

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

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

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### FILER

#### **AMERICAN ADJUSTABLE RATE TERM TRUST INC 1995**

CIK: **859000** | IRS No.: **411655438** | State of Incorporation: **MN** | Fiscal Year End: **0831**  
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AMERICAN ADJUSTABLE RATE TERM TRUST 1995

STATEMENT OF OPERATIONS  
FOR THE PERIOD FROM SEPTEMBER 1, 1994 TO APRIL 17, 1995\*  
<TABLE>

<S>	<C>
INCOME:	
Interest	\$ 3,708,822
	-----
EXPENSES (NOTE 3):	
Investment management fee	223,388
Administrative fee	95,738
Custodian, accounting and transfer agent fees	85,167
Audit and legal fees	102,706
Directors' fees	5,833
Registration fees	6,979
Shareholder reports	49,378
Federal excise taxes (note 2)	126,882
Other expenses	7,907
	-----
Total expenses	703,978
Less management and administrative fees waived by the adviser and administrator	(319,126)
	-----
Total net expenses	384,852
	-----
Net investment income	3,323,970
	-----
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS:	
Net realized loss on investments (note 4)	(2,054,247)
Net realized loss on put options (note 5)	(480,200)
	-----
Net realized loss on investments	(2,534,447)
Net change in unrealized appreciation or depreciation of investments	1,757,539
	-----
Net loss on investments	(776,908)
	-----
Net increase in net assets resulting from operations	\$ 2,547,062
	-----

</TABLE>

\* The fund terminated operations and distributed all net assets to shareholders on April 17, 1995.  
See accompanying Notes to Financial Statements.

AMERICAN ADJUSTABLE RATE TERM TRUST 1995  
STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

	Period from 9/1/94 to 4/17/95*	Year Ended 8/31/94
<S>	<C>	<C>
OPERATIONS:		
Net investment income	\$ 3,323,970	7,170,681
Net realized loss on investments	(2,534,447)	(7,054,516)
Net change in unrealized appreciation or depreciation of investments	1,757,539	(1,749,435)
	-----	-----
Net increase (decrease) in net assets resulting from operations	2,547,062	(1,633,270)
	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income (note 1)	(5,238,785)	(4,245,411)
	-----	-----

CAPITAL CONTRIBUTION (NOTE 7):		
Capital contribution by affiliate	5,000,000	--
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Payments for retirement of 118,300 and 155,500 shares, respectively (note 6)	(1,089,990)	(1,407,063)
Payments for 10,836,200 shares in connection with termination of fund operations (note 1)	(102,145,489)	--
	-----	-----
Total decrease in net assets from capital share transactions	(103,235,479)	(1,407,063)
	-----	-----
Total decrease in net assets	(100,927,202)	(7,285,744)
	-----	-----
Net assets at beginning of period	100,927,202	108,212,946
	-----	-----
Net assets at end of period	\$ --	100,927,202
	-----	-----
Undistributed net investment income	\$ --	5,237,932
	-----	-----

<FN>

\* The fund terminated operations and distributed all net assets to shareholders on April 17, 1995.

</TABLE>

See accompanying Notes to Financial Statements.

AMERICAN ADJUSTABLE RATE TERM TRUST 1995  
NOTES TO FINANCIAL STATEMENTS

(1) ORGANIZATION

American Adjustable Rate Term Trust 1995 (ADJ), is registered under the Investment Company Act of 1940 (as amended) as a diversified, closed-end management investment company. ADJ commenced operations on March 29, 1990, upon completion of an initial public offering of common stock. Shares of ADJ were listed on the New York Stock Exchange and the Chicago Stock Exchange from the commencement of operation through the April 6, 1995. The fund terminated operations and distributed all its net assets on April 17, 1995 in accordance with the terms of its prospectus. The final distribution to shareholders was \$105,861,222 or \$9.77 which consisted of \$102,145,489, or \$9.43 per share, from principal and \$3,715,733, or \$0.34 per share, from net investment income.

(2) SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS IN SECURITIES

The values of fixed income securities were determined using pricing services or prices quoted by independent brokers. When market quotations were not readily available, securities were valued at fair value according to methods selected in good faith by the board of directors. Short-term securities with maturities less than 60 days were valued at amortized cost which approximates market value.

Securities transactions were accounted for on the date the securities were purchased or sold. Realized gains and losses were calculated on the identified-cost basis. Interest income, including amortization of bond discount and premium computed on a level-yield basis, was accrued daily.

FEDERAL TAXES

The fund's policy is to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and not be subject to federal income tax. Therefore, no income tax provision is required. However, the fund incurred federal excise taxes of \$126,882 (\$0.012 per share) on income retained by the fund during the 1994 excise tax year. Net investment income and net realized gains (losses) may differ for financial statement and tax purposes and the character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the year that the income or realized gains (losses) were recorded by the fund.

DISTRIBUTIONS

The fund paid monthly distributions from net investment income. Realized gains, if any, were distributed on an annual basis. These distributions

were recorded as of the close of business on the ex-dividend date. Such distributions were payable in cash or, pursuant to the fund's dividend reinvestment plan, reinvested in additional shares of the fund's common stock. Under the plan, shares were purchased in the open market.

(3) EXPENSES

The fund had entered into the following agreements with Piper Capital Management Incorporated (the adviser and administrator):

The investment advisory agreement provided the adviser with a monthly investment management fee based on the fund's average weekly net assets computed at the per-annum rate of 0.35%. For its fee, the adviser provided investment advice and, in general, conducted the management and investment activity of the fund.

The administration agreement provided the administrator with a monthly fee in an amount equal to an annualized rate of 0.15% of the fund's average weekly net assets. For its fee, the administrator provided certain reporting, regulatory and record-keeping services for the fund.

For the period ended April 17, 1995, Piper Capital voluntarily waived the investment management fee of \$223,388 and the administrative fee of \$95,738.

In addition to the investment management fee and the administrative fee, the fund was responsible for paying most other operating expenses including outside directors' fees and expenses, custodian fees, registration fees, printing and shareholder reports, transfer agent fees and expenses, legal, auditing and accounting services, insurance, interest, taxes and other miscellaneous expenses.

(4) SECURITIES TRANSACTIONS

Cost of purchases and proceeds from sales or maturities of securities (other than investments in short-term securities) for the period ended April 17, 1995, were \$0 and \$78,329,640, respectively.

(5) INVESTMENT IN PUT OPTIONS

In order to hedge the value of adjustable rate mortgage securities under certain interest rate scenarios, the fund purchased four-year U.S. Treasury note put option contracts in 1990. On April 13, 1995, the options expired with no value, resulting in a realized loss of \$480,200.

(6) RETIREMENT OF FUND SHARES

The fund's board of directors approved a plan to repurchase shares of the fund in the open market and retire those shares. Repurchases were only made when the previous day's closing market price was trading at a discount from net asset value. Daily repurchases were limited to 25% of the previous four weeks average daily trading volume on the New York Stock Exchange. Under the current plan, cumulative repurchases could not exceed 3% of the total shares originally issued. The plan was last reviewed and reapproved by the board of directors on February 9, 1995. Pursuant to the plan, the fund cumulatively repurchased and retired 273,800 shares as of April 17, 1995, which represents 2.46% of the shares originally issued.

(7) CAPITAL CONTRIBUTION BY AFFILIATE

On October 24, 1994, Piper Jaffray Companies Inc. contributed \$5,000,000 to the fund. The voluntary contribution, made for the benefit of shareholders, increased the fund's net asset value.

(9) QUARTERLY DATA (UNAUDITED)

<TABLE>  
<CAPTION>

	TOTAL INVESTMENT INCOME	NET INVESTMENT INCOME	NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	CAPITAL CONTRIBUTION BY AFFILIATE	DISTRIBUTIONS FROM NET INVESTMENT INCOME	DISTRIBUTIONS FROM PRINCIPAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
DOLLAR AMOUNTS							
11/30/94	\$ 1,516,313	1,337,261	(882,564)	454,697	5,000,000	(655,222)	--

2/28/95	1,433,666	1,383,008	89,813	1,472,821	--	(651,104)	--
4/17/95 *	758,843	603,701	15,843	619,544	--	(3,932,459)	(102,145,489)
	-----	-----	-----	-----	-----	-----	-----
	\$ 3,708,822	3,323,970	(776,908)	2,547,062	5,000,000	(5,238,785)	(102,145,489)
	-----	-----	-----	-----	-----	-----	-----

<CAPTION>  
PER-SHARE AMOUNTS

	NET INVESTMENT INCOME	NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	CAPITAL CONTRIBUTION BY AFFILIATE	DISTRIBUTIONS FROM NET INVESTMENT INCOME	DISTRIBUTIONS FROM PRINCIPAL	QUARTER END NET ASSET VALUE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
11/30/94	\$ 0.12	(0.08)	0.04	0.46	(0.06)	--	9.65
2/28/95	0.13	0.01	0.14	--	(0.06)	--	9.73
4/17/95 *	0.06	--	0.06	--	(0.36)	(9.43)	--*
	-----	-----	-----	-----	-----	-----	-----
	\$ 0.31	(0.07)	0.24	0.46	(0.48)	(9.43)	
	-----	-----	-----	-----	-----	-----	-----

<FN>  
\* Period from March 1, 1995 to April 17, 1995 (date of fund termination).  
</TABLE>

(8) FINANCIAL HIGHLIGHTS

PER-SHARE DATA FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD AND SELECTED INFORMATION FOR EACH PERIOD ARE AS FOLLOWS:

	PERIOD FROM 9/1/94 TO 4/17/95*	YEAR ENDED 8/31/94	YEAR ENDED 8/31/93	YEAR ENDED 8/31/92	YEAR ENDED 8/31/91	PERIOD FROM 3/29/90** 8/31/90
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PER-SHARE DATA						
Net asset value, beginning of period	\$ 9.21	9.74	9.99	9.76	9.67	9.60
Operations:						
Net investment income	0.31	0.65	0.71	0.89	0.90	0.36
Net realized and unrealized gains (losses) on investments	(0.07)	(0.80)	(0.36)	0.12	0.08	0.02
Total from operations	0.24	(0.15)	0.35	1.01	0.98	0.38
Distributions to shareholders:						
From net investment income	(0.48)	(0.38)	(0.59)	(0.77)	(0.88)	(0.31)
From realized gains	--	--	(0.01)	(0.01)	(0.01)	--
Total distributions to shareholders	(0.48)	(0.38)	(0.60)	(0.78)	(0.89)	(0.31)
Capital contribution by affiliate	0.46	--	--	--	--	--
Payments for principal on April 17, 1995	(9.43)**	--	--	--	--	--
Net asset value, end of period	\$ --**	9.21	9.74	9.99	9.76	9.67
Per-share market value, end of period	\$ --**	8.88	9.88	10.50	10.13	9.75

SELECTED INFORMATION

Total return, net asset value ~	7.63%	(1.59%)	3.65%	10.75%	10.66	3.98%
Total return, market value ~ ~	11.72%	(6.55%)	(0.28%)	11.73%	13.24	0.55%
Net assets at end of period (in millions)	\$ --	101	108	111	108	107
Ratio of expenses to average weekly net assets#	0.60%*	0.27%	0.70%	0.72%	0.73%	0.61%*
Ratio of net investment income to average weekly net assets#	5.21%*	6.78%	7.25%	8.95%	9.45%	9.00%*

Portfolio turnover rate (excluding short-term securities)	0%	69%	64%	55%	66%	33%
Amount of borrowings outstanding at end of period (in millions)	\$ --	--	29	29	43	35
Per-share amount of borrowings outstanding at end of period	\$ --	--	2.64	2.64	3.88	3.13
Per-share asset coverage of borrowings outstanding at end of	\$ --	--	12.38	12.63	13.64	12.80

<FN>

- \* Termination of the fund.
  - \*\* Commencement of operations.
  - . Adjusted to an annual basis.
  - .. On April 17, 1995, the fund terminated operations and distributed all of its net assets to shareholders. Shares of the fund ceased to trade on the NYSE on April 6, 1995.
  - - Total return, net asset value, is based on the change in net asset value of a share during the period and assumes reinvestment of distributions at net asset value. On October 24, 1995, an affiliate contributed \$5 million to the fund. Had the affiliate not contributed \$5 million, the fund's NAV total return, for the period ended April 17, 1995, would have been 2.61%.
  - -- Total return, market value, is based on the change in market price of a share during the period and assumes reinvestment of distributions at actual prices pursuant to the fund's dividend reinvestment plan.
  - # Includes 0.20% and 0.05% from federal excise taxes for the period ended April 17, 1995 and fiscal year 1994, respectively. During the period ended April 17, 1995 and the fiscal year 1994, investment management and administrative fees were waived by the Adviser. Had fees not been waived, the ratios of expenses and net investment income would have been 1.10%/4.71% and 0.77%/6.28%, respectively.
  - ## Represents net assets (excluding borrowings) divided by common shares outstanding.
- </TABLE>

INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS AND SHAREHOLDERS  
 AMERICAN ADJUSTABLE RATE TERM TRUST INC. - 1995

We have audited the accompanying statement of operations for the period from September 1, 1994 to April 17, 1995 (date of termination) and the statements of changes in net assets for the period from September 1, 1994 to April 17, 1995 and the year ended August 31, 1994, and the financial highlights presented in footnote 8 to the financial statements of American Adjustable Rate Term Trust Inc. - 1995. These financial statements and the financial highlights are the responsibility of the fund's management. Our responsibility is to express an opinion on these financial statements and the financial highlights based on our audits.

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

In our opinion, the financial statements present fairly, in all material respects, for American Adjustable Rate Term Trust Inc. - 1995, the results of its operations for the period from September 1, 1994 to April 17, 1995, the changes in its net assets for the period from September 1, 1994 to April 17, 1995 and the year ended August 31, 1994, and the financial highlights presented in footnote 8 to the financial statements, in conformity with generally accepted accounting principles.

As described in footnote 1 to the financial statements, American Adjustable Rate Term Trust Inc. - 1995 terminated operations and distributed all of its net assets to shareholders on April 17, 1995.

KPMG Peat Marwick LLP  
 Minneapolis, Minnesota  
 June 2, 1995