

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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

Filing Date: **1994-08-02** | Period of Report: **1994-05-31**
SEC Accession No. **0000910054-94-000007**

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FILER

ALEXANDER HAMILTON MUTUAL FUNDS

CIK: **910054** | State of Incorporation: **MA** | Fiscal Year End: **0831**
Type: **N-30D** | Act: **40** | File No.: **811-07101** | Film No.: **94541168**

Business Address
*FEDERATED INVESTORS
TOWER
PITTSBURGH PA 15222-3779*

SEMI-ANNUAL REPORT AND SUPPLEMENT TO PROSPECTUS DATED FEBRUARY 10, 1994

A. Please delete the "Summary of Fund Expenses" table on page 1 and replace it with the following table:

SUMMARY OF FUND EXPENSES

<TABLE> <S>	SHAREHOLDER TRANSACTION EXPENSES	<C>
Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....		4.50%
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....		None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable) (1).....		0.50%
Redemption Fee (as a percentage of amount redeemed, if applicable).....		None
Exchange Fee.....		None
	ANNUAL FUND OPERATING EXPENSES*	
	(As a percentage of projected average net assets)	
Management Fee (after waiver) (2).....		0.11%
12b-1 Fee.....		0.25%
Total Other Expenses (after expense reimbursement) (3).....		0.89%
Total Fund Operating Expenses (4).....		1.25%

</TABLE>

(1) A contingent deferred sales charge of 0.50% applies only to shares which are purchased with proceeds from redemptions of shares of an unaffiliated mutual fund in which a sales load has been paid and which are redeemed within one year of purchase. For a more complete description, see "Purchases with Proceeds from Redemptions of Unaffiliated Investment Companies."

(2) The estimated management fee has been reduced to reflect the anticipated voluntary waiver of a portion of the management fee by the investment adviser. The adviser can terminate this voluntary waiver at any time at its sole discretion. The maximum management fee is 0.75%.

(3) Other expenses are estimated to be 2.77% absent the anticipated voluntary reimbursement of certain other expenses by the adviser. The adviser can terminate the voluntary reimbursement of expenses at any time at its sole discretion.

(4) Total Fund operating expenses are estimated to be 3.77% absent the anticipated voluntary waiver and voluntary reimbursement explained in footnotes (2) and (3).

* Total Fund operating expenses are estimated based on average expenses expected to be incurred during the period ending November 30, 1994. During the course of this period, expenses may be more or less than the average amount shown.

THE PURPOSE OF THIS TABLE IS TO ASSIST AN INVESTOR IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT A SHAREHOLDER OF THE FUND WILL BEAR, EITHER DIRECTLY OR INDIRECTLY. FOR MORE COMPLETE DESCRIPTIONS OF THE VARIOUS COSTS AND EXPENSES, SEE "TRUST INFORMATION" AND "HOW TO INVEST IN THE FUND."

Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

<TABLE> <CAPTION> EXAMPLE <S>	1 year <C>	3 years <C>
You would pay the following expenses on a \$1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$57	\$83
You would pay the following expenses on the same investment, assuming no sales load when purchasing shares of the Fund with proceeds from the redemption of unaffiliated mutual fund shares.....	\$13	\$40

</TABLE>

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR

FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

B. Please insert the following "Financial Highlights" table as page 2 following the "Summary of Fund Expenses" and before the section entitled "Highlights". In addition, please add the heading "Financial Highlights" to the Table of Contents on page I following the heading "Summary of Fund Expenses."

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

	YEAR ENDED NOVEMBER 30, 1994*
<TABLE> <CAPTION>	
<S>	<C>
-----	-----
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.00
-----	-----
INCOME FROM INVESTMENT OPERATIONS	
-----	-----
Net investment income	0.05
-----	-----
Net realized and unrealized gain (loss) on investments	(0.37)
-----	-----
Total from investment operations	(0.32)
-----	-----
LESS DISTRIBUTIONS	
-----	-----
Dividends to shareholders from net investment income	(0.02)
-----	-----
NET ASSET VALUE, END OF PERIOD	\$ 9.66
-----	-----
TOTAL RETURN**	(3.21%)
-----	-----
RATIOS TO AVERAGE NET ASSETS	
-----	-----
Expenses	1.25% (a)
-----	-----
Net investment income	1.75% (a)
-----	-----
Expense waiver/reimbursement (b)	3.40% (a)
-----	-----
SUPPLEMENTAL DATA	
-----	-----
Net assets, end of period (000 omitted)	\$4,890
-----	-----
Portfolio turnover rate	9%
-----	-----
</TABLE>	

* Reflects operations for the period from February 14, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

C. Please insert the following as the last sentence of the sub-section "Investment-Grade Bonds" on page 4:

"The price of fixed income securities fluctuates inversely in relation to the direction of interest rates."

D. Please delete the last sentence of the first paragraph and the second

paragraph and add the following information to the sub-section entitled "Dealer Concession" on page 8:

"Such payments, which will be predicated upon the amount of Fund shares sold, may take the form of cash or promotional incentives, such as payment of certain expenses of qualified employees and their spouses to attend informational meetings about the Fund or other special events at recreational facilities, or items of material value. In some instances, these incentives will be made available only to dealers whose employees have sold or may sell significant amounts of shares."

- E. Please insert the following]"Other Payments to Financial Institutions" sub-section following the sub-section entitled "Dealer Concessions" on page 8. In addition, please add the heading "Other Payments to Financial Institutions" to the Table of Contents on page I following the heading "Dealer Concessions."

"OTHER PAYMENTS TO FINANCIAL INSTITUTIONS. The distributor, the Adviser, or their affiliates may also offer to pay a fee from their own assets to financial institutions as financial assistance for providing substantial marketing and sales support. The support may include initiating customer accounts, providing sales literature, or participating in sales, educational and training seminars (including those held at recreational facilities). Such assistance will be predicated upon the amount of shares the financial institution sells or may sell and/or upon the type and nature of sales or marketing support furnished by the financial institution. Any payments made by the distributor may be reimbursed by the Adviser or its affiliates."

- F. Please insert the following information as the second paragraph of the sub-section entitled "Purchases with Proceeds from Redemptions of Unaffiliated Investment Companies" which begins on page 9:

"A contingent deferred sales charge is charged in limited circumstances. Shareholders who purchased shares with the proceeds of a redemption of shares of an unaffiliated mutual fund sold with a sales charge or commission and which were not distributed by the distributor will be charged a contingent deferred sales charge by the Fund's distributor of .50 of 1% for redemptions made within one year of purchase. The contingent deferred sales charge will be calculated based upon the lesser of the original price of shares or the net asset value of the shares when redeemed."

- G. Please delete the first sentence of the section entitled "Redeeming Shares" on page 12 and insert the following:

"The Fund purchases shares from you at their net asset value, less any applicable contingent deferred sales charge, next determined after the transfer agent receives the redemption request."

- H. Please insert the following "Contingent Deferred Sales Charge" section following the section entitled "Systematic Withdrawal Plan" which begins on page 13. In addition, please add the heading "Contingent Deferred Sales Charge" to the Table of Contents immediately following the heading "Systematic Withdrawal Plan."

"CONTINGENT DEFERRED SALES CHARGE

No contingent deferred sales charge will be imposed on shares acquired through reinvestment of dividends or distributions of short-term or long-term capital gains. Redemptions are deemed to have occurred in the following order: (i) shares acquired through the reinvestment of dividends and long-term capital gains; (ii) purchases of shares occurring more than one year before the date of redemption; (iii) purchases of shares within the previous year without the use of redemption proceeds as described above; and (iv) purchases of shares within the previous year through the use of redemption proceeds as described above.

No contingent deferred sales charge will be imposed when a redemption results from a tax-free return under the following circumstances: (i) a total or partial distribution from a qualified retirement plan, other than an IRA, Keogh Plan, or a custodial account, following retirement; (ii) a total or partial distribution from an IRA, Keogh Plan, or a custodial account, after the beneficial owner attains age 59-1/2; or (iii) from the death or permanent and total disability of the beneficial owner. The exemption from the contingent deferred sales charge for qualified plans, an IRA, Keogh Plan or a custodial account does not extend to account transfers, rollovers, or other redemptions made for purposes of reinvestment.

A contingent deferred sales charge will not be charged in connection with exchanges in other Alexander Hamilton Funds or Treasury Cash Series portfolios or in connection with redemptions by the Fund of accounts with low balances."

I. Please insert the following information as the last sentence of the second paragraph of the section entitled "Voting Rights" on page 18:

"As of July 3, 1994, Alexander Hamilton Life Insurance Company may for certain purposes be deemed to control the Fund because it is owner of record of certain shares of the Fund."

J. Please delete the sentence immediately following the HYPOTHETICAL EXAMPLE OF TOTAL RETURN on page 20 in the section entitled "Performance Information" which begins on page 19 and insert the following:

"Performance information reflects the effect of the maximum sales load and other similar non-recurring charges, such as the contingent deferred sales charge, which, if excluded, would increase the total return and yield."

K. Please insert the following financial statements after the "Performance Information" section which begins on page 19. In addition, please add the heading "Financial Statements" to the Table of Contents immediately before "Addresses."

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND
PORTFOLIO OF INVESTMENTS
MAY 31, 1994 (UNAUDITED)

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

COMMON STOCKS--88.7%		

BASIC INDUSTRY--7.7%		
1,900	*FMC Corp.	\$ 91,675
1,900	Lubrizol Corp.	65,075
2,500	Phelps Dodge Corp.	138,750
4,000	Praxair, Inc.	81,500
	Total	377,000

CONSUMER DURABLES--7.9%		
1,900	Eastman Kodak Co.	89,063
1,800	Ford Motor Co.	103,950
1,200	General Motors Corp.	64,500
5,000	Mattel, Inc.	131,875
	Total	389,388

CONSUMER NON-DURABLES--5.8%		
1,700	Avon Products, Inc.	100,088
2,100	Philip Morris Cos., Inc.	103,425
2,500	Reebok International LTD	78,750
	Total	282,263

CONSUMER SERVICES--6.2%		
4,400	American Stores Co.	110,000

2,500	Sears Roebuck & Co.	126,563
3,300	*Tele Communications, Inc.	68,887
	Total	305,450

</TABLE>

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
ENERGY--10.3%		
3,300	Baker Hughes, Inc.	\$ 65,587
1,300	Chevron Corp.	113,100
1,600	MAPCO, Inc.	100,000
1,700	Texaco, Inc.	107,950
3,700	USX Marathon Group	63,363
1,200	*Western Atlas, Inc.	51,300
	Total	501,300
FINANCE--15.3%		
1,300	Bankers Trust NY Corp.	91,487
2,200	Citicorp	86,900
2,000	Dean Witter Discover & Co.	78,000
1,500	Federal National Mortgage Association	125,250
1,300	Mellon Bank Corp.	76,050
2,900	PNC Bank Corp.	88,813
500	TIG Holdings, Inc.	10,187
1,600	Transamerica Corp.	85,400
3,200	Travelers, Inc.	104,800
	Total	746,887
HEALTH CARE--7.8%		
2,000	American Home Products Corp.	116,000
2,000	Becton Dickinson & Co.	76,250
1,600	Bristol Myers Squibb Co.	87,400
2,550	US Healthcare, Inc.	102,638
	Total	382,288
INDUSTRIAL MANUFACTURING--8.3%		
2,400	General Electric Co.	119,100

</TABLE>

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND

<TABLE> <CAPTION> SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS--CONTINUED		
INDUSTRIAL MANUFACTURING--CONTINUED		
1,200	*Litton Industries, Inc.	\$ 36,750
1,400	Loews Corp.	124,600
2,200	Textron, Inc.	123,200
	Total	403,650
TECHNOLOGY--11.6%		
3,400	General Motors Corp., Class E	119,425
1,500	Hewlett Packard Co.	117,750
2,400	Martin Marietta Corp.	104,400
2,000	Raytheon Co.	124,500
2,900	Rockwell International Corp.	103,312
	Total	569,387
TRANSPORTATION--1.8%		
3,600	Ryder Systems, Inc.	86,850
UTILITIES--6.0%		
1,100	American Telephone and Telegraph Corp.	59,950
2,100	Detroit Edison Co.	54,075
1,300	Duke Power Co.	46,800
2,000	Enron Corp.	61,000
3,000	MCI Communications Corp.	72,000
	Total	293,825
	TOTAL COMMON STOCKS (IDENTIFIED COST \$4,504,435)	4,338,288
CONVERTIBLE PREFERRED STOCKS--3.2%		
CONSUMER NON-DURABLES--1.3%		
10,000	*RJR Nabisco Holdings, Conv. Pfd., 6.375%	63,750
FINANCE--0.8%		
2,000	Citicorp, Conv. Pfd., Series P, 8.25%	39,000

</TABLE>

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND

<TABLE>
<CAPTION>

SHARES OR PRINCIPAL AMOUNT		VALUE
<C>	<S>	<C>

CONVERTIBLE PREFERRED STOCKS--CONTINUED		

	INDUSTRIAL/MANUFACTURING--1.1%	
4,000	*Westinghouse Electric Corp., Conv. Pfd., Series C, 9.00%	\$ 55,448
	TOTAL CONVERTIBLE PREFERRED STOCKS (IDENTIFIED COST \$162,880)	158,198

CONVERTIBLE SECURITIES--2.3%		

	TECHNOLOGY--2.3%	
\$ 50,000	Conner Peripherals, Inc., 6.50%, Conv., 3/1/2002	42,250
50,000	General Instrument Corp., 5.00%, Conv., 6/15/2000	68,500
	TOTAL CONVERTIBLE SECURITIES (IDENTIFIED COST \$116,000)	110,750

**REPURCHASE AGREEMENT--5.1%		

250,000	J.P. Morgan Securities, Inc., 4.27%, dated 5/31/94, due 6/1/94 (at amortized cost) (Note 2B)	250,000
	TOTAL INVESTMENTS (IDENTIFIED COST \$5,033,315)	\$ 4,857,236+

</TABLE>

* Non-income producing securities.

** The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio.

+ The cost of investments for federal tax purposes amounts to \$5,033,315. The net unrealized depreciation of investments on a federal tax basis amounts to \$176,079, which is comprised of \$80,316 appreciation and \$256,395 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$4,890,034) at May 31, 1994.

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

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994 (UNAUDITED)

<S>	<C>	<C>

ASSETS:		

Investments in securities, at value (Notes 2A and 2B) (identified and tax cost \$5,033,315)		\$ 4,857,236

Cash		2,985

Interest receivable		1,993

Dividends receivable		15,566

Receivable for investments sold		72,117

Receivable for Fund shares sold		9,535

Receivable from Adviser		39,055

Deferred expenses (Note 2F)		11,245

Total assets		5,009,732

LIABILITIES:

Payable for investments purchased	\$ 83,071
Accrued expenses	36,627
Total liabilities	119,698
NET ASSETS for 506,195 shares of beneficial interest outstanding	\$ 4,890,034
NET ASSETS CONSIST OF:	
Paid-in capital	\$ 5,060,731
Net unrealized appreciation (depreciation) on investments	(176,079)
Accumulated net realized gain (loss) on investments	(9,369)
Undistributed net investment income	14,751
Total Net Assets	\$ 4,890,034
NET ASSET VALUE, AND REDEMPTION PROCEEDS PER SHARE:	
(net assets of \$4,890,034 / 506,195 shares of beneficial interest outstanding)	\$9.66
COMPUTATION OF OFFERING PRICE:	
(100/95.5 of \$9.66) *	\$10.12

</TABLE>

* See "What Shares Cost" in the prospectus.

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

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND
STATEMENT OF OPERATIONS
PERIOD ENDED MAY 31, 1994*

	<C>	<C>	<C>
<TABLE>			
<S>			
INVESTMENT INCOME:			
Dividend income		\$	33,547
Interest income			8,942
Total income (Note 2C)			42,489
EXPENSES:			
Investment advisory fee**		\$	10,610
Trustees' fees			4,356
Administrative personnel and services fees**			14,521
Custodian fees**			6,020
Transfer and dividend disbursing agent fees and expenses**			4,144
Legal fees			1,525
Printing and postage			3,775
Portfolio accounting fees**			13,497
Insurance premiums			1,851
Distribution services fee**			3,537
Miscellaneous			1,958

Total expenses		65,794
Deduct--		
Waiver of investment advisory fee**	\$ 9,054	
Reimbursement of other operating expenses**	39,055	48,109
Net expenses		17,685
Net investment income		24,804
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investment transactions (identified cost basis)		(9,369)
Net change in unrealized appreciation (depreciation) on investments		(176,079)
Net realized and unrealized gain (loss) on investments		(185,448)
Change in net assets resulting from operations		(\$160,644)

</TABLE>

* For the period from February 14, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

** See Note 4.

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

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	PERIOD ENDED MAY 31, 1994*
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS:	
OPERATIONS--	
Net investment income	\$ 24,804
Net realized gain (loss) on investment transactions (\$9,369 net loss as computed for federal income tax purposes) (Note 2D)	(9,369)
Change in unrealized appreciation (depreciation) on investments	(176,079)
Change in net assets resulting from operations	(160,644)
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--	
Dividends to shareholders from net investment income	(10,053)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--	
Proceeds from sale of shares	5,050,728
Net asset value of shares issued to shareholders in payment of dividends declared	10,053
Cost of shares redeemed	(50)
Change in net assets from Fund share transactions	5,060,731
Change in net assets	4,890,034
NET ASSETS:	
Beginning of period	--

</TABLE>

* For the period from February 14, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

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

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1994 (UNAUDITED)

(1) ORGANIZATION

Alexander Hamilton Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust consists of three diversified portfolios. The financial statements included herein present only those of the Alexander Hamilton Equity Growth and Income Fund (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.

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

The Fund will only enter into repurchase agreements with banks and other recognized financial institutions such as broker/dealers which are deemed by the Fund's adviser to be creditworthy pursuant to guidelines established by the Board of Trustees ("Trustees"). Risks may arise from the potential inability of counterparties to honor the terms of the repurchase agreement. Accordingly, the Fund could receive less than the repurchase price on the sale of collateral securities.

- C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended ("Code").

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND

- D. 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.

- E. 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.

- F. 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 the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.
- G. OTHER--Investment transactions are accounted for on the trade date.

(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). Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	PERIOD ENDED MAY 31, 1994*
<S> Shares sold	505,190

Shares issued to shareholders in payment of dividends declared	1,010

Shares redeemed	(5)

Net change resulting from Fund share transactions	506,195

</TABLE>

* For the period from February 14, 1994 (date of initial public investment) to May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Alexander Hamilton Capital Management, Inc., the Fund's investment adviser ("Adviser"), receives for its services an annual investment advisory fee equal to 0.75 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 and reimbursement at any time at its sole discretion. Under the terms of a sub-advisory agreement between the Adviser and Federated Research, Federated Research receives an annual fee of \$125,000, plus one half of the remaining advisory revenues.

ALEXANDER HAMILTON EQUITY GROWTH AND
INCOME FUND

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Trust with certain administrative personnel and services. The fee is based on the level of average aggregate daily net assets of the Trust for the period. FAS may voluntarily choose to waive a portion of its fee.

DISTRIBUTION PLAN--The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Fund to finance activities intended to result in the sale of the Fund's shares. The Plan provides that the Fund may incur distribution expenses up to 0.25 of 1% of the average daily net assets of the Fund, annually, to compensate FSC.

TRANSFER AND DIVIDEND DISBURSING AGENT, ACCOUNTING AND CUSTODY FEES--Federated Services Company ("FServ") serves as transfer agent 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 Trust'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.

State Street Bank and Trust Company is the Trust's custodian. 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 incurred by the Fund will be borne initially by FAS and are estimated at \$51,578. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period following February 10, 1994 (date the Fund became effective).

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

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the period ended May 31, 1994 were as follows:

	<C>
PURCHASES	\$ 5,182,273
-----	-----
SALES	\$ 389,589
-----	-----

TRUSTEES	OFFICERS
-----	-----

George A. Cooke, Chairman	George A. Cooke
Christopher Bancroft	Chief Executive Officer
Frederick L. Blackmon	Edward C. Gonzales
William H. T. Bush	President and Treasurer
James T. Ponder	Margaret P. Tessaro
Martha R. Seger	Vice President and Assistant Treasurer
William E. Shelton	Robert J. Davison
	Vice President
	J. Crilley Kelly
	Secretary
	David M. Di Rita
	Assistant Secretary
	Melissa A. Moore
	Assistant Secretary

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

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

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
(A PORTFOLIO OF ALEXANDER HAMILTON FUNDS)

SEMI-ANNUAL REPORT AND SUPPLEMENT TO PROSPECTUS DATED FEBRUARY 10, 1994

- A. Please delete the "Summary of Fund Expenses" table on page 1 and replace it with the following table:

SUMMARY OF FUND EXPENSES

	<C>
SHAREHOLDER TRANSACTION EXPENSES	
Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....	4.50%
Maximum Sales Load Imposed on Reinvested Dividends	

(as a percentage of offering price).....	None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable) (1).....	0.50%
Redemption Fee (as a percentage of amount redeemed, if applicable).....	None
Exchange Fee.....	None

ANNUAL FUND OPERATING EXPENSES*

(As a percentage of projected average net assets)

Management Fee (after waiver) (2).....	0.12%
12b-1 Fee.....	0.25%
Total Other Expenses (after expense reimbursement) (3).....	0.63%
Total Fund Operating Expenses (4).....	1.00%

</TABLE>

- (1) A contingent deferred sales charge of 0.50% applies only to shares which are purchased with proceeds from redemptions of shares of an unaffiliated mutual fund in which a sales load has been paid and which are redeemed within one year of purchase. For a more complete description, see "Purchases with Proceeds from Redemptions of Unaffiliated Investment Companies."
- (2) The estimated management fee has been reduced to reflect the anticipated voluntary waiver of a portion of the management fee by the investment adviser. The adviser can terminate this voluntary waiver at any time at its sole discretion. The maximum management fee is 0.60%.
- (3) Other expenses are estimated to be 2.09% absent the anticipated voluntary reimbursement of certain other expenses by the adviser. The adviser can terminate the voluntary reimbursement of expenses at any time at its sole discretion.
- (4) Total Fund operating expenses are estimated to be 2.94% absent the anticipated voluntary waiver and voluntary reimbursement explained in footnotes (2) and (3).
- * Total Fund operating expenses are estimated based on average expenses expected to be incurred during the period ending November 30, 1994. During the course of this period, expenses may be more or less than the average amount shown.

THE PURPOSE OF THIS TABLE IS TO ASSIST AN INVESTOR IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT A SHAREHOLDER OF THE FUND WILL BEAR, EITHER DIRECTLY OR INDIRECTLY. FOR MORE COMPLETE DESCRIPTIONS OF THE VARIOUS COSTS AND EXPENSES, SEE "TRUST INFORMATION" AND "HOW TO INVEST IN THE FUND."
Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

<TABLE>		
<CAPTION>		
EXAMPLE		
<S>	1 year <C>	3 years <C>
You would pay the following expenses on a \$1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$55	\$75
You would pay the following expenses on the same investment, assuming no sales load when purchasing shares of the Fund with proceeds from the redemption of unaffiliated mutual fund shares.....	\$10	\$32
</TABLE>		

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

- B. Please insert the following "Financial Highlights" table as page 2 following the "Summary of Fund Expenses" and before the section entitled "Highlights." In addition, please add the heading "Financial Highlights" to the Table of Contents on page I following the heading "Summary of Fund Expenses."

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

<TABLE>
<CAPTION>

<S>

YEAR ENDED
NOVEMBER 30, 1994*
<C>

NET ASSET VALUE, BEGINNING OF PERIOD	\$10.00

INCOME FROM INVESTMENT OPERATIONS	

Net investment income	0.16

Net realized and unrealized gain (loss) on investments	(0.69)

Total from investment operations	(0.53)

LESS DISTRIBUTIONS	

Dividends to shareholders from net investment income	(0.16)

NET ASSET VALUE, END OF PERIOD	\$ 9.31

TOTAL RETURN**	(5.26%)

RATIOS TO AVERAGE NET ASSETS	

Expenses	0.96% (a)

Net investment income	6.24% (a)

Expense waiver/reimbursement (b)	4.24% (a)

SUPPLEMENTAL DATA	

Net assets, end of period (000 omitted)	\$4,835

Portfolio turnover rate	77%

</TABLE>

* Reflects operations for the period from February 17, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

C. Please delete the sub-section entitled "Dollar Roll Transactions" on page 5. In addition, please delete the sub-heading from the Table of Contents.

D. Please delete the last sentence of the first paragraph and the entire second paragraph and add the following information to the sub-section entitled "Dealer Concession" which begins on page 8:

"Such payments, which will be predicated upon the amount of Fund shares sold, may take the form of cash or promotional incentives, such as payment of certain expenses of qualified employees and their spouses to attend informational meetings about the Fund or other special events at recreational facilities, or items of material value. In some instances, these incentives will be made available only to dealers whose employees have sold or may sell significant amounts of shares."

E. Please insert the following "Other Payments to Financial Institutions" sub-section following the sub-section entitled "Dealer Concessions" which begins on page 8. In addition, please add the heading "Other Payments to Financial Institutions" to the Table of Contents on page I following the heading "Dealer Concessions."

"Other Payments to Financial Institutions. The distributor, the Adviser, or their affiliates may also offer to pay a fee from their own assets to financial institutions as financial assistance for providing substantial marketing and sales support. The support may include initiating customer accounts, providing sales literature, or participating in sales, educational and training seminars (including those held at recreational facilities). Such assistance will be

predicated upon the amount of shares the financial institution sells or may sell and/or upon the type and nature of sales or marketing support furnished by the financial institution. Any payments made by the distributor may be reimbursed by the Adviser or its affiliates.

- F. Please insert the following information as the second paragraph of the sub-section entitled "Purchases with Proceeds from Redemptions of Unaffiliated Investment Companies" on page 10:

"A contingent deferred sales charge is charged in limited circumstances. Shareholders who purchased shares with the proceeds of a redemption of shares of an unaffiliated mutual fund sold with a sales charge or commission and which were not distributed by the distributor will be charged a contingent deferred sales charge by the Fund's distributor of .50 of 1% for redemptions made within one year of purchase. The contingent deferred sales charge will be calculated based upon the lesser of the original price of shares or the net asset value of the shares when redeemed."

- G. Please delete the first sentence of the section entitled "Redeeming Shares" on page 12 and insert the following:

"The Fund purchases shares from you at their net asset value, less any applicable contingent deferred sales charge, next determined after the transfer agent receives the redemption request."

- H. Please insert the following "Contingent Deferred Sales Charge" section following the section entitled "Systematic Withdrawal Plan" on page 14. In addition, please add the heading "Contingent Deferred Sales Charge" to the Table of Contents immediately following the heading "Systematic Withdrawal Plan."

"CONTINGENT DEFERRED SALES CHARGE

No contingent deferred sales charge will be imposed on shares acquired through reinvestment of dividends or distributions of short-term or long-term capital gains. Redemptions are deemed to have occurred in the following order: (i) shares acquired through the reinvestment of dividends and long-term capital gains; (ii) purchases of shares occurring more than one year before the date of redemption; (iii) purchases of shares within the previous year without the use of redemption proceeds as described above; and (iv) purchases of shares within the previous year through the use of redemption proceeds as described above.

No contingent deferred sales charge will be imposed when a redemption results from a tax-free return under the following circumstances: (i) a total or partial distribution from a qualified retirement plan, other than an IRA, Keogh Plan, or a custodial account, following retirement; (ii) a total or partial distribution from an IRA, Keogh Plan, or a custodial account, after the beneficial owner attains age 59-1/2; or (iii) from the death or permanent and total disability of the beneficial owner. The exemption from the contingent deferred sales charge for qualified plans, an IRA, Keogh Plan or a custodial account does not extend to account transfers, rollovers, or other redemptions made for purposes of reinvestment.

A contingent deferred sales charge will not be charged in connection with exchanges in other Alexander Hamilton Funds or Treasury Cash Series portfolios or in connection with redemptions by the Fund of accounts with low balances."

- I. Please delete the second paragraph under the sub-section "Sub-Adviser's Background" on page 16 and replace it with the following:

"Gary J. Madich has been the Fund's co-portfolio manager since July 26, 1994. Mr. Madich joined Federated Investors in 1984 and has been a Senior Vice President of the Fund's sub-adviser since 1993. Mr. Madich served as a Vice President of the Fund's sub-adviser from 1988 until 1993. Mr. Madich is a Chartered Financial Analyst and received his M.B.A. in Public Finance from the University of Pittsburgh."

- J. Please insert the following information as the last sentence of the second paragraph of the section entitled "Voting Rights" which begins on page 18:

"As of July 3, 1994, Alexander Hamilton Life Insurance Company may for certain purposes be deemed to control the Fund because it is owner of record of certain shares of the Fund."

K. Please delete the sentence immediately following the HYPOTHETICAL EXAMPLE OF TOTAL RETURN on page 20 in the section entitled "Performance Information" which begins on page 19 and insert the following:

"Performance information reflects the effect of the maximum sales load and other similar non-recurring charges, such as the contingent deferred sales charge, which, if excluded, would increase the total return and yield."

L. Please insert the following financial statements after the "Performance Information" section which begins on page 19. In addition, please add the heading "Financial Statements" to the Table of Contents immediately following "Performance Information."

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994 (UNAUDITED)

<TABLE>		<CAPTION>	
		PRINCIPAL	VALUE
<C>	<S>	AMOUNT	<C>
LONG-TERM GOVERNMENT OBLIGATIONS--97.7%			

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION--77.2%			
\$	2,203,996	8.00%, 6/15/2023	\$ 2,189,515
	1,596,295	7.50%, 1/15/2024	1,542,420
		Total	3,731,935

U.S. TREASURY NOTES--20.5%			
	1,000,000	5.50%, 4/30/96	991,470
		TOTAL LONG-TERM GOVERNMENT OBLIGATIONS (IDENTIFIED COST \$4,959,381)	4,723,405

*REPURCHASE AGREEMENT--1.1%			
	55,000	J.P. Morgan Securities, Inc., 4.27%, dated 5/31/94, due 6/1/94 (at amortized cost) (Note 2B)	55,000
		TOTAL INVESTMENTS (IDENTIFIED COST, \$5,014,381)	\$ 4,778,405+

* The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of the portfolio.

+ The cost of investments for federal tax purposes amounts to \$5,014,381. The net unrealized depreciation on investments on a federal tax basis amounts to \$235,976, which is comprised of \$0 appreciation and \$235,976 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$4,834,914) at May 31, 1994.

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

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
 STATEMENT OF ASSETS AND LIABILITIES
 MAY 31, 1994 (UNAUDITED)

<TABLE>	<C>	<C>
<S>		
ASSETS:		
Investments in securities, at value (Notes 2A & 2B) (identified and tax cost \$5,014,381)		\$ 4,778,405

Cash		4,595
Interest receivable		29,160
Deferred expenses (Note 2F)		40,415
Total assets		4,852,575
LIABILITIES:		
Dividends payable	\$ 490	
Accrued expenses	17,171	
Total liabilities		17,661
NET ASSETS for 519,485 shares of beneficial interest outstanding	\$	4,834,914
NET ASSETS CONSIST OF:		
Paid-in capital	\$ 5,189,625	
Net unrealized appreciation (depreciation) on investments	(235,976)	
Accumulated net realized gain (loss) on investments	(118,735)	
Total Net Assets	\$	4,834,914
NET ASSET VALUE, AND REDEMPTION PROCEEDS PER SHARE:		
(net assets of \$4,834,914 / 519,485 SHARES OF BENEFICIAL INTEREST OUTSTANDING)		\$9.31
COMPUTATION OF OFFERING PRICE (100/95.5 OF \$9.31)*		\$9.75

* SEE "WHAT SHARES COST" IN THE PROSPECTUS.

(SEE NOTES WHICH ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS)

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
STATEMENT OF OPERATIONS
PERIOD ENDED MAY 31, 1994*

	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2C)		\$	98,972
EXPENSES:			
Investment advisory fee**	\$	7,921	
Trustees' fees		4,213	
Administrative personnel and services fees**		13,562	
Custodian fees**		10,137	
Transfer and dividend disbursing agent fees and expenses**		5,479	
Legal fees		2,142	
Printing and postage		4,494	
Portfolio accounting fees**		15,930	
Insurance premiums		1,931	
Distribution services fee**		3,300	
Miscellaneous		2,470	

Total expenses		71,579
Deduct--		
Waiver of investment advisory fee**	\$ 6,337	
Reimbursement of other operating expenses**	52,041	58,378
Net expenses		13,201
Net investment income		85,771
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investment transactions (identified cost basis)		(118,735)
Net change in unrealized appreciation (depreciation) on investments		(235,976)
Net realized and unrealized gain (loss) on investments		(354,711)
Change in net assets resulting from operations		(\$ 268,940)

</TABLE>

* For the period from November 23, 1993 (start of business) to May 31, 1994 (unaudited).

** See Note 4.

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

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	PERIOD ENDED MAY 31, 1994*
<S>	
INCREASE (DECREASE) IN NET ASSETS:	
OPERATIONS--	
Net investment income	\$ 85,771
Net realized gain (loss) on investment transactions (\$118,735 net loss as computed for federal income tax purposes) (Note 2D)	(118,735)
Change in unrealized appreciation (depreciation) on investments	(235,976)
Change in net assets resulting from operations	(268,940)
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2C)--	
Dividends to shareholders from net investment income	(85,771)
FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--	
Proceeds from sales of shares	5,106,200
Net asset value of shares issued to shareholders in payment of dividends declared	83,475
Cost of shares redeemed	(50)
Change in net assets from Fund share transactions	5,189,625
Change in net assets	4,834,914
NET ASSETS:	
Beginning of period	--
End of period	\$ 4,834,914

</TABLE>

* For the period from November 23, 1993 (start of business) to May 31, 1994 (unaudited).

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

ALEXANDER HAMILTON GOVERNMENT INCOME FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994 (UNAUDITED)

(1) ORGANIZATION

Alexander Hamilton Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust consists of three diversified portfolios. The financial statements included herein present only those of the Alexander Hamilton Government Income Fund (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.

A. INVESTMENT VALUATIONS--U.S. government obligations are generally valued at the mean between the over-the-counter bid and asked prices as furnished by an independent pricing service. Short-term securities with remaining maturities of sixty days or less may be stated at amortized cost, which approximates value.

B. REPURCHASE AGREEMENTS--It is the policy of the Fund to require the custodian bank to take possession, to have legally segregated in the Federal Reserve Book Entry System or to have segregated within the custodian bank's vault, all securities held as collateral in support of repurchase agreement investments. Additionally, procedures have been established by the Fund to monitor on a daily basis, the market value of each repurchase agreement's underlying collateral to ensure the value at least equals the principal amount of the repurchase agreement, including accrued interest.

The Fund will only enter into repurchase agreements with banks and other recognized financial institutions such as broker/dealers which are deemed by the Fund's adviser to be creditworthy pursuant to guidelines established by the Board of Trustees ("Trustees"). Risks may arise from the potential inability of counterparties to honor the terms of the repurchase agreement. Accordingly, the Fund could receive less than the repurchase price on the sale of collateral securities.

C. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Interest income and expenses are accrued daily. Bond premium and discount are amortized as required by the Internal Revenue Code, as amended ("Code"). Distributions to shareholders are recorded on the ex-dividend date.

D. 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.

ALEXANDER HAMILTON GOVERNMENT INCOME FUND

E. 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.

F. 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 the shares, have been deferred and are being amortized using the straight-line method over a period of five years from the Fund's commencement date.

G. OTHER--Investment transactions are accounted for on the trade date.

(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). Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	PERIOD ENDED MAY 31, 1994*
<S>	<C>
Shares sold	510,631
-----	-----
Shares issued to shareholders in payment of dividends declared	8,859
-----	-----
Shares redeemed	(5)
-----	-----
Net change resulting from Fund share transactions	519,485
-----	-----

</TABLE>

* For the period from November 23, 1993 (start of business) to May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Alexander Hamilton Capital Management, Inc., the Fund's investment adviser ("Adviser"), receives for its services an annual investment advisory fee equal to 0.60 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 and reimbursement at any time at its sole discretion. Under the terms of a sub-advisory agreement between the Adviser and Federated Research, Federated Research receives an annual fee of \$125,000, plus one half of the remaining advisory revenues.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Trust with certain administrative personnel and services. The fee is based on the level of average aggregate daily net assets of the Trust for the period. FAS may voluntarily choose to waive a portion of its fee.

DISTRIBUTION PLAN--The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended. Under the terms of the Plan, the Fund will

ALEXANDER HAMILTON GOVERNMENT INCOME FUND

compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Fund to finance activities intended to result in the sale of the Fund's shares. The Plan provides that the Fund may incur distribution expenses up to 0.25 of 1% of the average daily net assets of the Fund, annually, to compensate FSC.

TRANSFER AND DIVIDEND DISBURSING AGENT, ACCOUNTING AND CUSTODY FEES--Federated Services Company ("FServ") serves as transfer agent 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 Trust'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.

State Street Bank and Trust Company is the Trust's custodian. 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 incurred by the Fund will be borne initially by FAS and are estimated at \$54,642. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period

following February 10, 1994 (date the Fund became effective).

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

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the period ended May 31, 1994 were as follows:

	<C>
<TABLE>	
<S>	
PURCHASES	\$ 8,408,859
-----	-----
SALES	\$ 3,330,742
-----	-----
</TABLE>	

M. Please delete the "Statement of Assets and Liabilities" and "Report of Independent Auditors" appearing on pages 25 and 26.

TRUSTEES	OFFICERS
-----	-----
<TABLE>	
<S>	<C>
George A. Cooke	George A. Cooke
Chairman	Chief Executive Officer
Christopher Bancroft	Edward C. Gonzales
Frederick L. Blackmon	President and Treasurer
William H. T. Bush	Margaret P. Tessaro
James T. Ponder	Vice President and Assistant Treasurer
Martha R. Seger	Robert J. Davison
William E. Shelton	Vice President
	J. Crilley Kelly
	Secretary
	David M. Di Rita
	Assistant Secretary
	Melissa A. Moore
	Assistant Secretary
</TABLE>	

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

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

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
(A PORTFOLIO OF ALEXANDER HAMILTON FUNDS)

SEMI-ANNUAL REPORT AND SUPPLEMENT TO PROSPECTUS DATED FEBRUARY 10, 1994

A. Please delete the "Summary of Fund Expenses" table on page 1 and replace it with the following table:

SUMMARY OF FUND EXPENSES	
-----	-----
<TABLE>	
<S>	<C>
	SHAREHOLDER TRANSACTION EXPENSES
Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....	4.50%
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....	None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable) (1).....	0.50%
Redemption Fee (as a percentage of amount redeemed, if applicable).....	None
Exchange Fee.....	None

ANNUAL FUND OPERATING EXPENSES*
(As a percentage of projected average net assets)

Management Fee (after waiver) (2).....	0.14%
12b-1 Fee.....	0.25%
Total Other Expenses (after expense reimbursement) (3).....	0.61%
Total Fund Operating Expenses (4).....	1.00%

</TABLE>

- (1) A contingent deferred sales charge of 0.50% applies only to shares which are purchased with proceeds from redemptions of shares of an unaffiliated mutual fund in which a sales load has been paid and which are redeemed within one year of purchase. For a more complete description, see "Purchases with Proceeds from Redemptions of Unaffiliated Investment Companies."
 - (2) The estimated management fee has been reduced to reflect the anticipated voluntary waiver of a portion of the management fee by the investment adviser. The adviser may terminate this voluntary waiver at any time at its sole discretion. The maximum allowable management fee is 0.60%.
 - (3) Other expenses are estimated to be 2.14% absent the anticipated voluntary reimbursements of certain other expenses by the adviser. The adviser can terminate the voluntary reimbursement of expenses at any time at its sole discretion.
 - (4) Total Fund operating expenses are estimated to be 2.99% absent the anticipated voluntary waiver and voluntary reimbursement explained in footnotes (2) and (3).
- * Total Fund operating expenses are estimated based on average expenses expected to be incurred during the period ending November 30, 1994. During the course of this period, expenses may be more or less than the average amount shown.

THE PURPOSE OF THIS TABLE IS TO ASSIST AN INVESTOR IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT A SHAREHOLDER OF THE FUND WILL BEAR, EITHER DIRECTLY OR INDIRECTLY. FOR MORE COMPLETE DESCRIPTIONS OF THE VARIOUS COSTS AND EXPENSES, SEE "TRUST INFORMATION" AND "HOW TO INVEST IN THE FUND."
Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

<TABLE>
<CAPTION>
EXAMPLE
<S>

	1 year <C>	3 years <C>
You would pay the following expenses on a \$1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$55	\$75
You would pay the following expenses on the same investment, assuming no sales load when purchasing shares of the Fund with proceeds from the redemption of unaffiliated mutual fund shares.....	\$10	\$32

</TABLE>

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

- B. Please insert the following "Financial Highlights" table as page 2 following the "Summary of Fund Expenses" and before the section entitled "Highlights." In addition, please add the heading "Financial Highlights" to the Table of Contents on page I following the heading "Summary of Fund Expenses."

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30, 1994*
<S> NET ASSET VALUE, BEGINNING OF PERIOD	<C> \$10.00

INCOME FROM INVESTMENT OPERATIONS	

Net investment income	0.11
Net realized and unrealized gain (loss) on investments	0.71)
Total from investment operations	(0.60)
LESS DISTRIBUTIONS	
Dividends to shareholders from net investment income	(0.11)
NET ASSET VALUE, END OF PERIOD	\$ 9.29
TOTAL RETURN**	(6.00)
RATIOS TO AVERAGE NET ASSETS	
Expenses	100% (a)
Net investment income	4.85% (a)
Expense waiver/reimbursement (b)	7.42% (a)
SUPPLEMENTAL DATA	
Net assets, end of period (000 omitted)	\$5,091
Portfolio turnover rate	21%

</TABLE>

* Reflects operations for the period from March 2, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

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

(a) Computed on an annualized basis.

(b) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above (Note 4).

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

C. Please delete the last sentence of the first paragraph and the entire second paragraph and add the following information to the sub-section entitled "Dealer Concession" on page 11:

"Such payments, which will be predicated upon the amount of Fund shares sold, may take the form of cash or promotional incentives, such as payment of certain expenses of qualified employees and their spouses to attend informational meetings about the Fund or other special events at recreational facilities, or items of material value. In some instances, these incentives will be made available only to dealers whose employees have sold or may sell significant amounts of shares."

D. Please insert the following]"Other Payments to Financial Institutions" sub-section following the sub-section entitled "Dealer Concessions" on page 11. In addition, please add the heading "Other Payments to Financial Institutions" to the Table of Contents on page I following the heading "Dealer Concessions."

"OTHER PAYMENTS TO FINANCIAL INSTITUTIONS. The distributor, the Adviser, or their affiliates may also offer to pay a fee from their own assets to financial institutions as financial assistance for providing substantial marketing and sales support. The support may include initiating customer accounts, providing sales literature, or participating in sales, educational and training seminars (including those held at recreational facilities). Such assistance will be predicated upon the amount of shares the financial institution sells or may sell and/or upon the type and nature of sales or marketing support furnished by the financial institution. Any payments made by the distributor may be reimbursed by the Adviser or its affiliates."

E. Please insert the following information as the second paragraph of the sub-section entitled "Purchases with Proceeds from Redemptions of Unaffiliated Investment Companies" on page 12:

"A contingent deferred sales charge is charged in limited circumstances. Shareholders who purchased shares with the proceeds of a redemption of shares of an unaffiliated mutual fund sold with a sales charge or commission and which were not distributed by the distributor will be charged a contingent deferred sales charge by the Fund's distributor of .50 of 1% for redemptions made within one year of purchase. The contingent deferred sales charge will be calculated based upon the lesser of the original price of shares or the net asset value of the shares when redeemed."

- F. Please delete the first sentence of the section entitled "Redeeming Shares" on page 15 and insert the following:

"The Fund purchases shares from you at their net asset value, less any applicable contingent deferred sales charge, next determined after the transfer agent receives the redemption request."

- G. Please insert the following "Contingent Deferred Sales Charge" section following the section entitled "Systematic Withdrawal Plan" on page 16. In addition, please add the heading "Contingent Deferred Sales Charge" to the Table of Contents immediately following the heading "Systematic Withdrawal Plan."

"CONTINGENT DEFERRED SALES CHARGE

No contingent deferred sales charge will be imposed on shares acquired through reinvestment of dividends or distributions of short-term or long-term capital gains. Redemptions are deemed to have occurred in the following order: (i) shares acquired through the reinvestment of dividends and long-term capital gains; (ii) purchases of shares occurring more than one year before the date of redemption; (iii) purchases of shares within the previous year without the use of redemption proceeds as described above; and (iv) purchases of shares within the previous year through the use of redemption proceeds as described above.

No contingent deferred sales charge will be imposed when a redemption results from a tax-free return under the following circumstances: (i) a total or partial distribution from a qualified retirement plan, other than an IRA, Keogh Plan, or a custodial account, following retirement; (ii) a total or partial distribution from an IRA, Keogh Plan, or a custodial account, after the beneficial owner attains age 59-1/2; or (iii) from the death or permanent and total disability of the beneficial owner. The exemption from the contingent deferred sales charge for qualified plans, an IRA, Keogh Plan or a custodial account does not extend to account transfers, rollovers, or other redemptions made for purposes of reinvestment.

A contingent deferred sales charge will not be charged in connection with exchanges in other Alexander Hamilton Funds or Treasury Cash Series portfolios or in connection with redemptions by the Fund of accounts with low balances."

- H. Please delete the second sentence of the second paragraph in the sub-section entitled "Sub-Adviser's Background" which begins on page 18 and insert the following information in its place:

"Mr. Conley joined Federated Investors in 1979 and has been a Vice President of the Fund's sub-adviser since 1982."

- I. Please insert the following information as the last sentence of the second paragraph of the section entitled "Shareholder Information" on page 21:

"As of July 3, 1994, Alexander Hamilton Life Insurance Company may for certain purposes be deemed to control the Fund because it is owner of record of certain shares of the Fund."

- J. Please delete the sentence immediately following the HYPOTHETICAL EXAMPLE OF TOTAL RETURN on page 25 in the section entitled "Performance Information" which begins on page 22 and insert the following:

"Performance information reflects the effect of the maximum sales load and other similar non-recurring charges, such as the contingent deferred sales charge, which, if excluded, would increase the total return and yield."

- K. Please insert the following financial statements after the "Performance Information" section on page 22. In addition, please add the heading

"Financial Statements" to the Table of Contents immediately before "Addresses."

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1994 (UNAUDITED)

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT <C>	<S>	ISSUE	CREDIT RATING: MOODY'S OR S&P* <C>	VALUE <C>
SHORT-TERM MUNICIPAL SECURITIES--7.8%				
	KENTUCKY--3.9%			
\$ 200,000		Kentucky State Pollution Abatement & Water Resource Finance Authority, Daily VRDNs (Toyota Motors Co.)/(Subject to AMT)	A-1+	\$ 200,000
	TEXAS--3.9%			
200,000		Harris County, TX, IDA Daily VRDNs (Yokohama Tire Corp.)/ (Subject to AMT)/(Industrial Bank of Japan Ltd. LOC)	P-1	200,000
	TOTAL SHORT-TERM MUNICIPAL SECURITIES (AT AMORTIZED COST)			400,000
LONG-TERM MUNICIPAL SECURITIES--99.3%				
	ALABAMA--3.5%			
200,000		Courtland, AL, IDR 5.90% Solid Waste Disposal Revenue Refunding Bonds (Champion International), 2/1/2017	Baa	178,442
	CALIFORNIA--3.8%			
200,000		Santa Cruz, CA, 6.25% Sewer Secondary Wastewater Treatment Revenue Bonds (Series C), 11/1/2023	A	195,774
	DISTRICT OF COLUMBIA--4.0%			
200,000		District of Columbia Hospital, 7.125% Revenue Refunding Bonds (Midlantic-Washington Hospital Center), 8/15/2019	Baa1	205,546
	FLORIDA--7.5%			
200,000		Jacksonville, FL, IDA 6.25% Health Facilities Revenue Bonds (National Benevolent Association-Cypress), 12/1/2023	Baa1	187,972

ALEXANDER HAMILTON MUNICIPAL INCOME FUND

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT <C>	<S>	ISSUE	CREDIT RATING: MOODY'S OR S&P* <C>	VALUE <C>
LONG-TERM MUNICIPAL SECURITIES--CONTINUED				
	FLORIDA--CONTINUED			
\$ 200,000		Palm Beach County, FL, 6.30% Health Facility Authority Revenue Bonds (Good Samaritan Health System), 10/1/2022	A-	\$ 192,382
	Total			380,354

GEORGIA--3.8%				
200,000	Fulco, GA Hospital Authority, 6.375% Revenue Anticipation Certificates (Georgia Baptist Health Care), 9/1/2022	A		193,500
ILLINOIS--3.9%				
200,000	Illinois Health Facilities Authority, 7.00% Revenue Bonds (Trinity Medical Center), 7/1/2012	Baa		199,468
INDIANA--3.9%				
200,000	Indiana State, Health Facilities Financing Authority, 6.625% Revenue Bonds (Floyd Memorial Hospital Project), 2/15/2022	A		200,146
LOUISIANA--8.2%				
200,000	Lake Charles, LA, 7.75% Harbor & Term District Port Facilities Revenue Bonds (Trunkline Long Co. Project-Panhandle Eastern Co.), 8/15/2022	Ba1		214,536
200,000	St. Charles Parish, LA, 7.00% Solid Waste Disposal Revenue Bonds (Louisiana Power & Light)/(Subject to AMT), 12/1/2022	Baa2		202,546
	Total			417,082
MARYLAND--4.0%				
200,000	Maryland State Community Development Administration, 6.70% Multi Family Housing Revenue Bonds, 5/15/2027	Aa		202,304
MASSACHUSETTS--3.8%				
200,000	Massachusetts State, 6.50% Health and Education Facilities Authority Revenue Bonds (Series B)/(Holyoke Hospital), 7/1/2015	Baa1		191,650
MINNESOTA--3.9%				
200,000	Minnesota State, HFA Single Family Revenue Bonds, 6.50% (Subject to AMT), 1/1/2026	Aa		197,082

</TABLE>

ALEXANDER HAMILTON MUNICIPAL INCOME FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	ISSUE	CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
LONG-TERM MUNICIPAL SECURITIES--CONTINUED			
NORTH CAROLINA--4.0%			
\$ 200,000	Martin County, NC, Industrial Facilities & Pollution Financing Authority, 6.80% Solid Waste Disposal Revenue Bond (Weyerhaeuser Co.)/(Subject to AMT), 5/1/2024	A2	\$ 203,248
OKLAHOMA--13.7%			
500,000	Jackson County, OK, Memorial Hospital Authority, 7.30% Revenue Bonds (Jackson County Memorial Hospital), 8/1/2015	BBB-	496,680
200,000	Tulsa, OK, 7.60% Municipal Airport Trust Revenue Bonds (American Airlines)/(Subject to AMT), 12/1/2030	Baa2	199,964
	Total		696,644
PENNSYLVANIA--11.7%			
200,000	Latrobe, PA, IDA, 6.75% College Revenue Bonds (Series 1994)/ (St. Vincent		

	College Project), 5/1/2024	Baa1	196,166
200,000	Pennsylvania State, HFA Single Family Mortgage Revenue Bonds, 6.875% (Series 1994-39B)/(Subject to AMT), 10/1/2024	Aa	201,342
200,000	Warren County, PA, Hospital Authority, 7.00% Revenue Bonds (Series 1994)/(Warren General Hospital Project), 4/1/2019	BBB+	199,108
	Total		596,616
	TENNESSEE--4.0%		
200,000	Memphis-Shelby County, TN, 6.75% Airport Revenue Bonds (Federal Express Corp.), 9/1/2012	Baa3	201,110
	TEXAS--4.0%		
200,000	Travis County, TX, HFC SFM Revenue Bonds, 7.10% (GNMA & FNMA Mortgage Backed Securities)/(Subject to AMT)/(GNMA/ FNMA Guaranty), 10/1/2027	AAA	203,474
	VIRGINIA--11.6%		
200,000	Isle Wight County, VA, IDA 6.55% Solid Waste Disposal (Union Camp Corp.)/(Subject to AMT), 4/1/2024	A-1	201,284

</TABLE>

ALEXANDER HAMILTON MUNICIPAL INCOME FUND

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	ISSUE	CREDIT RATING: MOODY'S OR S&P*	VALUE
<C>	<S>	<C>	<C>
LONG-TERM MUNICIPAL SECURITIES--CONTINUED			
VIRGINIA--CONTINUED			
\$ 200,000	Peninsula Ports Authority of Virginia, 7.00% Health Care Facilities Revenue Refunding Bonds (Series 1994)/(Mary Immaculate Project), 8/1/2017	BBB+	\$ 198,012
200,000	West Point, VA, IDA 6.375% Solid Waste Disposal Revenue Bonds (Series A)/(Chesapeake Corp. Project)/(Subject to AMT), 3/1/2019	Baa3	192,404
	Total		591,700
	TOTAL LONG-TERM MUNICIPAL SECURITIES (IDENTIFIED COST \$5,064,452)		5,054,140
	TOTAL INVESTMENTS (IDENTIFIED COST \$5,464,452)		\$ 5,454,140+

</TABLE>

+ The cost of investments for federal tax purposes amounts to \$5,464,452. The net unrealized depreciation of investments on a federal tax basis amounts to \$10,312, which is comprised of \$35,590 appreciation and \$45,902 depreciation at May 31, 1994.

Note: The categories of investments are shown as a percentage of net assets (\$5,090,763) at May 31, 1994.

* Please refer to the Statement of Additional Information for an explanation of the credit ratings.

The following abbreviations are used in this portfolio.

<TABLE>	<C>
<S>	IDA--Industrial Development Authority
AMT--Alternative Minimum Tax	IDR--Industrial Development Revenue
FNMA--Federal National Mortgage Association	LOC--Letter of Credit
GNMA--Government National Mortgage	

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

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1994 (UNAUDITED)

	<C>	<C>
ASSETS:		
Investments in securities, at value (Note 2A) (identified and tax cost \$5,464,452)	\$	5,454,140
Cash		35,670
Interest receivable		81,426
Receivable for investments sold		197,232
Receivable from Adviser		43,778
Deferred expenses (Note 2E)		17,497
Total assets		5,829,743
LIABILITIES:		
Payable for investments purchased	\$	694,705
Dividends payable		133
Accrued expenses		44,142
Total liabilities		738,980
NET ASSETS for 548,202 shares of beneficial interest outstanding	\$	5,090,763
NET ASSETS CONSIST OF:		
Paid-in capital	\$	5,141,115
Net unrealized appreciation (depreciation) on investments		(10,312)
Accumulated net realized gain (loss) on investments		(40,040)
Total Net Assets	\$	5,090,763
NET ASSET VALUE, AND REDEMPTION PROCEEDS PER SHARE:		
(net assets of \$5,090,763 / 548,202 shares of beneficial interest outstanding)		\$9.29
Computation of Offering Price (100/95.5 of \$9.29)*		\$9.73

* See "What Shares Cost" in the prospectus.

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

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
STATEMENT OF OPERATIONS
PERIOD ENDED MAY 31, 1994*

	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income (Note 2B)	\$		36,791
EXPENSES:			

Investment advisory fee**		\$	3,775
Trustees' fees			3,806
Administrative personnel and services fees**			11,644
Custodian fees**			5,289
Transfer and dividend disbursing agent fees and expenses**			4,155
Legal fees			1,935
Printing and postage			4,060
Portfolio accounting fees**			13,535
Insurance premiums			1,744
Distribution services fee**			1,573
Miscellaneous			1,450
Total expenses			52,966
Deduct--			
Waiver of investment advisory fee**	\$	2,895	
Reimbursement of other operating expenses**		43,778	46,673
Net expenses			6,293
Net investment income			30,498
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investment transactions (identified cost basis)			(40,040)
Net change in unrealized appreciation (depreciation) on investments			(10,312)
Net realized and unrealized gain (loss) on investments			(50,352)
Change in net assets resulting from operations			(\$19,854)

</TABLE>

*For the period from March 2, 1994 (date of initial public investment) to May 31, 1994 (unaudited).

**See Note 4.

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

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

		PERIOD ENDED MAY 30, 1994*
<S>		<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$	30,498
Net realized gain (loss) on investment transactions (\$40,040 net loss as computed for federal income tax purposes) (Note 2C)		(40,040)
Change in unrealized appreciation (depreciation) on investments		(10,312)
Change in net assets resulting from operations		(19,854)

DISTRIBUTIONS TO SHAREHOLDERS (NOTE 2B)--	

Dividends to shareholders from net investment income	(30,498)

FUND SHARE (PRINCIPAL) TRANSACTIONS (NOTE 3)--	

Proceeds from sale of shares	5,111,050

Net asset value of shares issued to shareholders in payment of dividends declared	30,365

Cost of shares redeemed	(300)

Change in net assets from Fund share transactions	5,141,115

Change in net assets	5,090,763

NET ASSETS:	

Beginning of period	--

End of period	\$ 5,090,763

* For the period from March 2, 1994 (date of initial public investment) to May 31, 1994 (unaudited).
(See Notes which are an integral part of the Financial Statements)
</TABLE>

ALEXANDER HAMILTON MUNICIPAL INCOME FUND
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1994 (UNAUDITED)

(1) ORGANIZATION

Alexander Hamilton Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust consists of three diversified portfolios. The financial statements included herein present only those of the Alexander Hamilton Municipal Income Fund (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.

- A. INVESTMENT VALUATIONS--Municipal bonds are valued by an independent pricing service taking into consideration yield, liquidity, risk, credit, quality, coupon, maturity, type of issue, and any other factors or market data it deems relevant in determining valuations for normal institutional size trading units of debt securities. The independent pricing service does not rely exclusively on quoted prices. Short-term securities with remaining maturities of sixty days or less may be stated at amortized cost, which approximates value. Investments in other regulated investment companies are valued at net asset value.
- B. INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Interest income and expenses are accrued daily. Bond premium and discount are amortized as required by the Internal Revenue Code, as amended ("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 the shares, have been deferred and are being amortized using the straight line method over a period of five years from the Fund's commencement date.

ALEXANDER HAMILTON MUNICIPAL INCOME FUND

F. OTHER--Investment transactions are accounted for on the trade date.

(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). Transactions in Fund shares were as follows:

<TABLE> <CAPTION>	PERIOD ENDED MAY 31, 1994*
<S>	<C>
Shares sold	544,959
Shares issued to shareholders in payment of dividends declared	3,273
Shares redeemed	(30)
Net change resulting from Fund share transactions	548,202

* For the period from March 2, 1994 (date of initial public investment) to May 31, 1994.

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Alexander Hamilton Capital Management, Inc., the Fund's investment adviser ("Adviser"), receives for its services an annual investment advisory fee equal to 0.60 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 and reimbursement at any time at its sole discretion. Under the terms of a sub-advisory agreement between the Adviser and Federated Research, Federated Research receives an annual fee of \$125,000, plus one half of the remaining advisory revenues.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS") provides the Trust with certain administrative personnel and services. The fee is based on the level of average aggregate net assets of the Trust for the period. FAS may voluntarily choose to waive a portion of its fee.

DISTRIBUTION PLAN--The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Fund to finance activities intended to result in the sale of the Fund's shares. The Plan provides that the Fund may incur distribution expenses up to 0.25 of 1% of the average daily net assets of the Fund, annually to compensate FSC.

TRANSFER AND DIVIDEND DISBURSING AGENT, ACCOUNTING AND CUSTODY 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 Trust'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.

ALEXANDER HAMILTON MUNICIPAL INCOME FUND

State Street Bank and Trust Company is the Trust's custodian. 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 incurred by the Fund will be borne initially by FAS and are estimated at \$53,302. The Fund has agreed to reimburse FAS for the organizational expenses during the five year period following February 10, 1994 (date the Fund became effective).

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

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the period ended May 31, 1994 were as follows:

<TABLE>	
<S>	
PURCHASES	<C> \$ 5,638,572

SALES	\$ 533,878

TRUSTEES	OFFICERS

<TABLE>	
<S>	
George A. Cooke	George A. Cooke
Chairman	Chief Executive Officer
Christopher Bancroft	Edward C. Gonzales
Frederick L. Blackmon	President and Treasurer
William H. T. Bush	Margaret P. Tessaro
James T. Ponder	Vice President and Assistant Treasurer
Martha R. Seger	Robert J. Davison
William E. Shelton	Vice President
	J. Crilley Kelly
	Secretary
	David M. Di Rita
	Assistant Secretary
	Melissa A. Moore
	Assistant Secretary
</TABLE>	

Mutual funds are not obligations of or insured by any bank, nor are they insured by the federal government or any of its agencies. Investment in these shares involves risk, including the possible loss of principal.

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