10, 13) By
Writing a Check; (1-7)
Redemption Before Purchase
Instruments Clear; (1-13)
Accounts With Low Balances.

Item 9. Pending Legal Proceedings None.
PART B. INFORMATION REQUIRED IN A STATEMENT OF ADDITIONAL INFORMATION.

Item 10. Cover Page (1-13) Cover Page.
Item 11. Table of Contents (1-13) Table of Contents.
Item 12. General Information and History (1-13) General Information About the Fund.
Item 13. Investment Objectives and Policies (1-13) Investment Objective and Policies; (1-13) Investment Limitations.
Item 14. Management of the Fund (1-10) Federated Municipal Trust Management; (11,12,13) Trust Management.
Item 15. Control Persons and Principal Holders of Securities Not applicable.
Item 16. Investment Advisory and Other Services (1-13) Investment Advisory Services; (1-13) Administrative Services; (4a,5a,6a,12) Distribution Plan; (3b,7b,10) Shareholder Services Plan; (13) Distribution and Shareholder Services Plan.
Item 17. Brokerage Allocation (1-13) Brokerage Transactions.
Item 18. Capital Stock and Other Securities Not applicable.
Item 19. Purchase, Redemption and Pricing of Securities Being Offered (1-13) Purchasing Shares; (1-13) Determining Net Asset Value; (1-13) Redeeming Shares.
Item 20. Tax Status (1-13) Tax Status.
Item 21. Underwriters Not applicable.
Item 22. Calculation of Performance Data (1-13) Yield; (1-13) Effective Yield; (1,2,3a,4-13) Tax-Equivalent Yield; (1-13) Performance Comparisons.
Item 23. Financial Statements (1-10,12,13) Filed in Part A; (11) To be filed by Amendment

MARYLAND

MUNICIPAL

CASH TRUST

(A Portfolio of Federated Municipal Trust)

SUPPLEMENT TO PROSPECTUS

FEDERATED SECURITIES CORP.
(LOGO)

Distributor

A subsidiary of FEDERATED INVESTORS

FEDERATED INVESTORS TOWER

PITTSBURGH, PA 15222-3779

314229774
G00578-01 (10/94)

October 31, 1994

A. Please insert the following "Financial Highlights" table as page 2 of the prospectus, following the "Summary of Fund Expenses" table and before the section entitled "General Information." In addition, please add the heading "Financial Highlights" to the Table of Contents page after the heading "Summary of Fund Expenses."

MARYLAND MUNICIPAL CASH TRUST
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

<TABLE>
<CAPTION>

	PERIOD ENDED AUGUST 31, 1994*

<S>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$1.00
-----	-----
INCOME FROM INVESTMENT OPERATIONS	
-----	-----
Net investment income	.01
-----	-----
LESS DISTRIBUTIONS	
-----	-----
Dividends to shareholders from net investment income	(.01)
-----	-----
NET ASSET VALUE, END OF PERIOD	\$1.00
-----	-----
TOTAL RETURN**	0.84%
-----	-----
RATIOS TO AVERAGE NET ASSETS	
-----	-----
Expenses	0.35% (b)
-----	-----
Net investment income	2.64% (b)
-----	-----
Expense waiver/reimbursement (a)	0.60% (b)
-----	-----
SUPPLEMENTAL DATA	
-----	-----
Net assets, end of period (000 omitted)	\$65,227
-----	-----

</TABLE>

* Reflects operations for the period from May 9, 1994 (date of initial public investment) to August 31, 1994 (unaudited).

** Based on net asset value which does not reflect the sales load or contingent deferred sales charge, if applicable.

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

(b) Computed on an annualized basis.

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

B. Please insert the financial statements immediately following the section entitled "Performance Information" on page 16 of the prospectus. In addition, please add the heading "Financial Statements" to the Table of Contents page immediately before the heading "Addresses."

MARYLAND MUNICIPAL CASH TRUST
 PORTFOLIO OF INVESTMENTS
 AUGUST 31, 1994
 (UNAUDITED)

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING MOODY'S OR S&P*	VALUE
<C>	<C> <S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--101.3%			

	MARYLAND--99.2%		
\$2,000,000	Anne Arundel County, MD, EDRB, 3.20% CP (Series 1988)/ (Baltimore Gas & Electric Co.)/(Subject to AMT), Mandatory Tender 10/20/94	A-1	\$ 2,000,000
1,000,000	Anne Arundel County, MD, EDRB, 3.20% CP (Series 1988)/ (Baltimore Gas & Electric Co.)/(Subject to AMT), Mandatory Tender 10/21/94	A-1	1,000,000
1,760,000	Anne Arundel County, MD, EDRB, 3.40% CP (Series 1988)/ (Baltimore Gas & Electric Co.)/(Subject to AMT), Mandatory Tender 11/17/94	A-1	1,760,000
2,575,000	Baltimore County, MD, EDRB Weekly VRDNs (Series 1994A)/(Pitts Realty Ltd. L.P.)/(PNC Bank, Delaware LOC)/(Subject to AMT)	P-1	2,575,000
2,900,000	Baltimore County, MD, IDA Weekly VRDNs (Mine Safety Appliances Co.)/(Sanwa Bank Ltd. LOC)	P-1	2,900,000
2,100,000	Baltimore County, MD, Port Facility Weekly VRDNs (Occidental Petroleum)/(National Westminster Bank LOC)	A-1+	2,100,000
3,000,000	++ Baltimore County, MD, Weekly VRDNs (Series 20 Putters)/(Morgan Guaranty Trust Co. BPA)	VMIG1	3,000,000
1,000,000	Baltimore County, MD, Weekly VRDNs (Sheppard & Enoch Pratt Hospital Facility)/(Societe Generale LOC)	VMIG1	1,000,000

</TABLE>

MARYLAND MUNICIPAL CASH TRUST

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING MOODY'S OR S&P*	VALUE
<C>	<C> <S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			

 MARYLAND--CONTINUED

\$1,000,000	Baltimore County, MD, PCR Weekly VRDNs (SCM Plants, Inc.)/(Barclays Bank, PLC LOC)	A-1+	\$ 1,000,000
1,500,000	Cecil County, MD, County Commissions EDRB Weekly VRDNs (Series 1988S)/(Williams Mobile Offices, Inc.)/(First National Bank, Maryland LOC)/(Subject to AMT)	A-1	1,500,000
1,080,000	Elkton, MD, Weekly VRDNs (Series 1992S)/(Highway Service Ventures, Inc. Facility)/(First Union National Bank, Charlotte LOC)	P-1	1,080,000
3,141,000	Hartford County, MD, Weekly VRDNs (Series 1989)/ (Hartford Commons Associates Facility)/(Nationsbank of Virginia N.A. LOC)/(Subject to AMT)	P-1	3,141,000
2,000,000	Howard County, MD, Consolidated Public Improvements Weekly VRDNs BANS (Series 1993)/(Union Bank of Switzerland BPA)	A-1+	2,000,000
5,325,000	Maryland State CDA Weekly VRDNs (Series 1990B)/ (Cherry Hill Apartment L.P.)/(Nationsbank of Maryland LOC)/(Subject to AMT)	P-1	5,325,000
1,000,000	Maryland State CDA 3.65% Multi-Family Housing Revenue Bonds (Series 1984B), Optional Tender 11/15/94	NR(2)	1,000,000
1,400,000	++ Maryland State Department of Transportation PA-68 Weekly VRDNs (Series 1993)	VMIG1	1,400,000
3,000,000	Maryland State Energy Financing Administration IDR Weekly VRDNs (Series 1988)/(Morningstar Foods Inc.)/ (Long Term Credit Bank of Japan Ltd. LOC)/ (Subject to AMT)	A-2	3,000,000
1,000,000	Maryland State HEFA Weekly VRDNs (Series 1985B)/ (Pooled Loan Program)/(Sanwa Bank Ltd. LOC)	VMIG1	1,000,000
2,700,000	Maryland State HEFA Weekly VRDNs (Series 1985A)/ (Dai-Ichi Kangyo Bank Ltd. LOC)	VMIG1	2,700,000

</TABLE>

 MARYLAND MUNICIPAL CASH TRUST

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING MOODY'S OR S&P*	VALUE
<C>	<C> <S>	<C>	<C>
SHORT-TERM MUNICIPAL SECURITIES--CONTINUED			

 MARYLAND--CONTINUED

\$1,000,000	Maryland State HEFA Weekly VRDNs Revenue Bonds (Series 1922B)/(North Arundel Hospital)/ (Mellon Bank N.A. LOC)	VMIG1	\$ 1,000,000
800,000	Maryland State HEFA 9.25% Prerefunded Bonds (Series 1985A)/(John Hopkins University), 7/1/95	AAA	850,053
2,445,000	Maryland State HEFA 9.25% Revenue Bonds (Series 1985A)/(John Hopkins University)/ (Prerefunded), 7/1/95 (@102)	AAA	2,604,868
6,500,000	++ Maryland State Tender Option Certificates-K Weekly VRDNs GO Bonds (Series 1993)/(Dai-Ichi Kangyo Bank Ltd. BPA)	A-1	6,500,000

1,320,000	++ Maryland State Weekly VRDNs GO Bonds P-Floats (First Series, 1993)	VMIG1	1,320,000
1,000,000	Montgomery County, MD, 6.80% Public Improvement Bonds (Series A), 4/1/95	AAA	1,020,140
4,200,000	Montgomery County, MD, EDA Weekly VRDNs (U.S. Pharmacopeial Convention Facility)/(Chemical Bank LOC)	VMIG1	4,200,000
1,000,000	Northeast, MD, Waste Disposal Authority, 3.40% Semi-Annual TOBs (Southwest Resource Recovery Facility)/(MBIA Insured), Optional Tender 1/1/95	NR(1)	1,000,000
1,950,000	Washington County, Sanitary District, 4.00% BANS (Series 1994), 4/18/95	SP-1	1,954,072
4,760,000	Wicomico County, MD, EDRB Weekly VRDNs (Series 1994)/(Field Container Co. L.P.)/ (Northern Trust Co. LOC)/(Subject to AMT)	A-1+	4,760,000
	Total		64,690,133

</TABLE>

MARYLAND MUNICIPAL CASH TRUST

PRINCIPAL AMOUNT		CREDIT RATING MOODY'S OR S&P*	VALUE
<C>	<C> <S>	<C>	<C>
	SHORT-TERM MUNICIPAL SECURITIES--CONTINUED		
	PUERTO RICO--2.1%		
\$1,400,000	Puerto Rico Industrial, Medical & Environmental PCA, 4.00% Annual TOBs (Series 1983A)/(Reynolds Metals Co.)/ (ABN AMRO Bank N.A. LOC), Optional Tender 9/1/95	VMIG1	\$ 1,401,358
	TOTAL MUNICIPAL SECURITIES (AT AMORTIZED COST)		\$ 66,091,491+

</TABLE>

* Please refer to the Appendix of the Statement of Additional Information for an explanation of the credit ratings. Current credit ratings are unaudited.

+ Also represents cost for federal tax purposes.

++ Denotes restricted security.

Note: The categories of investments are shown as a percentage of net assets (\$65,226,818) at August 31, 1994.

The following abbreviations are used in this portfolio:

<S>	<C>
AMT	-- Alternative Minimum Tax
BANS	-- Bond Anticipation Notes
BPA	-- Bond Purchase Agreement
CDA	-- Community Development Administration
CP	-- Commercial Paper
EDA	-- Economic Development Authority
EDRB	-- Economic Development Revenue Bonds
GO	-- General Obligations
HEFA	-- Health and Education Facilities Authority
IDA	-- Industrial Development Authority
IDRB	-- Industrial Development Revenue Bonds
LOC	-- Letter of Credit
MBIA	-- Municipal Bond Investors Assurance

PCA -- Pollution Control Authority
 PCR -- Pollution Control Revenue
 TOBs -- Tender Option Bonds
 VRDNs -- Variable Rate Demand Notes
 </TABLE>

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

MARYLAND MUNICIPAL CASH TRUST
 STATEMENT OF ASSETS AND LIABILITIES
 AUGUST 31, 1994
 (UNAUDITED)

<S>	<C>	<C>
ASSETS:		
Investments in securities, at amortized cost and value		\$66,091,491
Cash		297,642
Interest receivable		306,860
Total assets		66,695,993
LIABILITIES:		
Payable for investments purchased	\$1,401,358	
Dividends payable	1,253	
Accrued expenses and other liabilities	66,564	
Total liabilities		1,469,175
NET ASSETS for 65,226,818 shares of beneficial interest outstanding		\$65,226,818
NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share (\$65,226,818 / 65,226,818 shares of beneficial interest outstanding)		\$1.00

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

MARYLAND MUNICIPAL CASH TRUST
 STATEMENT OF OPERATIONS
 PERIOD ENDED AUGUST 31, 1994*
 (UNAUDITED)

<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income			\$503,691
EXPENSES:			
Investment advisory fee	\$ 84,287		
Custodian and recordkeeper fees	28,000		
Transfer and dividend disbursing agent fees and expenses	3,600		
Shareholder services fees	42,143		
Legal fees	750		
Printing and postage	109		

Miscellaneous		1,000	
Total expenses		159,889	
Deduct--			
Waiver of investment advisory fee	\$84,287		
Reimbursement of other operating expenses by adviser	17,200	101,487	
Net expenses			58,402
Net investment income			\$445,289

</TABLE>

* For the period from May 9, 1994 (date of initial public investment) to August 31, 1994.

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

MARYLAND MUNICIPAL CASH TRUST
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	PERIOD ENDED AUGUST 31, 1994* (UNAUDITED)
<S>	
<C>	
INCREASE (DECREASE) IN NET ASSETS:	
OPERATIONS--	
Net investment income	\$ 445,289
DISTRIBUTIONS TO SHAREHOLDERS--	
Dividends to shareholders from net investment income	(445,289)
FUND SHARE (PRINCIPAL) TRANSACTIONS--	
Proceeds from sale of shares	173,561,527
Net asset value of shares issued to shareholders in payment of dividends declared	348,369
Cost of shares redeemed	(108,683,078)
Change in net assets from Fund share transactions	65,226,818
Change in net assets	65,226,818
NET ASSETS:	
Beginning of period	--
End of period	\$ 65,226,818

</TABLE>

* For the period from May 9, 1994 (date of initial public investment) to August 31, 1994.

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

MARYLAND MUNICIPAL CASH TRUST

(1) ORGANIZATION

Federated Municipal Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end, management investment company. The Trust consists of twelve, non-diversified portfolios. The financial statements included herein are only those of Maryland Municipal Cash Trust (the "Fund"). The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

<TABLE>
 <S> <C>

- A. INVESTMENT VALUATIONS--The Fund's use of the amortized cost method to value its portfolio securities is in accordance with Rule 2a-7 under the Act.
- B. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code"). Distributions to shareholders are recorded on the ex-dividend date.
- C. FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its taxable income. Accordingly, no provisions for federal tax are necessary.
- D. WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date.
- E. DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering its shares, have been deferred and are being amortized using the straight-line method not to exceed a period of five years from the Fund's commencement date.
- F. RESTRICTED SECURITIES--Restricted securities are securities that may only be resold upon registration under Federal securities laws or in transactions exempt from such registration. Many restricted securities may be resold in the secondary market in transactions exempt from registration. In some cases, the restricted securities may be resold without registration upon exercise of a demand feature. Such restricted securities may be determined to be liquid under criteria established by the Board of Trustees. The Fund will not incur any registration costs upon such resales. Restricted securities are valued at amortized cost in accordance with Rule 2a-7 under the Act. Additional information on each restricted security held at August 31, 1994 is as follows:

</TABLE>

MARYLAND MUNICIPAL CASH TRUST

<TABLE>
 <CAPTION>

SECURITY	ACQUISITION DATE	ACQUISITION COST
<S>	<C>	<C>
Baltimore County, MD, Weekly VRDNs (Series 20 Putters)	7/1/94	\$3,000,000
Maryland State Department of Transportation PA-68 Weekly VRDNs (Series 1993)	2/17/94	1,400,000
Maryland State Tender Option Certificates-K Weekly VRDNs GO Bonds (Series 1993)	1/15/94	4,300,000
Maryland State Tender Option Certificates-K Weekly VRDNs GO Bonds (Series 1993)	7/15/94	2,200,000
Maryland State Weekly VRDNs GO Bonds P-Floats (First Series, 1993)	2/1/94	1,320,000
G. CONCENTRATION OF RISK--Since the Fund invests a substantial portion of its assets in issuers located in one state, it will be more susceptible to factors adversely affecting		

issuers of that state than would be a comparable general tax-exempt mutual fund. In order to reduce the credit risk associated with such factors, at August 31, 1994, 77.4% of the securities in the portfolio of investments are backed by letters of credit or bond insurance of various financial institutions and financial guaranty assurance agencies. The value of investments insured by or supported (backed) by a letter of credit for any one institution or agency did not exceed 13.9% of total investments.

H. OTHER--Investment transactions are accounted for on the trade date.
</TABLE>

(3) 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). At August 31, 1994, paid in capital aggregated \$65,226,818. Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED AUGUST 31, 1994*
<S>	<C>
Shares sold	173,561,527
Shares issued to shareholders in payment of dividends declared	348,369
Shares redeemed	(108,683,078)
Net change resulting from Fund share transactions	65,226,818

</TABLE>

* For the period from May 9, 1994 (date of initial public investment) to August 31, 1994.

MARYLAND MUNICIPAL CASH TRUST

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser ("Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the fund. The Adviser can modify or terminate this voluntary waiver at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Fund with administrative personnel and services. Prior to March 1, 1994, these services were provided at approximate cost. Effective March 1, 1994, the FAS fee is based on the level of average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors for the period. The administrative fee received during any fiscal year shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares.

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

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

FServ also maintains the Fund's accounting records. The fee is based on the level of the Fund's average net assets for the period plus, out of pocket expenses.

ORGANIZATIONAL EXPENSES--Organizational expenses and start-up administrative service expenses incurred by the Fund will be borne initially by Adviser and are estimated at \$33,100 and \$31,500, respectively. The Fund has agreed to reimburse the Adviser for the organizational expenses and start-up administrative expenses

during the five year period following May 4, 1994 (date the Fund first became effective).

INTERFUND TRANSACTIONS--During the six months ended August 31, 1994, the Fund engaged in purchase and sale transactions with other affiliated Funds at current value pursuant to Rule 17a-7 under the Act amounting to \$79,685,000 and \$67,900,000, respectively.

Certain of the Officers and Trustees of the Trust are Officers and Directors of the above companies.

MARYLAND MUNICIPAL CASH TRUST
(A PORTFOLIO OF FEDERATED MUNICIPAL TRUST)
PROSPECTUS

The shares of Maryland Municipal Cash Trust (the "Fund") offered by this prospectus represent interests in a non-diversified portfolio of Federated Municipal Trust (the "Trust"), an open-end management investment company (a mutual fund). The Fund invests in Maryland municipal securities to achieve current income exempt from federal regular income tax and Maryland state and local income tax consistent with stability of principal and liquidity. The Fund invests primarily in Maryland municipal securities, including securities of states, territories, and possessions of the United States, which are not issued by or on behalf of Maryland or its political subdivisions and financing authorities, which are exempt from the federal regular and Maryland state income tax.

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 OR GUARANTEED BY THE U.S. GOVERNMENT, THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THESE SHARES INVOLVES INVESTMENT RISKS INCLUDING POSSIBLE LOSS OF PRINCIPAL. THE FUND ATTEMPTS TO MAINTAIN A STABLE NET ASSET VALUE OF \$1.00 PER SHARE; THERE CAN BE NO ASSURANCE THAT THE FUND WILL BE ABLE TO DO SO.

This prospectus contains the information you should read and know before you invest in the Fund. Keep this prospectus for future reference.

The Fund has also filed a Statement of Additional Information dated May 4, 1994, 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 make inquiries about the Fund, contact the Fund at the address listed in the back of this prospectus.

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

Prospectus dated May 4, 1994

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The Trust was established as a Massachusetts business trust under a Declaration of Trust dated September 1, 1989. The Declaration of Trust permits the Trust to offer separate series of shares of beneficial interest representing interests in separate portfolios of securities. The shares in any one portfolio may be offered in separate classes. With respect to this Fund, as of the date of this prospectus, the Board of Trustees ("Trustees") have established one class of shares. This prospectus relates only to these shares ("Shares") of the Fund, which are designed primarily for financial institutions acting in an agency or fiduciary capacity as a convenient means of accumulating an interest in a professionally managed, non-diversified portfolio investing primarily in short-term Maryland municipal securities. A minimum initial investment of \$10,000 over a 90 day period is required. The Fund may not be a suitable investment for non-Maryland taxpayers or retirement plans since it invests primarily in Maryland municipal securities.

The Fund attempts to stabilize the value of a Share at \$1.00. Shares are currently sold and redeemed at that price.

INVESTMENT INFORMATION

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide current income exempt from federal regular income tax and the personal income taxes imposed by the State of Maryland and Maryland municipalities consistent with stability of principal and liquidity. This investment objective cannot be changed without shareholder approval. While there is no assurance that the Fund will achieve its investment objective, it endeavors to do so by following the investment policies described in this prospectus.

Interest income of the Fund that is exempt from the income taxes described above retains its tax-free status when distributed to the Fund's shareholders. However, income distributed by the Fund may not necessarily be exempt from state or municipal taxes in states other than Maryland.

INVESTMENT POLICIES

The Fund pursues its investment objective by investing in a portfolio of Maryland municipal securities (as defined below) maturing in 13 months or less. As a matter of investment policy, which cannot be changed without shareholder approval, at least 80% of the Fund's annual interest income will be exempt from federal regular income tax and Maryland state and local income tax. The average maturity of the securities in the Fund's portfolio, computed on a dollar-weighted basis, will be 90 days or less. Unless indicated otherwise, the investment policies set forth below may be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change in these policies becomes effective.

ACCEPTABLE INVESTMENTS. The Fund invests primarily in debt obligations issued by or on behalf of the State of Maryland and its political subdivisions and financing authorities, and obligations of other states, territories, and possessions of the United States, including the District of Columbia, and any

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political subdivision or financing authority of any of these, the income from which is exempt from federal regular income tax and Maryland state and local income tax. Examples of Maryland municipal securities include, but are not limited to:

- tax and revenue anticipation notes ("TRANS") issued to finance working capital needs in anticipation of receiving taxes or other revenues;
- bond anticipation notes ("BANs") that are intended to be refinanced through a later issuance of longer-term bonds;
- municipal commercial paper and other short-term notes;
- variable rate demand notes;
- municipal bonds (including bonds having serial maturities and pre-refunded bonds) and
- leases; and
- participation, trust and partnership interests in any of the foregoing

obligations.

VARIABLE RATE DEMAND NOTES. Variable rate demand notes are long-term debt instruments that have variable or floating interest rates and provide the Fund with the right to tender the security for repurchase at its stated principal amount plus accrued interest. Such securities typically bear interest at a rate that is intended to cause the securities to trade at par. The interest rate may float or be adjusted at regular intervals (ranging from daily to annually), and is normally based on a published interest rate or interest rate index. Most variable rate demand notes allow the Fund to demand the repurchase of the security on not more than seven days prior notice. Other notes only permit the Fund to tender the security at the time of each interest rate adjustment or at other fixed intervals. See "Demand Features." The Fund treats variable rate demand notes as maturing on the later of the date of the next interest rate adjustment or the date on which the Fund may next tender the security for repurchase.

PARTICIPATION INTERESTS. The Fund may purchase interests in Maryland municipal securities from financial institutions such as commercial and investment banks, savings and loan associations, and insurance companies. These interests may take the form of participations, beneficial interests in a trust, partnership interests or any other form of indirect ownership that allows the Fund to treat the income from the investment as exempt from federal income tax. The Fund invests in these participation interests in order to obtain credit enhancement or demand features that would not be available through direct ownership of the underlying Maryland municipal securities.

MUNICIPAL LEASES. Municipal leases are obligations issued by state and local governments or authorities to finance the acquisition of equipment and facilities. They may take the form of a lease, an installment purchase contract, a conditional sales contract, or a participation interest in any of the above.

The Fund may purchase municipal securities in the form of participation interests which represent undivided proportional interests in lease payments by a governmental or non-profit entity. The lease payments and other rights under the lease provide for and secure the payments on the certificates. Lease obligations may be limited by municipal charter or the nature of the appropriation for the lease.

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In particular, lease obligations may be subject to periodic appropriation. If the entity does not appropriate funds for future lease payments, the entity cannot be compelled to make such payments.

Furthermore, a lease may provide that the participants cannot accelerate lease obligations upon default. The participants would only be able to enforce lease payments as they became due. In the event of a default or failure of appropriation, unless the participation interests are credit enhanced, it is unlikely that the participants would be able to obtain an acceptable substitute source of payment.

RATINGS. The Maryland municipal securities in which the Fund invests must be rated in one of the two highest short-term rating categories by one or more nationally recognized statistical rating organizations ("NRSROs"). An NRSRO's two highest rating categories are determined without regard for sub-categories and gradations. For example, securities rated SP-1+, SP-1, or SP-2 by Standard & Poor's Corporation ("S&P"), MIG-1 or MIG-2 by Moody's Investors Service, Inc. ("Moody's"), or FIN-1+, FIN-1, and FIN-2 by Fitch Investors Service, Inc. ("Fitch") are all considered rated in one of the two highest short-term rating categories. The Fund will follow applicable regulations in determining whether a security rated by more than one NRSRO can be treated as being in one of the two highest short-term rating categories; currently, such securities must be rated by two NRSROs in one of their two highest rating categories. See "Regulatory Compliance."

CREDIT ENHANCEMENT. Certain of the Fund's acceptable investments may be credit enhanced by a guaranty, letter of credit, or insurance. The Fund typically evaluates the credit quality and ratings of credit enhanced securities based upon the financial condition and ratings of the party providing the credit enhancement (the "credit enhancer"), rather than the issuer. However, credit enhanced securities will not be treated as having been issued by the credit enhancer for diversification purposes, unless the Fund has invested more than

10% of its assets in securities issued, guaranteed or otherwise credit enhanced by the credit enhancer, in which case the securities will be treated as having been issued by both the issuer and the credit enhancer. The bankruptcy, receivership, or default of the credit enhancer will adversely affect the quality and marketability of the underlying security.

DEMAND FEATURES. The Fund may acquire securities that are subject to puts and standby commitments ("demand features") to purchase the securities at their principal amount (usually with accrued interest) within a fixed period (usually seven days) following a demand by the Fund. The demand feature may be issued by the issuer of the underlying securities, a dealer in the securities, or by another third party, and may not be transferred separately from the underlying security. The Fund uses these arrangements to provide the Fund with liquidity and not to protect against changes in the market value of the underlying securities. The bankruptcy, receivership, or default by the issuer of the demand feature, or a default on the underlying security or other event that terminates the demand feature before its exercise, will adversely affect the liquidity of the underlying security. Demand features that are exercisable even after a payment default on the underlying security may be treated as a form of credit enhancement.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS. The Fund may purchase securities on a when-issued or delayed delivery basis. These transactions are arrangements in which the Fund purchases securities with payment and delivery scheduled for a future time. The seller's failure to complete these transactions may cause the Fund to miss a price or yield considered to be advantageous.

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RESTRICTED AND ILLIQUID SECURITIES. The Fund may invest in restricted securities. Restricted securities are any securities in which the Fund may invest pursuant to its investment objective and policies but which are subject to restrictions on resale under federal securities laws. Under criteria established by the Trustees, certain restricted securities are determined to be liquid. To the extent that restricted securities are not determined to be liquid, the Fund will limit their purchase, together with other illiquid securities, to 10% of its net assets.

TEMPORARY INVESTMENTS. From time to time, when the investment adviser determines that market conditions call for a temporary defensive posture, the Fund may invest in tax-exempt or taxable securities such as: obligations issued by or on behalf of municipal or corporate issuers having the same quality characteristics as described above; obligations issued or guaranteed by the U.S. government, its agencies, or instrumentalities; instruments issued by a U.S. branch of a domestic bank or other deposit institution having capital, surplus, and undivided profits in excess of \$100,000,000 at the time of investment; and repurchase agreements (arrangements in which the organization selling the Fund a temporary investment agrees at the time of sale to repurchase it at a mutually agreed upon time and price).

Although the Fund is permitted to make taxable, temporary investments, there is no current intention of generating income subject to federal regular income tax or the personal income taxes imposed by the State of Maryland.

MARYLAND MUNICIPAL SECURITIES

Maryland municipal securities are generally issued to finance public works, such as airports, bridges, highways, housing, hospitals, mass transportation projects, schools, streets, and water and sewer works. They are also issued to repay outstanding obligations, to raise funds for general operating expenses, and to make loans to other public institutions and facilities.

Maryland municipal securities include industrial development bonds issued by or on behalf of public authorities to provide financing aid to acquire sites or construct and equip facilities for privately or publicly owned corporations. The availability of this financing encourages these corporations to locate within the sponsoring communities and thereby increases local employment.

The two principal classifications of Maryland municipal securities are "general obligation" and "revenue" bonds. General obligation bonds are secured by the issuer's pledge of its full faith and credit and taxing power for the payment of principal and interest. Interest on and principal of revenue bonds, however, are payable only from the revenue generated by the facility financed by the bond or other specified sources of revenue. Revenue bonds do not represent a pledge of credit or create any debt of or charge against the general revenues of a municipality or public authority. Industrial development bonds are typically classified as revenue bonds.

STANDBY COMMITMENTS

Some securities dealers are willing to sell municipal securities to the Fund accompanied by their commitments to repurchase the securities prior to maturity, at the Fund's option, for the amortized cost of the securities at the time of repurchase. These arrangements are not used to protect against changes in the market value of municipal securities. They permit the Fund, however, to remain fully

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invested and still provide liquidity to satisfy redemptions. The cost of municipal securities accompanied by these "standby" commitments could be greater than the cost of municipal securities without such commitments. Standby commitments are not marketable or otherwise assignable and have value only to the Fund. The default or bankruptcy of a securities dealer giving such a commitment would not affect the quality of the municipal securities purchased. However, without a standby commitment, these securities could be more difficult to sell. The Fund enters into standby commitments only with those dealers whose credit the investment adviser believes to be of high quality.

MARYLAND INVESTMENT RISKS

Yields on Maryland municipal securities depend on a variety of factors, including: the general conditions of the short-term municipal market and of the municipal bond market; the size and maturity of the particular offering; and the rating of the issue. Further, any adverse economic conditions or developments affecting the State of Maryland or its municipalities could impact the Fund's portfolio. The ability of the Fund to achieve its investment objective also depends on the continuing ability of the issuers of Maryland municipal securities and demand features for such securities, or the credit enhancers of either, to meet their obligations for the payment of interest and principal when due. In addition, from time to time, the supply of Maryland municipal securities acceptable for purchase by the Fund could become limited, especially if issuers do not maintain their high quality short-term credit ratings. Obligations of issuers of Maryland municipal securities are subject to the provisions of bankruptcy, insolvency, and other laws affecting the rights and remedies of creditors. In addition, the obligations of such issuers may become subject to laws enacted in the future by Congress, state legislators, or referenda extending the time for payment of principal and/or interest, or imposing other constraints upon enforcement of such obligations or upon the ability of states or municipalities to levy taxes. There is also the possibility that, as a result of litigation or other conditions, the power or ability of any issuer to pay, when due, the principal of and interest on its municipal securities may be materially affected.

However, the State of Maryland's substantial resources include a relatively stable economic structure, high wealth levels, and a long record of sound financial operations all of which provide superior protection to bondholders. An expanded discussion of current economic risks associated with the purchase of Maryland municipal securities is contained in the Statement of Additional Information.

NON-DIVERSIFICATION

The Fund is a non-diversified investment portfolio. An investment in the Fund, therefore, will entail greater risk than would exist in a diversified investment portfolio because the higher percentage of investments among fewer issuers may result in greater fluctuation in the total market value of the Fund's portfolio. Any economic, political, or regulatory developments affecting the value of the securities in the Fund's portfolio will have a greater impact on the total value of the portfolio than would be the case if the portfolio were diversified among more issuers.

However, the Fund intends to comply with Subchapter M of the Internal Revenue Code. This undertaking requires that, at the end of each quarter of each taxable year, with regard to at least 50% of the Fund's total assets, no more than 5% of its total assets are invested in the securities of a single

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issuer and that with respect to the remainder of the Fund's total assets, no more than 25% of its total assets are invested in the securities of a single issuer.

INVESTMENT LIMITATIONS

The Fund will not borrow money or pledge securities except, under certain circumstances, the Fund may borrow up to one-third of the value of its total assets and pledge assets to secure such borrowings. This investment limitation cannot be changed without shareholder approval.

REGULATORY COMPLIANCE

The Fund may follow non-fundamental operational policies that are more restrictive than its fundamental investment limitations, as set forth in this prospectus and its Statement of Additional Information, in order to comply with applicable laws and regulations, including the provisions of and regulations under the Investment Company Act of 1940, as amended. In particular, the Fund will comply with the various requirements of Rule 2a-7, which regulates money market mutual funds. The Fund will determine the effective maturity of its investments, as well as its ability to consider a security as having received the requisite short-term ratings by NRSROs, according to Rule 2a-7. The Fund may change these operational policies to reflect changes in the laws and regulations without the approval of its shareholders.

FEDERATED MUNICIPAL 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 Fund's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. An Executive Committee of the Board of Trustees handles the Board's responsibilities between meetings of the Board.

INVESTMENT ADVISER. Investment decisions for the Fund are made by Federated Management, the Fund's investment adviser, subject to direction by the Trustees. The adviser continually conducts investment research and supervision for the Fund and is responsible for the purchase and sale of portfolio instruments.

ADVISORY FEES. The adviser receives an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The adviser has undertaken to reimburse the Fund up to the amount of the advisory fee for operating expenses in excess of limitations established by certain states. The adviser also may voluntarily choose to waive a portion of its fee or reimburse other expenses of the Fund, but reserves the right to terminate such waiver or reimbursement at any time at its sole discretion.

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

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President and Trustee of Federated Investors. 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 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.

OTHER PAYMENTS TO FINANCIAL INSTITUTIONS. In addition to periodic payments to financial institutions under the Shareholder Services Plan certain financial institutions may be compensated by the adviser or its affiliates for the continuing investment of customers' assets in certain funds, including the Fund, advised by those entities. These payments will be made directly by the distributor or adviser from their assets, and will not be made from the assets of the Fund.

DISTRIBUTION OF FUND SHARES

Federated Securities Corp. is the principal distributor for Shares of the Fund. 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.

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 laws.

ADMINISTRATION OF THE FUND

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

<TABLE>
<CAPTION>

MAXIMUM ADMINISTRATIVE FEE	AVERAGE AGGREGATE DAILY NET ASSETS OF THE FEDERATED FUNDS
0.15 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.10 of 1%	on the next \$250 million
0.075 of 1%	on assets in excess of \$750 million

</TABLE>

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

SHAREHOLDER SERVICES PLAN. The Fund has adopted a Shareholder Services Plan (the "Services Plan") under which it may make payments up to 0.25 of 1% of the average daily net asset value of the Fund to obtain certain personal services for shareholders and the maintenance of shareholder accounts ("shareholder services"). The Fund has entered into a Shareholder Services Agreement with Federated Shareholder Services, a subsidiary of Federated Investors, under which Federated Shareholder Services will either perform shareholder services directly or will select Financial Institutions to perform shareholder services. Financial Institutions will receive fees based upon shares owned by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid will be determined from time to time by the Fund and Federated Shareholder Services.

CUSTODIAN. State Street Bank and Trust, Boston, MA is custodian for the securities and cash of the Fund.

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

LEGAL COUNSEL. Legal counsel is provided by Houston, Houston and Donnelly, Pittsburgh, PA and Dickstein, Shapiro and Morin, Washington, DC

INDEPENDENT PUBLIC ACCOUNTANTS. The independent Public Accountants for the Fund are Arthur Andersen and Co., Pittsburgh, PA.

EXPENSES OF THE FUND

The Fund pays all of its allocable share of Trust expenses. The expenses of the Fund include, but are not limited to, the cost of: organizing the Trust and continuing its existence; Trustees' fees; investment advisory and administrative services; printing prospectuses and other Fund documents for shareholders; registering the Trust, the Fund, and Shares of the Fund; taxes and commissions; issuing, purchasing, repurchasing, and redeeming Shares; fees for custodians, transfer agents, dividend disbursing agents, shareholder servicing agents, and registrars; printing, mailing, auditing and certain accounting and legal expenses; reports to shareholders and governmental agencies; meetings of Trustees and shareholders and proxy solicitations therefor; insurance premiums; association membership dues; and such non-recurring and extraordinary items as may arise. However, the Adviser may voluntarily reimburse the Fund the amount, up to the amount of the advisory fee, by which operating expenses exceed limitations imposed by certain states.

NET ASSET VALUE

The Fund attempts to stabilize the net asset value of its Shares at \$1.00 by valuing the portfolio securities using the amortized cost method. The net asset value per Share is determined by subtracting total liabilities from total assets and dividing the remainder by the number of shares outstanding. The Fund cannot guarantee that its net asset value will always remain at \$1.00 per Share.

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INVESTING IN THE FUND

SHARE PURCHASES

Shares are sold on days on which the New York Stock Exchange and the Federal Reserve Wire System are open for business. Shares may be purchased as described below. In connection with any sale, Federated Securities Corp. may from time to time offer certain items of nominal value to any shareholder or investor. The Fund reserves the right to reject any purchase request.

THROUGH A FINANCIAL INSTITUTION. Investors may call their financial institutions to place an order. Orders through a financial institution are considered received when the Fund receives payment by wire or converts payment by check from the financial institution into federal funds. It is the financial institution's responsibility to transmit orders promptly. Financial institutions may charge additional fees for their services.

BY WIRE. To purchase by wire, call the Fund. All information needed will be taken over the telephone, and the order is considered received when State Street Bank receives payment by wire. Federal funds should be wired as follows: State Street Bank and Trust Company, Boston, Massachusetts; Attention: EDGEWIRE; For Credit to: Maryland Municipal Cash Trust; Fund Number (this number can be found on the account statement or by contacting the Fund) Group Number or Order Number; Nominee or Institution Name; and ABA Number 011000028. Shares cannot be purchased by wire on days on which the New York Stock Exchange is closed and on federal holidays restricting wire transfers.

BY MAIL. To purchase by mail, send a check made payable to Maryland Municipal Cash Trust to State Street Bank and Trust Company, P.O. Box 8604, Boston, MA 02266-8604. Orders by mail are considered received when payment by check is converted by State Street Bank into federal funds. This is normally the next business day after the check is received.

MINIMUM INVESTMENT REQUIRED

The minimum initial investment is \$10,000. However, an account may be opened with a smaller amount as long as the minimum is reached within 90 days. Minimum investments will be calculated by combining all accounts maintained with the Fund. Financial institutions may impose different minimum investment requirements on their customers.

WHAT SHARES COST

Shares are sold at their net asset value next determined after an order is received. There is no sales charge imposed by the Fund. Investors who purchase

Shares through a bank or broker may be charged an additional service fee by that bank or broker.

The net asset value is determined at 12:00 noon (Eastern time), 1:00 p.m. (Eastern time), and 4:00 p.m. (Eastern time), Monday through Friday, except on: (i) days on which there are not sufficient changes in the value of the Fund's portfolio securities that its net asset value might be materially affected; (ii) days during which no shares are tendered for redemption and no orders to purchase shares are

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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.

SUBACCOUNTING SERVICES

Financial institutions are encouraged to open single master accounts. However, certain financial 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. Financial institutions 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 Fund Shares. This prospectus should, therefore, be read together with any agreement between the customer and the financial 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 Fund, Federated Services Company maintains a share account for each shareholder. Share certificates are not issued unless requested by contacting the Fund or Federated Services Company in writing.

Monthly confirmations are sent to report transactions such as all purchases and redemptions as well as dividends paid during the month.

DIVIDENDS

Dividends are declared daily and paid monthly. Dividends are automatically reinvested on payment dates in additional Shares of the Fund unless cash payments are requested by writing to the Fund. Shares purchased by wire before 1:00 p.m. (Eastern time) begin earning dividends that day. Shares purchased by check begin earning dividends on the day after the check is converted, upon instruction of the transfer agent, into federal funds.

CAPITAL GAINS

The Fund does not expect to realize any capital gains or losses. If capital gains or losses were to occur, they could result in an increase or decrease in dividends. The Fund will distribute in cash or additional Shares any realized net long-term capital gains at least once every 12 months.

REDEEMING SHARES

Shares are redeemed at their net asset value next determined after the Fund receives the redemption request. Redemptions will be made on days on which the Fund computes its net asset value. Redemption requests must be received in proper form and can be made as described below.

THROUGH A FINANCIAL INSTITUTION

Shares may be redeemed by calling the shareholder's financial institution. Shares will be redeemed at the net asset value next determined after the Fund receives the redemption request from the financial institution. The financial institution is responsible for promptly submitting redemption requests and

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providing proper written redemption instructions. The financial institution may charge customary fees and commissions for this service.

An authorization form permitting redemption requests by telephone must first be completed. Authorization forms and information on this service are available

from Federated Securities Corp. Telephone redemption instructions may be recorded. If reasonable procedures are not followed by the Fund, it may be liable for losses due to unauthorized or fraudulent telephone instructions.

In the event of drastic economic or market changes, a shareholder may experience difficulty in redeeming by telephone. If this occurs, another method of redemption, such as "By Mail", should be considered.

RECEIVING PAYMENT. Pursuant to instructions from the financial institution, redemptions will be made by check or by wire.

BY WIRE. Proceeds for redemption requests received before 12:00 noon, (Eastern time) will be wired the same day but will not be entitled to that day's dividend. Redemption requests received after 12:00 noon, (Eastern time) will receive that day's dividends and will be wired the following business day.

BY CHECK. 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 redemption request. Dividends are paid up to and including the day that a redemption request is processed.

BY MAIL

Shares may be redeemed by sending a written request to the transfer agent. The written request should state: Maryland Municipal Cash Trust; shareholder's name; the account number; and the Share or dollar amount requested. Sign the request exactly as the Shares are registered. Shareholders should call the Fund for assistance in redeeming by mail.

If share certificates have been issued, they must be properly endorsed and should be sent by registered or certified mail with the written request.

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 Fund, or a redemption payable other than to the shareholder of record must have their signatures 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 firm 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 Fund does not accept signatures guaranteed by a notary public.

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The Fund and the transfer agent have adopted standards for accepting signature guarantees from the above institutions. The Fund may elect in the future to limit eligible signature guarantors to institutions that are members of the signature guarantee program. The Fund and its transfer agent reserve the right to amend these standards at any time without notice.

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. Dividends are paid up to and including the day that a redemption request is processed.

BY WRITING A CHECK

At the shareholder's request, State Street Bank and Trust will establish a checking account for redeeming shares. A fee is charged for this service. For further information, contact the Fund.

With this checking account, Shares may be redeemed by writing a check. The redemption will be made at the net asset value on the date that the check is presented to the Fund. A check may not be written to close an account. A shareholder may obtain cash by negotiating the check through the shareholder's

local bank. Checks should never be made payable or sent to State Street Bank and Trust to redeem Shares. Cancelled checks are sent to the shareholder each month.

ACCOUNTS WITH LOW BALANCES

Due to the high cost of maintaining accounts with low balances, the Fund may redeem shares in any account and pay the proceeds to the shareholder if the account balance falls below a required minimum value of \$10,000 due to shareholder redemptions.

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.

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. All shares of all classes of each portfolio in the Trust have equal voting rights, except that in matters affecting only a particular portfolio or class, only shares of that portfolio or class are entitled to 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 or the Fund'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 the shareholders for this purpose shall be called by the Trustees upon the written request of shareholders owning at least 10% of the outstanding Shares of the Trust.

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

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

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

Shareholders are not required to pay the federal regular income tax on any dividends received from the Fund that represent net interest on tax-exempt municipal bonds. However, under the Tax Reform Act of 1986, dividends representing net interest earned on certain "private activity" bonds issued after August 7, 1986, may be included in calculating the federal individual alternative minimum tax or the federal alternative minimum tax for corporations. The Fund may purchase all types of municipal bonds, including private activity bonds.

The alternative minimum tax, up to 28% of alternative minimum taxable income for individuals and 20% for corporations, applies when it exceeds the regular tax for the taxable year. Alternative minimum taxable income is equal to the regular taxable income of the taxpayer increased by certain "tax preference" items not included in regular taxable income and reduced by only a portion of the deductions allowed in the calculation of the regular tax.

The Tax Reform Act of 1986 treats interest on certain "private activity" bonds issued after August 7, 1986, as a tax preference item for both individuals and corporations. Unlike traditional governmental purpose municipal bonds, which finance roads, schools, libraries, prisons and other public facilities, private activity bonds provide benefits to private parties. The Fund may purchase all types of municipal bonds, including private activity bonds. Thus, should it purchase any such bonds, a portion of the Fund's dividends may be treated as a tax preference item.

In addition, in the case of a corporate shareholder, dividends of the Fund which represent interest on municipal bonds may be subject to the 20% corporate alternative minimum tax because the dividends are included in a corporation's "adjusted current earnings." The corporate alternative minimum tax

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treats 75% of the excess of a taxpayer's pre-tax "adjusted current earnings" over the taxpayer's preadjusted alternative minimum taxable income as a tax preference item. "Adjusted current earnings" is based upon the concept of a corporation's "earnings and profits." Since "earnings and profits" generally includes the full amount of any Fund dividend, and alternative minimum taxable income does not include the portion of the Fund's dividend attributable to municipal bonds which are not private activity bonds, 75% of the difference will be included in the calculation of the corporation's alternative minimum tax.

Dividends of the Fund representing net interest income earned on some temporary investments and any realized net short-term gains are taxed as ordinary income.

These tax consequences apply whether dividends are received in cash or as additional shares.

MARYLAND TAX CONSIDERATIONS

Under existing Maryland law, shareholders of the Fund who are individuals, corporations, estates or trusts will not be subject to Maryland state or local taxes on Fund dividends to the extent that such dividends qualify as exempt-interest dividends for federal income tax purposes which are attributable to (i) interest on tax-exempt obligations of Maryland or its political subdivisions or authorities, (ii) interest on obligations of the United States or an authority, commission, instrumentality, possession or territory of the United States, or (iii) gain realized by the Fund from the sale or exchange of bonds issued by Maryland, a political subdivision of Maryland, or the United States government (excluding obligations issued by the District of Columbia, a territory or possession of the United States, or a department, agency, instrumentality, or political subdivision of the District, territory or possession).

Distributions, if any, derived from other sources generally will be taxable for Maryland income tax purposes to shareholders of the Fund who are subject to Maryland income tax.

OTHER STATE AND LOCAL TAXES

Income from the Fund is not necessarily free from taxes in states other than Maryland. Shareholders are urged to consult their own tax advisers regarding the status of their accounts under state and local tax laws.

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PERFORMANCE INFORMATION

From time to time the Fund advertises its yield, effective yield, and tax-equivalent yield.

Yield represents the annualized rate of income earned on an investment over a seven-day period. It is the annualized dividends earned during the period on an investment shown as a percentage of the investment. The effective yield is calculated similarly to the yield, but when annualized, the income earned by an investment is assumed to be reinvested daily. The effective yield will be

slightly higher than the yield because of the compounding effect of this assumed reinvestment. The tax-equivalent yield is calculated similarly to the yield, but is adjusted to reflect the taxable yield that would have to be earned to equal the Fund's tax exempt yield, assuming a specific tax rate.

Advertisements and sales literature may also refer to total return. Total return represents the change, over a specified period of time, in the value of an investment in the Fund after reinvesting all income distributions. It is calculated by dividing that change by the initial investment and is expressed as a percentage.

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

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ADDRESSES

<hr/>	
<TABLE>	
<S>	<C>
Fund	
Maryland Municipal Cash Trust	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
<hr/>	
Distributor	
Federated Securities Corp.	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
<hr/>	
Investment Advisor	
Federated Management	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
<hr/>	
Custodian	
State Street Bank and Trust Company	P.O. Box 8602 Boston, Massachusetts 02266-8602
<hr/>	
Transfer Agent and Dividend Disbursing Agent	
Federated Services Company	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
<hr/>	
Legal Counsel	
Houston, Houston & Donnelly	2510 Centre City Tower Pittsburgh, Pennsylvania 15222
<hr/>	
Legal Counsel	
Dickstein, Shapiro & Morin	2101 L Street, N.W. Washington, D.C. 20037
<hr/>	
Independent Public Accountants	
Arthur Andersen & Co.	2100 PPG Place Pittsburgh, Pennsylvania 15222
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</TABLE>	

MARYLAND MUNICIPAL
CASH TRUST

PROSPECTUS

A NON-DIVERSIFIED PORTFOLIO OF
FEDERATED MUNICIPAL TRUST,
AN OPEN-END MANAGEMENT
INVESTMENT COMPANY

PROSPECTUS DATED MAY 4, 1994

FEDERATED SECURITIES CORP.

Distributor

A subsidiary of FEDERATED INVESTORS

FEDERATED INVESTORS TOWER
PITTSBURGH, PA 15222-3779

MARYLAND MUNICIPAL CASH TRUST
 (A PORTFOLIO OF FEDERATED MUNICIPAL TRUST)
 STATEMENT OF ADDITIONAL INFORMATION

This Statement of Additional Information should be read with the prospectus of Maryland Municipal Cash Trust (the "Fund") dated May 4, 1994. This Statement is not a prospectus itself. To receive a copy of the prospectus, write or call Federated Municipal Trust.

FEDERATED INVESTORS TOWER
 PITTSBURGH, PENNSYLVANIA 15222-3779

Statement dated May 4, 1994

FEDERATED SECURITIES CORP.

Distributor

A subsidiary of FEDERATED INVESTORS

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GENERAL INFORMATION ABOUT THE FUND

The Fund is a portfolio in Federated Municipal Trust (the "Trust"), which was established as a Massachusetts business trust under a Declaration of Trust dated September 1, 1989.

INVESTMENT OBJECTIVE AND POLICIES

The Fund's investment objective is to provide current income exempt from federal regular income tax and the income tax imposed by the State of Maryland and Maryland municipalities consistent with stability of principal. The investment objective cannot be changed without approval of shareholders.

ACCEPTABLE INVESTMENTS

The Fund invests primarily in debt obligations issued by or on behalf of the State of Maryland and of other states, territories and possessions of the United States, including the District of Columbia, and any political subdivision or financing authority of any of these, the income from which is, in the opinion of qualified legal counsel, exempt from both federal regular income tax and Maryland state and local income tax.

When determining whether a Maryland municipal security presents minimal credit risks, the investment adviser considers the creditworthiness of the issuer of the security, the issuer of a demand feature if the Fund has the unconditional right to demand payment for the security, or the guarantor of payment by either of those issuers.

If a security loses its rating or the security's rating is reduced below the required minimum after the Fund purchased it, the Fund is not required to sell the security. The investment adviser considers this event, however, in its determination of whether the Fund should continue to hold the security in its portfolio. If ratings made by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") change because of changes in those organizations or in their rating systems, the Fund will try to use comparable ratings as standards in accordance with the investment policies described in the Fund's prospectus.

MUNICIPAL LEASES

Under the criteria currently established by the Board of Trustees ("Trustees"), the Fund's investment adviser must consider the following factors in determining the liquidity of municipal lease securities: (1) the frequency of trades and quotes for the security; (2) the volatility of quotations and trade prices for the security; (3) the number of dealers willing to purchase or sell the security and the number of potential purchasers; (4) dealer undertakings to make a market in the security; (5) the nature of the security and the nature of the marketplace trades; (6) the rating of the security and the financial condition and prospects of the issuer of the security; and (7) such other factors as may be relevant to the Fund's ability to dispose of the security. In the case of a municipal lease security, the adviser must also consider the following additional factors: (a) whether the lease can be terminated by the lessee; (b) the potential recovery, if any, from a sale of the leased property

upon termination of the lease; (c) the lessee's general credit strength; (d) the likelihood that the lessee will discontinue appropriating funding for the leased property because the property is no longer deemed essential to its operations; and (e) any credit enhancement or legal recourse provided upon an event of nonappropriation or other termination of the lease.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS

These transactions are arrangements in which the Fund purchases securities with payment and delivery scheduled for a future time. The Fund engages in when-issued and delayed delivery transactions only for the purpose of acquiring portfolio securities consistent with the Fund'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 Fund. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase prices.

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

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

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TEMPORARY INVESTMENTS

The Fund may also invest in high quality temporary investments during times of unusual market conditions for defensive purposes and to maintain liquidity.

REPURCHASE AGREEMENTS

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

INVESTMENT LIMITATIONS

SELLING SHORT AND BUYING ON MARGIN

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

ISSUING SENIOR SECURITIES AND BORROWING MONEY

The Fund will not issue senior securities except that the Fund may borrow money directly or through reverse repurchase agreements in amounts up to one-third of the value of its net assets, including the amounts borrowed.

The Fund 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 Fund to meet redemption requests when the liquidation of portfolio securities is deemed to be inconvenient or disadvantageous. The Fund will not purchase any securities while borrowings in excess of 5% of its total assets are outstanding.

PLEDGING ASSETS

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

INVESTING IN REAL ESTATE

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

INVESTING IN COMMODITIES

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

UNDERWRITING

The Fund will not underwrite any issue of securities, except as it may be deemed to be an underwriter under the Securities Act of 1933 in connection with the sale of securities in accordance with its investment objective, policies and limitations.

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LENDING CASH OR SECURITIES

The Fund will not lend any of its assets, except that it may acquire publicly or nonpublicly issued Maryland municipal securities or temporary investments or enter into repurchase agreements, in accordance with its investment objective, policies, limitations, and its Declaration of Trust.

CONCENTRATION OF INVESTMENTS

The Fund 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 or in industrial development bonds or other securities, the interest upon which is paid from revenues of similar types of projects. However, the Fund may invest as temporary investments more than 25% of the value of its assets in cash or cash items, securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities, or instruments secured by these money market instruments, such as repurchase agreements.

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

RESTRICTED SECURITIES

The Fund will not invest more than 10% of its total assets in securities subject to restrictions on resale under the Securities Act of 1933 except for certain restricted securities which meet the criteria for liquidity as established by the Trustees.

ILLIQUID SECURITIES

The Fund will not invest more than 10% of the value of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, certain restricted securities not determined by the Trustees to be liquid, and non-negotiable fixed time deposits with maturities over seven days.

INVESTING IN SECURITIES OF OTHER INVESTMENT COMPANIES

The Fund will not purchase securities of other investment companies, except as part of a merger, consolidation, reorganization, or other

acquisition.

INVESTING IN NEW ISSUERS

The Fund will not invest more than 5% of the value of its total assets in industrial development bonds or other municipal securities where the principal and interest is the responsibility of companies (or guarantors, where applicable) with less than three years of continuous operations, including the operation of any predecessor.

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

The Fund 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.

INVESTING IN MINERALS

The Fund will not purchase or sell oil, gas, or other mineral exploration or development programs, or leases.

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 Fund does not expect to borrow money or pledge securities in excess of 5% of the value of its net assets during the coming fiscal year.

In order to comply with certain state restrictions, the Fund will not invest in real estate limited partnership's or oil, gas or other mineral leases.

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

MARYLAND INVESTMENT RISKS

The State of Maryland's economy differs from that of the nation, with a far smaller contribution to jobs and earnings coming from manufacturing, and a heavier dependence on government, services (particularly business, engineering, and management services), and trade. Much of Maryland's economic structure reflects its location adjacent to Washington, DC. The state was little affected by the recession of the early 1980's with total jobs growing at a pace 23% faster than the nation's during the entire decade. In the 1990-91 recession, the state experienced significant job losses in the construction and retail trade sectors; however, throughout the recession and during the past two years, the state's unemployment rate remained below that of the nation. Slow growth is now apparent in several sectors of the state's economy.

State finances are well managed with strong administrative control exercised by the State Board of Public Works, which is comprised of the governor, treasurer, and the controller. The revenue stream is diversified, relying on sales and income taxes; state property tax continues to be levied to provide for a portion of debt service. The State experienced moderate financial strain from 1990 through 1992, requiring successive budgetary adjustments and remedial action to control operating deficits. The fiscal 1994 budget relies on conservative revenue estimates and economic growth, and establishes a rainy day fund at 5% of General Fund revenues, up from the 2% target level of prior years.

Maryland has been among the most heavily indebted of the states, although its position is more moderate given the borrowing associated with the state's assumption of local school construction costs. Closely following the annual recommendation of its capital debt affordability committee, the state has restrained borrowing in recent years, yielding a more modest relative debt position.

The Fund's concentration in securities issued by the State and its political subdivisions provides a greater level of risk than a fund which is diversified across numerous states and municipal entities. The ability of the State or its

municipalities to meet their obligations will depend on the availability of tax and other revenues; economic, political, and demographic conditions within the State; and the underlying fiscal condition of the State, and its municipalities.

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 Services Company, Federated Administrative Services, Inc., and the Funds (as defined below).

<TABLE>

<CAPTION>

NAME AND ADDRESS	POSITION WITH THE TRUST	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
<S>	<C>	<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.
John T. Conroy, Jr. Wood/IPC Commercial Department John R. Wood and Associates, Inc., Realtors 3255 Tamiami Trail North Naples, FL	Trustee	President, Investment Properties Corporation; Senior Vice-President, John R. Wood and Associates, Inc., Realtors; President, Northgate Village Development Corporation; 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.

</TABLE>

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<TABLE>

<CAPTION>

NAME AND ADDRESS	POSITION WITH THE TRUST	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
<S>	<C>	<C>
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.
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.
Glen R. Johnson* Federated Investors Tower Pittsburgh, PA	President and Trustee	Trustee, Federated Investors; President and/or Trustee of some of the Funds; staff member, Federated Securities Corp. and Federated Administrative Services.
Peter E. Madden	Trustee	Consultant; State Representative, Commonwealth of

225 Franklin Street
Boston, MA

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

Gregor F. Meyer 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, OnLine Computer Library Center, Inc., RAND Corporation, and U.S. Space Foundation; Chairman, Czecho Slovak Management Center; Director, Trustee or Managing General Partner of the Funds; President Emeritus, University of Pittsburgh; formerly Chairman, National Advisory Council for Environmental Policy and Technology.
Marjorie P. Smuts 4905 Bayard Street Pittsburgh, PA	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 Trustee, Federated Administrative Services; Trustee, Federated Services Company; 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.

</TABLE>

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<TABLE>
<CAPTION>

NAME AND ADDRESS	POSITION WITH THE TRUST	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
<S> Richard B. Fisher Federated Investors Tower Pittsburgh, PA	<C> Vice President	<C> 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; Trustee, Federated Services Company; Executive Vice President, Treasurer, and Director, Federated Securities Corp.; Chairman, Treasurer, and Trustee, Federated Administrative Services; Trustee or Director of some of the Funds; Vice President and Treasurer of the Funds.
John W. McGonigle Federated Investors Tower Pittsburgh, PA	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; Trustee, Federated Services Company; Executive Vice President, Secretary, and Trustee, Federated Administrative Services; 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.

<FN>
* This Trustee is deemed to be an "interested person" of the Trust as defined in the Investment Company Act of 1940.
+ Member of the Trust's Executive Committee. The Executive Committee of the Board of Trustees handles the responsibilities of the Trustees between meetings of the Trustees.
</TABLE>

FUND OWNERSHIP

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

THE FUNDS

"The Funds" and "Funds" mean the following investment companies: American Leaders Fund, Inc.; Annuity Management Series; Automated Cash Management Trust; Automated Government Money Trust; California Municipal Cash Trust; Cash Trust Series, Inc.; Cash Trust Series II; 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; Insight Institutional Series, Inc.; Insurance Management Series; Intermediate Municipal Trust; International Series, Inc., Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty Term Trust, Inc.--1999; Liberty U.S. Government Money Market Trust; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series 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; Peachtree Funds; The Planters Funds; Portage Funds; RIMCO Monument Funds; The Shawmut Funds; Short-Term Municipal Trust; Signet Select Funds; Star Funds; The

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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; and Trust for U.S. Treasury Obligations; World Investment Series, Inc.

TRUSTEE LIABILITY

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

INVESTMENT ADVISORY SERVICES

ADVISER TO THE FUND

The Fund's investment adviser is Federated Management. Federated Management 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, his wife, and his son, J. Christopher Donahue. John F. Donahue is Chairman and Trustee, Federated Management; Chairman and Trustee, Federated

Investors; and Chairman and Trustee of the Trust. John A. Staley, IV, is President and Trustee, Federated Management; Vice President and Trustee, Federated Investors; Executive Vice President, Federated Securities Corp.; and Vice President of the Trust. J. Christopher Donahue is Trustee, Federated Management; President and Trustee, Federated Investors; President and Director, Federated Administrative Services, Inc.; and Vice President of the Trust. John W. McGonigle is Vice President, Secretary, and Trustee, Federated Management; Vice President, Secretary, General Counsel, and Trustee, Federated Investors; Executive Vice President, Secretary and Director, Federated Administrative Services, Inc.; Executive Vice President and Director, Federated Securities Corp; and Vice President and Secretary of the Trust.

The adviser shall not be liable to the Trust, the Fund, or any shareholder of the Fund 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.

STATE EXPENSE LIMITATIONS

The adviser has undertaken to comply with the expense limitations established by certain states for investment companies whose shares are registered for sale in those states. If the Fund'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 of 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 Fund for its expenses over the limitation.

If the Fund's monthly projected operating expenses exceed this expense 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.

These arrangements are not part of the advisory contract and have been established only to comply with applicable state authorities. They may be amended or rescinded in the future.

ADMINISTRATIVE SERVICES

Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services to the Fund for a fee as described in the prospectus. John A. Staley, IV, an officer of the Trust, and Dr. Henry J. Gailliot, an officer of Federated Management, the adviser to the Fund, 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., and Federated Administrative Services. For the fiscal years ended October 31, 1993, 1992, and 1991, Federated Administrative Services, Inc. paid approximately \$165,431, \$189,741, and \$187,677, respectively, for services provided by Commercial Data Services, Inc.

SHAREHOLDER SERVICES PLAN

This arrangement permits the payment of fees to Federated Shareholder Services and, indirectly, to financial institutions to cause services to be provided to shareholders by a representative who has knowledge of the shareholder's particular circumstances and goals. These activities and services may include, but are not limited to, providing office space, equipment, telephone facilities, and various clerical, supervisory, computer, and other personnel as necessary or beneficial to establish and maintain shareholder accounts and records; processing purchase and redemption transactions and automatic investments of client account cash balance; answering routine client inquiries; and assisting clients in changing dividend options, account designations, and addresses.

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 investment adviser will generally use those who are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. The adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Trustees.

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

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

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

Research services provided by brokers may be used by the adviser or by affiliates of Federated Investors in advising 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.

PURCHASING SHARES

Shares are sold at their net asset value without a sales charge on days the New York Stock Exchange and the Federal Reserve Wire System are open for business. The procedure for purchasing shares is explained in the prospectus under "Investing in the Fund."

CONVERSION TO FEDERAL FUNDS

It is the Fund'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

The Fund attempts to stabilize the value of a share at \$1.00. The days on which net asset value is calculated by the Fund are described in the prospectus. Net asset value will not be calculated on the following holidays: New

Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

USE OF AMORTIZED COST METHOD

The Trustees have decided that the best method for determining the value of portfolio instruments is amortized cost. Under this method, portfolio instruments are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value.

The Fund's use of the amortized cost method of valuing portfolio instruments depends on its compliance with certain conditions in Rule 2a-7, as amended (the "Rule"), promulgated by the Securities and Exchange Commission under the Investment Company Act of 1940. Under the Rule, the Trustees must establish procedures reasonably designed to stabilize the net asset value per share, as computed for purposes of distribution and redemption, at \$1.00, taking into account current market conditions and the Fund's investment objective.

Under the Rule, the Fund is permitted to purchase instruments which are subject to demand features or standby commitments. As defined by the Rule, a demand feature entitles the Fund to receive the principal amount of the instrument from the issuer or a third party (1) on no more than 30 days' notice or (2) at specified intervals not exceeding one year on no more than 30 days' notice. A standby commitment entitles the Fund to achieve same day settlement and to receive an exercise price equal to the amortized cost of the underlying instrument plus accrued interest at the time of exercise.

Although demand features and standby commitments are techniques and are defined as "puts" under the Rule, the Fund does not consider them to be "puts" as that term is used in the Fund's investment limitations. Demand features and standby commitments are features which enhance an instrument's liquidity, and the investment limitation which proscribes puts is designed to prohibit the purchase and sale of put and call options and is not designed to prohibit the Fund from using techniques which enhance the liquidity of portfolio instruments.

MONITORING PROCEDURES

The Trustees' procedures include monitoring the relationship between the amortized cost value per share and the net asset value per share based upon available indications of market value. The Trustees will decide what, if any, steps should be taken if there is a difference of more than 0.5% between the two values. The Trustees will take any steps they consider appropriate (such as redemption in kind or shortening the average portfolio maturity) to minimize any material dilution or other unfair results arising from differences between the two methods of determining net asset value.

INVESTMENT RESTRICTIONS

The Rule requires that the Fund limit its investments to instruments that, in the opinion of the Trustees, present minimal credit risk and have received the requisite rating from one or more nationally recognized statistical rating organizations. If the instruments are not rated, the Trustees must determine that they are of comparable quality. The Rule also requires the Fund to maintain a dollar-weighted average portfolio maturity (not more than 90 days) appropriate to the objective of maintaining a stable net asset value of \$1.00 per share. In addition, no instrument with a remaining maturity of more than 397 days can be purchased by the Fund. For the treatment of Variable Rate Municipal Securities with demand features, refer to "Variable Rate Demand Notes" in the prospectus.

Should the disposition of a portfolio security result in a dollar-weighted average portfolio maturity of more than 90 days, the Fund will invest its available cash to reduce the average maturity to 90 days or less as soon as possible.

The Fund may attempt to increase yield by trading portfolio securities to take advantage of short-term market variations. This policy may, from time to time, result in high portfolio turnover. Under the amortized cost method of valuation, neither the amount of daily income nor the net asset value is affected by any unrealized appreciation or depreciation of the portfolio.

In periods of declining interest rates, the indicated daily yield on shares of

the Fund, computed by dividing the annualized daily income on the Fund's portfolio by the net asset value computed as above, may tend to be higher than a similar computation made by using a method of valuation based upon market prices and estimates.

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In periods of rising interest rates, the indicated daily yield on shares of the Fund computed the same way may tend to be lower than a similar computation made by using a method of calculation based upon market prices and estimates.

REDEEMING SHARES

The Fund redeems shares at the next computed net asset value after the Fund 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 Fund's portfolio. To the extent available, such securities will be readily marketable.

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.

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 Fund's net asset value during any 90-day period.

TAX STATUS

THE FUND'S TAX STATUS

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

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

YIELD

The Fund calculates its yield based upon the seven days ending on the day of the calculation, called the "base period." This yield is computed by:

- determining the net change in the value of a hypothetical account with a balance of one share at the beginning of the base period, with the net change excluding capital changes but including the value of any additional shares purchased with dividends earned from the original one share and (on funds that pay dividends daily) all dividends declared on the original and any purchased shares;
- dividing the net change in the account's value by the value of the account at the beginning of the base period to determine the base period return; and

- multiplying the base period return by (365/7).

To the extent that financial institutions and broker/dealers charge fees in connection with services provided in conjunction with an investment in the Fund, the performance will be reduced for those shareholders paying those fees.

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EFFECTIVE YIELD

The Fund's effective yield is computed by compounding the unannualized base period return by:

- adding 1 to the base period return;
- raising the sum to the 365/7th power; and
- subtracting 1 from the result.

TAX-EQUIVALENT YIELD

The Fund's tax-equivalent yield is calculated similarly to the yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a 39.6% tax rate (the maximum effective federal rate for individuals) assuming that income earned is 100% tax-exempt.

TAX-EQUIVALENCY TABLE

The Fund may also use a tax-equivalency table in advertising and sales literature. The interest earned by the municipal bonds in the Fund's portfolio generally remains free from federal regular income tax,* and is often free from state and local taxes as well. As the table below indicates, a "tax-free" investment is an attractive choice for investors, particularly in times of narrow spreads between tax-free and taxable yields.

<TABLE>
<CAPTION>

TAXABLE YIELD EQUIVALENT FOR 1994
STATE OF MARYLAND
INCLUDING LOCAL INCOME TAX

COMBINED FEDERAL, STATE AND COUNTY INCOME TAX BRACKET							
	22.50%	35.50%	38.50%	40.00%	43.50%	45.00%	48.60%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SINGLE	\$1-	\$22,751-	\$55,101-	\$100,001-		\$140,001-	Over
Return:	22,750	55,100	100,000	140,000		250,000	\$250,000
Joint	\$1-	\$38,001-	\$91,851-		\$140,001-	\$150,001-	Over
Return:	38,000	91,850	140,000		150,000	250,000	\$250,000

<CAPTION>

TAX-EXEMPT YIELD TAXABLE YIELD EQUIVALENT

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
2.00%	2.50%	3.10%	3.25%	3.33%	3.54%	3.64%	3.89%	
3.00	3.87	4.65	4.88	5.00	5.31	5.45	5.84	
3.50	4.52	5.43	5.69	5.83	6.19	6.36	6.81	
4.00	5.16	6.20	6.50	6.67	7.08	7.27	7.78	
4.50	5.81	6.98	7.32	7.50	7.96	8.18	8.75	
5.00	6.45	7.75	8.13	8.33	8.85	9.09	9.73	
5.50	7.10	8.53	8.94	9.17	9.73	10.00	10.70	
6.00	7.74	9.30	9.76	10.00	10.62	10.91	11.67	
6.50	8.39	10.08	10.57	10.83	11.50	11.82	12.65	
7.00	9.03	10.85	11.38	11.67	12.39	12.73	13.62	
7.50	9.68	11.63	12.20	12.50	13.27	13.64	14.59	
8.00	10.32	12.40	13.01	13.33	14.16	14.55	15.56	

<FN>
Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal

deductions. The local income tax rate is assumed to be 50% of the state rate for all counties excluding Alleghany, Montgomery, Prince George's, Talbot, and Worcester.

The chart above is for illustrative purposes only. It is not an indicator of past or future performance of the Fund.

* Some portion of the Fund's income may be subject to the federal alternative minimum tax and state and local regular or alternative minimum taxes.

</TABLE>

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PERFORMANCE COMPARISONS

The performance of the Fund depends upon such variables as:

- portfolio quality;
- average portfolio maturity;
- type of instruments in which the portfolio is invested;
- changes in interest rates on money market instruments;
- changes in the Fund's expenses; and
- the relative amount of Fund cash flow.

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

- LIPPER ANALYTICAL SERVICES, INC. ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all income dividends and capital gains distributions, if any. From time to time, the Fund will quote its Lipper ranking in the "tax-exempt money market fund" category in advertising and sales literature.
- MORNINGSTAR, INC., an independent rating service, is the publisher of the bi-weekly MUTUAL FUND VALUES. MUTUAL FUND VALUES rates more than 1,000 NASDAQ-listed mutual funds of all types, according to their risk adjusted returns. The maximum rating is five stars and ratings are effective for two weeks.

Advertisements and other sales literature for the Fund may refer to total return. Total return is the historic change in the value of an investment in the Fund based on the monthly reinvestment of dividends over a specified period of time. In addition, advertisements and sales literature for the Fund may include charts and other illustrations that depict the hypothetical growth of a tax-free investment as compared to a taxable investment.

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APPENDIX

MUNICIPAL BOND RATING DEFINITIONS

STANDARD & POOR'S CORPORATION

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

AA--Debt rated AA has a very strong capacity to pay interest and repay principal

and differs from the higher rated issues only in small degree.

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

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

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

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

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

MOODY'S INVESTORS SERVICE, INC.

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

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

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

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

Ba--Bonds which are Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

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

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

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Ca--Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.
C--Bonds which are rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

SHORT-TERM MUNICIPAL OBLIGATION RATINGS

STANDARD & POOR'S CORPORATION

A Standard & Poor's note rating reflects the liquidity concerns and market access risks unique to notes.

SP-1 Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.

SP-2 Satisfactory capacity to pay principal and interest.

MOODY'S INVESTORS SERVICE, INC.

Moody's short-term ratings are designated Moody's Investment Grade (MIG or VMIG (see below)). The purpose of the MIG or VMIG rating is to provide investors with a simple system by which the relative investment qualities of short-term obligations may be evaluated.

MIG1 This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG2 This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

VARIABLE RATE DEMAND NOTES (VRDNS)
AND
TENDER OPTION BONDS (TOBS)
RATINGS

STANDARD AND POOR'S CORPORATION

Standard & Poor's assigns dual ratings to all long-term debt issues that have as part of their provisions a variable rate demand feature. The first rating (long-term rating) addresses the likelihood of repayment of principal and interest when due, and the second rating (short-term rating) describes the demand characteristics. Several examples are AAA/A-1+, AA/A-1+, A/A-1. (The definitions for the short-term ratings are provided below).

MOODY'S INVESTORS SERVICE, INC.

Short-term ratings on issues with demand features are differentiated by the use of the VMIG symbol to reflect such characteristics are payment upon periodic demand rather than fixed maturity dates and payment relying on external liquidity. In this case, two ratings are usually assigned, (for example, Aaa/VMIG-1); the first representing an evaluation of the degree of risk associated with scheduled principal and interest payments, and the second representing an evaluation of the degree of risk associated with the demand feature. The VMIG rating can be assigned a 1 or 2 designation using the same definitions described above for the MIG rating.

COMMERCIAL PAPER (CP) RATINGS

STANDARD & POOR'S CORPORATION

A Standard & Poor's commercial paper rating is a current assessment of the likelihood of timely payment of debt having an original maturity of no more than 365 days.

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

A-2 Capacity for timely payment on issues with this designation is strong. However, the relative degree of safety is not as high as for issues designated "A-1."

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MOODY'S INVESTORS SERVICE, INC.

P-1 Issuers rated PRIME-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations.

P-2 Issuers rated PRIME-2 (or related supporting institutions) have a strong

capacity for repayment of short-term promissory obligations.

The following is an explanation of the Fitch ratings. These ratings are not referenced in the Portfolio of Investments.

FITCH TAX-EXEMPT INVESTMENT NOTE RATING DEFINITIONS

F-1+ (Exceptionally Strong Credit Quality). Issues assigned this rating are regarded as having the strongest degree of assurance for timely payment.

F-1 (Very Strong Credit Quality). Issues assigned this rating reflect an assurance of timely payment only slightly less in degree than issues rated "F-1+."

F-2 (Good Credit Quality). Issues carrying this rating have a satisfactory degree of assurance for timely payment, but the margin of safety is not as great as the "F-1+" and "F-1" categories.

NR NR indicates that both the bonds and the obligor or credit enhancer are currently rated by Standard and Poor's Corporation or Moody's Investors Service, Inc. with respect to short term indebtedness. However, management considers them to be of comparable quality to securities rated A-1 or P-1.

MNR(1) The underlying issuer/obligor/guarantor has other outstanding debt rated "AAA" by Standard and Poor's Corporation or "Aaa" by Moody's Investors Service, Inc.

NR(2) The underlying issuer/obligor/guarantor has other outstanding debt rated "AA" by Standard and Poor's Corporation or "Aa" by Moody's Investors Service, Inc.

NR(3) The underlying issuer/obligor/guarantor has other outstanding debt rated "A" by Standard and Poor's Corporation or Moody's Investors Service, Inc.

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PART C. OTHER INFORMATION.

Item 24. Financial Statements and Exhibits:

- (a) Financial Statements (Filed in Part A-Supplement to Prospectus)
- (b) Exhibits:
 - (1) Copy of Declaration of Trust of the Registrant (1);
 - (i) Copy of the Declaration of Trust, as amended (7);
 - (ii) Copy of Amendment No. 10, dated November 18, 1992, to the Declaration of Trust (12);
 - (iii) Conformed copy of Amendment No. 12, dated Nov. 22, 1993, to the Declaration of Trust (17);
 - (iv) Conformed copy of Amendment No. 13, dated February 24, 1994, to the Declaration of Trust (17);
 - (v) Conformed copy of Amendment No. 14, dated August 25, 1994 (20);
 - (2) Copy of By-Laws of the Registrant (7);
 - (3) Not applicable;
 - (4) (i) Copy of Specimen Certificates for Shares of Beneficial Interest of Alabama Municipal Cash Trust, Minnesota Municipal Cash Trust (Cash Series Shares and Institutional Shares), Pennsylvania Municipal Cash Trust (Cash Series Shares and Institutional Service Shares), Virginia Municipal Cash Trust (Institutional Service Shares and Institutional Shares), North Carolina Municipal Cash Trust, Ohio Municipal Cash Trust (Cash II Shares and Institutional Shares), Massachusetts Municipal Cash Trust (Institutional Service Shares and BayFunds Shares), and New Jersey Municipal Cash Trust (Institutional Shares and Institutional Service Shares) (16);

1. Response is incorporated by reference to Registrant's Initial Registration Statement on Form N-1A filed on September 29, 1989 (File Nos. 33-31259 and 811-5911).
7. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 6 on Form N-1A filed on November 6, 1990 (File Nos. 33-31259 and 811-5911).
12. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 14 on Form N-1A filed on December 23, 1992 (File Nos. 33-31251 and 811-5911).
16. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 21 on Form N-1A filed on December 29, 1993 (File Nos. 33-31251 and 811-5911).
17. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 22 on Form N-1A filed on March 2, 1994 (File Nos. 33-31251 and 811-5911).
20. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 30 on Form N-1A filed on September 19, 1994 (File Nos. 33-31251 and 811-5911).
 - (ii) Copy of Specimen Certificate for Maryland Municipal Cash Trust (17);
 - (iii) Copy of Specimen Certificate for Florida Municipal Cash Trust (20)
 - (5) Copy of Investment Advisory Contract of the Registrant (7);
 - (i) Conformed copy of Exhibit G to Investment Advisory Contract for Virginia Municipal Cash Trust (18);
 - (ii) Conformed copy of Exhibit H to Investment Advisory Contract for Alabama Municipal Cash Trust (19);
 - (iii) Conformed copy of Exhibit I to Investment Advisory Contract for North Carolina Municipal Cash Trust (19);
 - (iv) Conformed copy of Exhibit J to Investment Advisory Contract for Maryland Municipal Cash Trust (19);
 - (v) Form of Exhibit K to Investment Advisory Contract for New York Municipal Cash Trust; +
 - (vi) Form of Exhibit L to Investment Advisory Contract for California Municipal Cash Trust; +
 - (vii) Form of Exhibit M to the Investment Advisory Contract for Florida Municipal Cash Trust;+
 - (6) Copy of Distributor's Contract of the Registrant (5);
 - (i) Exhibit M to Distributor's Contract (13);
 - (ii) Conformed copy of Exhibit N to the Distributor's Contract for Virginia Municipal Cash Trust (19);
 - (iii) Conformed copy of Exhibit O to the Distributor's Contract for Alabama Municipal Cash Trust (19);
 - (iv) Conformed copy of Exhibit P to the Distributor's Contract for North Carolina Municipal Cash Trust (19);

+ All exhibits have been filed electronically.

5. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 3 on Form N-1A filed August 3, 1990 (File Nos. 33-31259 and 811-5911).
7. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 6 on Form N-1A filed on November 6, 1990 (File Nos. 33-31259 and 811-5911).
13. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 15 on Form N-1A filed on December 24, 1992 (File Nos. 33-31259 and 811-5911).
17. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 22 on Form N-1A filed on March 2, 1994 (File Nos. 33-31259 and 811-5911).
18. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 26 on Form N-1A filed on June 1, 1994 (File Nos. 33-31259 and 811-5911).
19. Response is incorporated by reference to Registrant's Post-Effective

Amendment No. 28 on Form N-1A filed on June 28, 1994 (File Nos. 33-31259 and 811-5911).

20. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 30 on Form N-1A filed on September 19, 1994 (File Nos. 33-31251 and 811-5911).

- (v) Conformed copy of Exhibit Q to the Distributor's Contract for Maryland Municipal Cash Trust (19);
 - (vi) Conformed copy of Exhibit R to the Distributor's Contract for New York Municipal Cash Trust, Cash II Shares; +
 - (vii) Conformed copy of Exhibit S to the Distributor's Contract for New York Municipal Cash Trust, Institutional Service Shares; +
 - (viii) Conformed copy of Exhibit T to the Distributor's Contract for California Municipal Cash Trust; +
 - (ix) Form of Exhibit U to the Distributor's Contract for Florida Municipal Cash Trust;+
- (7) Not applicable;
- (8) (i) Conformed copy of Custodian Agreement of the Registrant; (17)
(ii) Conformed copy of Transfer Agency Agreement (17);
- (9) (i) Conformed copy of Agency Agreement of the Registrant (15);
(ii) Conformed copy of Sub-Transfer Agency Agreement of the Registrant (Massachusetts Municipal Cash Trust--BayFunds Shares only) (15);
(iii) Conformed copy of Shareholder Services Agreement of the Registrant (Massachusetts Municipal Cash Trust--BayFunds Shares only) (15);
- (iv) Conformed copy of Shareholder Services Agreement of the Registrant (to be filed by Amendment);
- (v) Copy of Exhibit A to Shareholder Services Agreement for Virginia Municipal Cash Trust (17);
- (vii) Copy of Exhibit B to Shareholder Services Agreement for Maryland Municipal Cash Trust (17);
- (viii) Conformed copy of Shareholder Services Plan of the Registrant; (18)

+ All exhibits have been filed electronically.

15. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 18 on Form N-1A filed on October 1, 1993 (File Nos. 33-31259 and 811-5911).

17. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 22 on Form N-1A filed on March 2, 1994 (File Nos. 33-31259 and 811-5911).

18. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 26 on Form N-1A filed on June 1, 1994 (File Nos. 33-31259 and 811-5911).

19. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 28 on Form N-1A filed on June 28, 1994 (File Nos. 33-31259 and 811-5911).

- (ix) Conformed copy of Exhibit A to Shareholder Services Plan for Virginia Municipal Cash Trust-Institutional Service Shares; (19)
 - (x) Conformed copy of Exhibit B to Shareholder Services Plan for Maryland Municipal Cash Trust; (18)
 - (xi) Form of Exhibit C to Shareholder Services Plan for Florida Municipal Cash Trust;+
- (10) (i) Copy of Opinion and Consent of Counsel as to the legality of shares for Minnesota Municipal Cash Trust (5);
(ii) Copy of Opinion and Consent of Counsel as to the legality of shares for New Jersey Municipal Cash Trust (7);
- (11) Not applicable
- (12) Not applicable;

- (13) Copy of Initial Capital Understanding (2);
- (14) Not applicable.
- (15) (i) Copy of Rule 12b-1 Plan of the Registrant (7);
 - (1) Conformed copy of Exhibit H to 12b-1 Plan for New York Municipal Cash Trust, Cash II Shares;+
 - (2) Conformed copy of Exhibit I to 12b-1 Plan for New York Municipal Cash Trust, Institutional Service Shares;+
 - (3) Form of Exhibit J to 12b-1 Plan for Florida Municipal Cash Trust;+
- (ii) Copy of Rule 12b-1 Agreement of the Registrant (7); Additional Exhibits to the Rule 12b-1 Plan and Agreement have been executed to reflect the coverage of subsequently created portfolios and/or classes under these documents. Because these exhibits are substantially identical but differ only as to the Fund name, dates, and any other Fund - specific information, pursuant to Rule 8b-31 of the Investment Company Act they need not be filed.

+ All exhibits have been filed electronically.

- 2. Response is incorporated by reference to Registrant's Pre-Effective Amendment No. 1 on Form N-1A filed on October 31, 1989 (File Nos. 33-31259 and 811-5911).
- 5. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 3 on Form N-1A filed August 3, 1990 (File Nos. 33-31259 and 811-5911).
- 7. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 6 on Form N-1A filed on November 6, 1990 (File Nos. 33-31259 and 811-5911).
- 18. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 26 on Form N-1A filed on June 1, 1994 (File Nos. 33-31259 and 811-5911).
- 19. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 28 on Form N-1A filed on June 28, 1994 (File Nos. 33-31259 and 811-5911).
- (16) Schedules for Computation of Performance Data;
 - (i) New Jersey Municipal Cash Trust (9);
 - (ii) Ohio Municipal Cash Trust (10);
 - (iii) Virginia Municipal Cash Trust (Institutional Share and Institutional Service Shares) (16);
 - (iv) Alabama Municipal Cash Trust (18);
 - (v) North Carolina Municipal Cash Trust (18);
 - (vi) Maryland Municipal Cash Trust;+
- (17) Financial Data Schedule;+
- (18) Conformed copy of Opinion and Consent of Counsel as to Availability of Rule 485 (b);+
- (19) Conformed copy of Power of Attorney(16)

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

None

Item 26. Number of Holders of Securities:

Title of Class Shares of beneficial interest (no par value)	Number of Record Holders as of September 30, 1994
Alabama Municipal Cash Trust	143
California Municipal Cash Trust	457
Connecticut Municipal Cash Trust	
Institutional Service Shares	928
Florida Municipal Cash Trust	0
Maryland Municipal Cash Trust	134
Massachusetts Municipal Cash Trust	
Institutional Service Shares	239
BayFunds Shares	3

+All exhibits have been filed electronically.

- 9. Response is incorporated by reference to Registrant's Post-Effective

Amendment No. 10 on Form N-1A filed on June 7, 1991 (File Nos. 33-31259 and 811-5911).

10. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 11 on Form N-1A filed on June 28, 1991 (File Nos. 33-31259 and 811-5911).
16. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 21 on Form N-1A filed on December 29, 1993 (File Nos. 33-31259 and 811-5911).
18. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 26 on Form N-1A filed on June 1, 1994 (File Nos. 33-31259 and 811-5911).

Title of Class	Number of Record Holders as of September 30, 1994
Minnesota Municipal Cash Trust	
Cash Series Shares	2,198
Institutional Shares	41
New Jersey Municipal Cash Trust	
Institutional Service Shares	122
Institutional Shares	32
New York Municipal Cash Trust	
Cash II Shares	96
Institutional Service Shares	176
North Carolina Municipal Cash Trust	222
Ohio Municipal Cash Trust	
Cash II Shares	135
Institutional Shares	53
Pennsylvania Municipal Cash Trust	
Cash Series Shares	404
Institutional Service Shares	277
Virginia Municipal Cash Trust	
Institutional Shares	24
Institutional Service Shares	398

Item 27. Indemnification: (3.)

Item 28. Business and Other Connections of Investment Adviser:

For a description of the other business of the investment adviser, see the section entitled "Federated Municipal Trust Information - Management of the Trust" in Part A. The affiliations with the Registrant of four of the Trustees and one of the Officers of the investment adviser are included in Part B of this Registration Statement under "Federated Municipal Trust Management - Officers and Trustees." The remaining Trustee of the investment adviser, his position with the investment adviser, and, in parentheses, his principal occupation is: Mark D. Olson (Partner, Wilson, Halbrook & Bayard), 107 W. Market Street, Georgetown, Delaware 19947.

The remaining Officers of the investment adviser are: William D. Dawson, J. Thomas Madden, Mark L. Mallon, Executive Vice Presidents; Henry J. Gailliot, Senior Vice President-Economist; Peter R. Anderson, Gary J. Madich, and J. Alan Minter, Senior Vice Presidents; Randall A. Bauer, Jonathan C. Conley, Deborah A. Cunningham, Mark E. Durbiano, Kathleen M. Foody-Malus, Thomas M. Franks, Edward C. Gonzales, Jeff A. Kozemchak, Marian R. Marinack, John W. McGonigle, Gregory M. Melvin, Susan M. Nason, Mary Jo Ochson, Robert J. Ostrowski, Charles A. Ritter, and Christopher H. Wiles, Vice Presidents; Edward C. Gonzales, Treasurer; and John W. McGonigle, Secretary. The business address of each of the Officers of the investment adviser is Federated Investors Tower, Pittsburgh, Pennsylvania 15222-3779. These individuals are also officers of a majority of the investment advisers to the Funds listed in Part B of this Registration Statement under "The Funds."

3. Response is incorporated by reference to Registrant's Post-Effective Amendment No. 1 on Form N-1A filed on March 22, 1990 (File Nos. 33-31259 and 811-5911).

Item 29. Principal Underwriters:

(a) Federated Securities Corp., the Distributor for shares of the Registrant, also acts as principal underwriter for the following open-end investment companies: Alexander Hamilton Funds; American

Leaders Fund, Inc.; Annuity Management Series; Arrow Funds; Automated Cash Management Trust; Automated Government Money Trust; BayFunds; The Biltmore Funds; The Biltmore Municipal Funds; California Municipal Cash Trust; Cash Trust Series, Inc.; Cash Trust Series II; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated Growth Trust; Federated High Yield Trust; Federated Income Securities Trust; Federated Income Trust; Federated Index Trust; Federated Institutional Trust; Federated Intermediate Government Trust; Federated Master Trust; Federated Short-Intermediate Government Trust; Federated Short-Term U.S. Government Trust; Federated Stock Trust; Federated Tax-Free Trust; Federated U.S. Government Bond Fund; First Priority Funds; First Union Funds; Fixed Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund, Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.; Fountain Square Funds; Fund for U.S. Government Securities, Inc.; Government Income Securities, Inc.; High Yield Cash Trust; Independence One Mutual Funds; Insight Institutional Series, Inc.; Insurance Management Series; Intermediate Municipal Trust; International Series Inc.; Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty U.S. Government Money Market Trust; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series Trust; Mark Twain Funds; Marshall Funds, Inc.; Money Market Management, Inc.; The Medalist Funds; Money Market Obligations Trust; Money Market Trust; The Monitor Funds; Municipal Securities Income Trust; New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; Portage Funds; RIMCO Monument Funds; The Shawmut Funds; Short-Term Municipal Trust; SouthTrust Vulcan Funds; Star Funds; The Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust; Tower Mutual Funds; Trademark Funds; Trust for Financial Institutions; Trust for Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; Vision Fiduciary Funds, Inc.; Vision Group of Funds, Inc.; and World Investment Series, Inc.

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

(b)

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

Mark W. Bloss Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Theodore Fadool, Jr. Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Bryant R. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Christopher T. Fives Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
James S. Hamilton Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
James M. Heaton Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--

Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
H. Joseph Kennedy Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Keith Nixon Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Timothy C. Pillion Federated Investors Tower Pittsburgh, PA 15222-3779	Senior Vice President, Federated Securities Corp.	--
Richard W. Boyd Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Jane E. Broeren-Lambesis Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Mary J. Combs Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
R. Edmond Connell, Jr. Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Laura M. Deger Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Jill Ehrenfeld Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Mark D. Fisher Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Joseph D. Gibbons Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
David C. Glabicki Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Richard C. Gonzales	Vice President,	--

Federated Investors Tower Pittsburgh, PA 15222-3779	Federated Securities Corp.	
Scott A. Hutton Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
William J. Kerns Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
William E. Kugler Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Dennis M. Laffey Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Francis J. Matten, Jr. Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Mark J. Miehl Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
J. Michael Miller Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
R. Jeffrey Niss Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Michael P. O'Brien Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Solon A. Person, IV Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Robert F. Phillips Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Eugene B. Reed Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Paul V. Riordan Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Charles A. Robison Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
David W. Spears Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Jeffrey A. Stewart Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Name and Principal Business Address	Positions and Offices With Underwriter	Positions and Offices With Registrant
Thomas E. Territ Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
William C. Tustin	Vice President,	--

Federated Investors Tower Pittsburgh, PA 15222-3779	Federated Securities Corp.	
Richard B. Watts Federated Investors Tower Pittsburgh, PA 15222-3779	Vice President, Federated Securities Corp.	--
Philip C. Hetzel Federated Investors Tower Pittsburgh, PA 15222-3779	Assistant Vice President, Federated Securities Corp.	--
Ernest L. Linane Federated Investors Tower Pittsburgh, PA 15222-3779	Assistant Vice President, Federated Securities Corp.	--
S. Elliott Cohan Federated Investors Tower Pittsburgh, PA 15222-3779	Secretary, Federated Securities Corp.	Assistant Secretary

(c) Not applicable.

Item 30. Location of Accounts and Records:

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

Item 31. Management Services: Not applicable.

Item 32. Undertakings:

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

Registrant hereby undertakes to file a post-effective amendment on behalf of Florida Municipal Cash Trust, using financial statements for such portfolio, which need not be certified, within four to six months from the effective date of Registrant's Post-Effective Amendment Nos. 29 and 30.

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

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, FEDERATED MUNICIPAL TRUST, certifies that it meets all of the requirements for effectiveness of this Amendment to its Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Amendment to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Pittsburgh and Commonwealth of Pennsylvania, on the 24th day of October, 1994.

FEDERATED MUNICIPAL TRUST

BY: /s/ G. Andrew Bonnewell
G. Andrew Bonnewell, Assistant Secretary
Attorney in Fact for John F. Donahue
October 24, 1994

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

NAME	TITLE	DATE
By: /s/G. Andrew Bonnewell G. Andrew Bonnewell ASSISTANT SECRETARY	Attorney In Fact For the Persons Listed Below	October 24, 1994

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

* By Power of Attorney

HOUSTON, HOUSTON & DONNELLY
ATTORNEYS AT LAW
2510 CENTRE CITY TOWER

WILLIAM McC. HOUSTON PITTSBURGH, PA. 15222

FRED CHALMERS HOUSTON, JR. _____

THOMAS J. DONNELLY

JOHN F. MECK

(412) 471-5828

FAX (412) 471-0736

FRED CHALMERS HOUSTON

(1914 - 1971)

MARIO SANTILLI, JR.

THEODORE M. HAMMER

October 20, 1994

Federated Municipal Trust
Federated Investors Tower
Pittsburgh, PA 15222-3779

Gentlemen:

As counsel to Federated Municipal Trust ("Trust") we have reviewed Post-effective Amendment No. 31 to the Trust's Registration Statement to be filed with the Securities and Exchange Commission under the Securities Act of 1933 (File No. 33-31259). The subject Post-effective Amendment will be filed pursuant to Paragraph (b) of Rule 485 and become effective pursuant to said Rule on October 31, 1994.

Our review also included an examination of other relevant portions of the amended 1933 Act Registration Statement of the Trust and such other documents and records deemed appropriate. On the basis of this review we are of the opinion that Post-effective Amendment No. 31 does not contain disclosures which would render it ineligible to become effective pursuant to Paragraph (b) of Rule 485.

We hereby consent to the filing of this representation letter as a part of the Trust's Registration Statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and as part of any application or registration statement filed under the Securities Laws of the States of the United States.

Very truly yours,

Houston, Houston & Donnelly

By: /s/ Thomas J. Donnelly

TJD:heh

EXHIBIT K
to the
Investment Advisory Contract

New York Municipal Cash Trust

For all services rendered by Adviser hereunder, the above-named Fund of the Trust shall pay to Adviser and Adviser agrees to accept as full compensation for all services rendered hereunder, an annual investment advisory fee equal to .40 of 1% of the average daily net assets of the Fund.

The portion of the fee based upon the average daily net assets of the Fund shall be accrued daily at the rate of 1/365th of .40 of 1% applied to the daily net assets of the Fund.

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

Witness the due execution hereof this ___ day of _____, 1994.

Attest:

FEDERATED MANAGEMENT

Secretary

By:

Executive Vice President

Attest:

FEDERATED MUNICIPAL TRUST

Assistant Secretary

By:

Vice President

EXHIBIT L
to the
Investment Advisory Contract

California Municipal Cash Trust

For all services rendered by Adviser hereunder, the above-named Fund of the Trust shall pay to Adviser and Adviser agrees to accept as full compensation for all services rendered hereunder, an annual investment advisory fee equal to .50 of 1% of the average daily net assets of the Fund.

The portion of the fee based upon the average daily net assets of the Fund shall be accrued daily at the rate of 1/365th of .50 of 1% applied to the daily net assets of the Fund.

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

Witness the due execution hereof this ___ day of _____, 1994.

Attest:

FEDERATED MANAGEMENT

Secretary

By:

Executive Vice President

Attest:

FEDERATED MUNICIPAL TRUST

Assistant Secretary

By:

Vice President

Exhibit 5(vii) under Form N-1A
Exhibit 10 under Item 601/Reg. S-K

EXHIBIT M
to the
Investment Advisory Contract

Florida Municipal Cash Trust

For all services rendered by Adviser hereunder, the above-named Fund of the Trust shall pay to Adviser and Adviser agrees to accept as full compensation for all services rendered hereunder, an annual investment advisory fee equal to .40 of 1% of the average daily net assets of the Fund.

The portion of the fee based upon the average daily net assets of the Fund shall be accrued daily at the rate of 1/365th of .40 of 1% applied to the daily net assets of the Fund.

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

Witness the due execution hereof this 1st day of September,
1994.

Attest:

FEDERATED MANAGEMENT

Secretary

By: _____
Executive Vice President

Attest:

FEDERATED MUNICIPAL TRUST

Assistant Secretary

By: _____
Vice President

Exhibit R

FEDERATED MUNICIPAL TRUST

New York Municipal Cash Trust
Cash II Shares

The following provisions are hereby incorporated and made part of the Distributor's Contract dated the 31st day of August, 1990, between Federated Municipal Trust and Federated Securities Corp. with respect to the separate Class of Shares thereof, first set forth in this Exhibit.

1. The Trust hereby appoints FSC to engage in activities principally intended to result in the sale of shares of the Class. Pursuant to this appointment FSC is authorized to select a group of brokers ("Brokers") to sell shares of the above-listed Class ("Shares"), at the current offering price thereof as described and set forth in the respective prospectuses of the Trust, and to render administrative support services to the Trust and its shareholders. In addition, FSC is authorized to select a group of Administrators ("Administrators") to render administrative support services to the Trust and its shareholders.

2. Administrative support services may include, but are not limited to, the following eleven functions: (1) account openings: the Broker or Administrator communicates account openings via computer terminals located on the Broker or Administrator's premises; 2) account closings: the Broker or Administrator communicates account closings via computer terminals; 3) enter purchase transactions: purchase transactions are entered through the Broker or Administrator's own personal computer or through the use of a toll-free telephone number; 4) enter redemption transactions: Broker or Administrator enters redemption transactions in the same manner as purchases; 5) account maintenance: Broker or Administrator provides or arranges to provide accounting support for all transactions. Broker or Administrator also wires funds and receives funds for Trust share purchases and redemptions, confirms and reconciles all transactions, reviews the activity in the Trust's accounts, and provides training and supervision of its personnel; 6) interest posting: Broker or Administrator posts and reinvests dividends to the Trust's accounts; 7)

prospectus and shareholder reports: Broker or Administrator maintains and distributes current copies of prospectuses and

shareholder reports; 8) advertisements: the Broker or Administrator continuously advertises the availability of its services and products; 9) customer lists: the Broker or Administrator continuously provides names of potential customers; 10) design services: the Broker or Administrator continuously designs material to send to customers and develops methods of making such materials accessible to customers; and 11) consultation services: the Broker or Administrator continuously provides information about the product needs of customers.

3. During the term of this Agreement, the Trust will pay FSC for services pursuant to this Agreement, a monthly fee computed at the annual rate of up to .25% of the average aggregate net asset value of the Cash II Shares of New York Municipal Cash Trust held during the month. For the month in which this Agreement becomes effective or terminates, there shall be an appropriate proration of any fee payable on the basis of the number of days that the Agreement is in effect during the month.

4. FSC may from time-to-time and for such periods as it deems appropriate reduce its compensation to the extent any Class expenses exceed such lower expense limitation as FSC may, by notice to the Trust, voluntarily declare to be effective.

5. FSC will enter into separate written agreements with various firms to provide certain of the services set forth in Paragraph 1 herein. FSC, in its sole discretion, may pay Brokers and Administrators a periodic fee in respect of Shares owned from time to time by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid shall be determined from time to time by FSC in its sole discretion.

6. FSC will prepare reports to the Board of Trustees of the Trust on a quarterly basis showing amounts expended hereunder including amounts paid to Brokers and Administrators and the purpose for such payments.

In consideration of the mutual covenants set forth in the Distributor's Contract dated August 31, 1990 between Federated Municipal Trust and Federated Securities Corp., Federated Municipal Trust executes and delivers this Exhibit on behalf of the Funds, and with respect to the separate Class of Shares thereof, first set forth in this Exhibit.

Witness the due execution hereof this 1st day of March,
1994.

Attest: FEDERATED MUNICIPAL TRUST

/s/ John W. McGonigle
Secretary

By: /s/ Glen R. Johnson
President

(SEAL)

Attest: FEDERATED SECURITIES CORP.

/s/ S. Elliott Cohan
Secretary

By: /s/ Edward C. Gonzales
President

(SEAL)

Exhibit 6(vii) under Form N-1A
Exhibit 1 under Item 601/Reg. S-K

Exhibit S

FEDERATED MUNICIPAL TRUST

New York Municipal Cash Trust
Institutional Service Shares

The following provisions are hereby incorporated and made part of the Distributor's Contract dated the 31st day of August, 1990, between Federated Municipal Trust and Federated Securities Corp. with respect to the separate Class of Shares thereof, first set forth in this Exhibit.

1. The Trust hereby appoints FSC to engage in activities principally intended to result in the sale of shares of the Class. Pursuant to this appointment FSC is authorized to select a group of brokers ("Brokers") to sell shares of the above-listed Class ("Shares"), at the current offering price thereof as described and set forth in the respective prospectuses of the Trust, and to render administrative support services to the Trust and its shareholders. In addition, FSC is authorized to select a group of Administrators ("Administrators") to render administrative support services to the Trust and its shareholders.

2. Administrative support services may include, but are

not limited to, the following eleven functions: (1) account openings: the Broker or Administrator communicates account openings via computer terminals located on the Broker or Administrator's premises; 2) account closings: the Broker or Administrator communicates account closings via computer terminals; 3) enter purchase transactions: purchase transactions are entered through the Broker or Administrator's own personal computer or through the use of a toll-free telephone number; 4) enter redemption transactions: Broker or Administrator enters redemption transactions in the same manner as purchases; 5) account maintenance: Broker or Administrator provides or arranges to provide accounting support for all transactions. Broker or Administrator also wires funds and receives funds for Trust share purchases and redemptions, confirms and reconciles all transactions, reviews the activity in the Trust's accounts, and provides training and supervision of its personnel; 6) interest posting: Broker or Administrator posts and reinvests dividends to the Trust's accounts; 7) prospectus and shareholder reports: Broker or Administrator maintains and distributes current copies of prospectuses and shareholder reports; 8) advertisements: the Broker or Administrator continuously advertises the availability of its services and products; 9) customer lists: the Broker or

Administrator continuously provides names of potential customers; 10) design services: the Broker or Administrator continuously designs material to send to customers and develops methods of making such materials accessible to customers; and 11) consultation services: the Broker or Administrator continuously provides information about the product needs of customers.

3. During the term of this Agreement, the Trust will pay FSC for services pursuant to this Agreement, a monthly fee computed at the annual rate of up to .25% of the average aggregate net asset value of the Institutional Service Shares of New York Municipal Cash Trust held during the month. For the month in which this Agreement becomes effective or terminates, there shall be an appropriate proration of any fee payable on the basis of the number of days that the Agreement is in effect during the month.

4. FSC may from time-to-time and for such periods as it deems appropriate reduce its compensation to the extent any Class expenses exceed such lower expense limitation as FSC may, by notice to the Trust, voluntarily declare to be effective.

5. FSC will enter into separate written agreements with various firms to provide certain of the services set forth

in Paragraph 1 herein. FSC, in its sole discretion, may pay Brokers and Administrators a periodic fee in respect of Shares owned from time to time by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid shall be determined from time to time by FSC in its sole discretion.

6. FSC will prepare reports to the Board of Trustees of the Trust on a quarterly basis showing amounts expended hereunder including amounts paid to Brokers and Administrators and the purpose for such payments.

In consideration of the mutual covenants set forth in the Distributor's Contract dated August 31, 1990 between Federated Municipal Trust and Federated Securities Corp., Federated Municipal Trust executes and delivers this Exhibit on behalf of the Funds, and with respect to the separate Class of Shares thereof, first set forth in this Exhibit.

Witness the due execution hereof this 1st day of June, 1994.

Attest: FEDERATED MUNICIPAL TRUST

/s/ John W. McGonigle
Secretary

By: /s/ Glen R. Johnson
President

(SEAL)

Attest: FEDERATED SECURITIES CORP.

/s/ S. Elliott Cohan
Secretary

By: /s/ Edward C. Gonzales
President

(SEAL)

Exhibit 6(viii) under Form N-1A
Exhibit 1 under Item 601/Reg. S-K

Exhibit T
to the
Distributor's Contract

FEDERATED MUNICIPAL TRUST

California Municipal Cash Trust

In consideration of the mutual covenants set forth in the Distributor's Contract dated August 31, 1990 between Federated Municipal Trust and Federated Securities Corp., Federated Municipal Trust executes and delivers this Exhibit on behalf of the Funds, and with respect to the separate Classes of Shares thereof, first set forth in this Exhibit.

Witness the due execution hereof this 1st day of March, 1994.

Attest: FEDERATED MUNICIPAL TRUST

/s/ John W. McGonigle
Secretary

By: /s/ Glen R. Johnson
President

(SEAL)

Attest: FEDERATED SECURITIES CORP.

/s/ S. Elliott Cohan
Secretary

By: /s/ Edward C. Gonzales
President

(SEAL)

Exhibit 6(ix) under Form N-1A
Exhibit 1 under Item 601/Reg. S-K

Exhibit U
to the
Distributor's Contract

FEDERATED MUNICIPAL TRUST

Florida Municipal Cash Trust

The following provisions are hereby incorporated and made part of the Distributor's Contract dated the 31st day of August, 1990, between Federated Municipal Trust and Federated Securities Corp. with respect to Classes of the

Funds set forth above.

1. The Trust hereby appoints FSC to engage in activities principally intended to result in the sale of shares of the above-listed Portfolio ("Shares"). Pursuant to this appointment, FSC is authorized to select a group of brokers ("Brokers") to sell Shares at the current offering price thereof as described and set forth in the respective prospectuses of the Trust, and to render administrative support services to the Trust and its shareholders. In addition, FSC is authorized to select a group of administrators ("Administrators") to render administrative support services to the Trust and its shareholders.

2. Administrative support services may include, but are not limited to, the following functions: 1) account openings: the Broker or Administrator communicates account openings via computer terminals located on the Broker's or Administrator's premises; 2) account closings: the Broker or Administrator communicates account closings via computer terminals; 3) enter purchase transactions: purchase transactions are entered through the Broker's or Administrator's own personal computer or through the use of a toll-free telephone number; 4) enter redemption transactions: Broker or Administrator enters redemption transactions in the same manner as purchases; 5) account maintenance: Broker or Administrator provides or arranges to provide accounting support for all transactions. Broker or Administrator also wires funds and receives funds for Trust share purchases and redemptions, confirms and reconciles all transactions, reviews the activity in the Trust's accounts, and provides training and supervision of its personnel; 6) interest posting: Broker or Administrator posts and reinvests dividends to the Trust's accounts; 7) prospectus and shareholder reports: Broker or Administrator maintains and distributes current copies of prospectuses and shareholder reports; 8) advertisements: the Broker or Administrator continuously advertises the availability of its services and products; 9) customer lists: the Broker or Administrator continuously provides names of potential customers; 10) design services: the Broker or Administrator continuously designs material to send to customers and develops methods of making such materials accessible to customers; and 11) consultation services: the Broker or Administrator continuously provides information about the product needs of customers.

3. During the term of this Agreement, the Trust will pay FSC for services pursuant to this Agreement, a monthly fee computed at the annual rate of .25% of the average

aggregate net asset value of the Shares held during the month. For the month in which this Agreement becomes effective or terminates, there shall be an appropriate proration of any fee payable on the basis of the number of days that the Agreement is in effect during the month.

4. FSC may from time-to-time and for such periods as it deems appropriate reduce its compensation to the extent any Classes' expenses exceed such lower expense limitation as FSC may, by notice to the Trust, voluntarily declare to be effective.

5. FSC will enter into separate written agreements with various firms to provide certain of the services set forth in Paragraph 1 herein. FSC, in its sole discretion, may pay Brokers and Administrators a periodic fee in respect of Shares owned from time to time by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid shall be determined from time to time by FSC in its sole discretion.

6. FSC will prepare reports to the Board of Trustees of the Trust on a quarterly basis showing amounts expended hereunder including amounts paid to Brokers and Administrators and the purpose for such payments.

In consideration of the mutual covenants set forth in the Distributor's Contract dated August 31, 1990 between Federated Municipal Trust and Federated Securities Corp., Federated Municipal Trust executes and delivers this Exhibit on behalf of the Funds, and with respect to the separate Classes of Shares thereof, first set forth in this Exhibit.

Witness the due execution hereof this 1st day of September, 1994.

ATTEST: FEDERATED MUNICIPAL TRUST

Secretary By: President
(SEAL)

ATTEST: FEDERATED SECURITIES CORP.

Secretary By: Executive Vice President
(SEAL)

Exhibit 9(xi) under Form N-1A

EXHIBIT C
to the
Plan

FEDERATED MUNICIPAL TRUST

Florida Municipal Cash Trust

This Plan is adopted by FEDERATED MUNICIPAL TRUST with respect to the Shares of the Portfolio of the Trust set forth above.

In compensation for the services provided pursuant to this Plan, Providers will be paid a monthly fee computed at the annual rate of .25 of 1% of the average aggregate net asset value of the Shares of Florida Municipal Cash Trust held during the month.

Witness the due execution hereof this 1st day of September, 1994.

FEDERATED MUNICIPAL TRUST

By:

President

Exhibit (15) (i) (3) on form N-1A
Exhibit (10) under Item 601/Reg. S-K

EXHIBIT J
to the
Plan

FEDERATED MUNICIPAL TRUST

Florida Municipal Cash Trust

This Plan is adopted by FEDERATED MUNICIPAL TRUST with respect to the Shares of the Portfolio of the Trust set forth above.

In compensation for the services provided pursuant to this Plan, FSC will be paid a monthly fee computed at the annual rate of .25 of 1% of the average aggregate net asset value of Shares of Florida Municipal Cash Trust held during the month.

Witness the due execution hereof this 1st day of
September, 1994.

FEDERATED MUNICIPAL TRUST

By:
President

EXHIBIT I

FEDERATED MUNICIPAL TRUST

New York Municipal Cash Trust
Institutional Service Shares

The Plan is adopted by Federated Municipal Trust with respect to the Class of Shares of the Fund set forth above.

In compensation for the services provided pursuant to this Plan, FSC will be paid a monthly fee computed at the annual rate of up to .25 of 1% of the average aggregate net asset value of the Institutional Service Shares of the New York Municipal Cash Trust during the month.

Witness the due execution hereof this 19th day of May, 1994.

FEDERATED MUNICIPAL TRUST

By: /s/ Glen R. Johnson
President

Exhibit (15) (i) (1) on Form N-1A
Exhibit (10) under Item 601/Reg. S-K

EXHIBIT H

FEDERATED MUNICIPAL TRUST

New York Municipal Cash Trust
Cash II Shares

The Plan is adopted by Federated Municipal Trust with respect to the Class of Shares of the Fund set forth above.

In compensation for the services pursuant to this Plan, FSC will be paid a monthly fee computed at the annual rate of up to .25 of 1% of the average aggregate net asset value of the Cash II shares of the New York Municipal Cash Trust during the month.

Witness the due execution hereof this 1st day of March, 1994.

By:/s/ Glen R. Johnson
President

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 Schedule for Computation
 of Fund Performance Data

Initial Invest of:	\$1,000
Offering Price/ Share=	\$1.00
Maryland Municipal Cash Trust	
Return Since Inception ending 9/30/94	NAV= \$1.00

FYE: October 31
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	Reinvest	Begin	Dividend	Capital	Reinvest	Ending	Ending	Total
DECLARED: DAILY	Dates	Period	/Share	Gain	Price	Period	Price	Invest
PAID: MONTHLY		Shares		/Share	/Share	Shares		Value
	5/31/94	1000.000	0.001930893	0.00000	\$1.00	1001.931	\$1.00	\$1,001.93
	6/30/94	1001.931	0.002112079	0.00000	\$1.00	1004.047	\$1.00	\$1,004.05
	7/31/94	1004.047	0.002078081	0.00000	\$1.00	1006.133	\$1.00	\$1,006.13
	8/31/94	1006.133	0.002226932	0.00000	\$1.00	1008.374	\$1.00	\$1,008.37
	9/30/94	1008.374	0.002298372	0.00000	\$1.00	1010.692	\$1.00	\$1,010.69

\$1,000 (1+T) =
 T = End Value
 1.07%
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Schedule for computation of Yield Calculation

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Maryland Municipal Cash Trust	
This example illustrates the yield quotation for the seven-day period ended:	30-Sep-94
Value of a hypothetical pre-existing account with exactly one share at the beginning of the base period	\$1.000000000
Value of same account (excluding capital changes) at end of the seven-day base period*	\$1.000569077
Net change in account value	\$0.000569077
Base Period Return:	
Net change in account value divided by the beginning account value (\$.000569077 / \$1.000000000)	\$0.000569077
Annualized Current Net Yield (.000569077 x 365/7)	2.97%
Effective Yield ** (.000569077 + 1) ^ (365/7) - 1	3.01%
* This value includes the value of additional shares purchased with dividends from the original share, and dividends declared on both the original share and any such additional shares.	
** This value may change to include shares purchased with dividends reinvested on a less frequent basis.	
Tax Equivalent Yield (Assumes individual does not itemize on Federal Return) 100% minus the Federal and Maryland taxable %'s (100% - 28% - 5% -2.5% = 64.5%)	
7 Day Net Yield / by the tax equivalent % (2.97% / 64.5%) = 4.60%	
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