

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

FREEDOM GROUP OF TAX EXEMPT FUNDS

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Business Address
*ONE BEACON ST
BOSTON MA 02108
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[Photo]
Michael M. Spencer
Director of Fixed
Income Investments

[Photo]
Paul Marandett
Portfolio Manager

[LOGO] TO OUR SHAREHOLDERS

At the end of 1995, prospects were bright for the fixed income markets. The Federal Reserve had just lowered the Federal Funds rate (the overnight borrowing rate charged by U.S. banks) to 5.50% and was widely expected to continue to lower rates. The economy, beset by government shutdowns and severe winter weather, was growing very slowly with no signs of any increase in inflation on the horizon. Indeed, in January, the Federal Reserve fulfilled the expectations of many by lowering the Federal Funds rate to 5.25%, where it still remains at the end of June.

However, the benign outlook for yields has changed. Economic growth which has been faster than expected has led market participants to expect no further easing from the Federal Reserve. In fact, many, including the Freedom Group of Money Funds, expect that next move by the Federal Reserve to be to increase rates sometime in the third quarter of this year. As you will see in the individual Fund summaries listed below, this has led us to shorten the average maturity of the Freedom Group of Money Funds in anticipation of somewhat higher short-term rates later in the year.

In one respect, however, the first half of 1996 has been quite similar to 1995. In 1995 long-term yields showed a great deal of change which short-term yields were stable. 1996 has seen the same thing occur. At the beginning of the year the yield on a 91 day Treasury Bill stood at 5.07%. As of the end of June the yield was higher, but not a great deal so at 5.19%. Long-term yields during the same period have gone from 5.95% to 6.91%, and intermediate-term yields have gone from 5.37% to 6.50%.

As we look to the second half of 1996 we anticipate that short-term yields will begin to raise as the Federal Reserve needs to reassert its credentials as an institution interested in price stability. Whereas at the end of last year we were concerned that the markets had become too optimistic regarding the direction of Federal Reserve policy, we now believe it likely that once the Federal Reserve does begin to raise rates the markets could well become too pessimistic and will be looking for opportunities to lock in higher rates once they occur. As always we will continue to maintain the highest quality investments in the Freedom Group of Money Funds.

Tax Exempt Money Fund yields were relatively high as we began 1996. The yield on the Freedom California Tax Exempt Money Fund stood at 3.89% which was approximately 77% of taxable yields. Yield levels at that time, however, were more a result of year-end portfolio repositioning than economic conditions. Indeed, the economy at year-end seemed to be slowing thus causing the Federal Reserve to lower the Federal Funds rate at the end of January. This action caused a sharp decline in money fund rates, almost 100 basis points in the tax exempt sector.

Yields in this sector were somewhat more volatile during the first half of the year due to seasonal supply pressures as well as the many economic uncertainties effecting the securities markets. Proposed changes to our tax system, which greatly effected the municipal securities markets last year, have not been a topic so far this year. That could change as we near election time but it seems unlikely that any radical changes to the tax codes will be offered by either political party. At this time we are primarily concerned with supply constraints and the overall strength of the economy as factors most effecting the tax exempt sector.

Lack of supply in the short-term municipal market has resulted in comparatively low yields; 3-month, 6-month and one year tax exempt yields are all approximately 66.3% of taxable yields. At the same time, however, we anticipate the Federal Reserve Board's next move will be to tighten, or raise short-term interest rates, in reaction to the recently displayed economic growth. At this time of the fiscal year most California municipalities issue twelve month notes which are used to ameliorate cash flow problems caused by uneven revenue

collections. We expect to "roll over" some of our maturing notes during this period but we will continue to maintain a shorter maturity than the average of California money funds. We expected to lengthen the Fund's maturity later in the year after interest rates have increased. We will also continue our analytical efforts to maintain the highest credit quality of the Freedom California Tax Exempt Money Fund.

Sincerely,
 /s/ Michael M. Spencer
 Michael M. Spencer
 Director of Fixed Income Investments

/s/ Paul Marandett
 Paul Marandett
 Portfolio Manager

FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
 INVESTMENTS AS OF JUNE 30, 1996
 (UNAUDITED)

AMOUNT	DESCRIPTION	VALUE
<S>	<C>	<C>
SHORT TERM MUNICIPAL SECURITIES -- 109.8%		
\$2,290,000	Alameda County Mortgage Notes (Quail Run Apts.) (FNMA-Insured) 3.10% 7-03-96	\$ 2,290,000
2,100,000	Alameda County TRANS 4.50% 6-30-97	2,111,046
1,300,000	Anaheim MFHA (Harbor Cliff) (Bank of America LOC) 2.90% 7-05-96	1,300,000
2,000,000	California School Cash Reserve Program (MBIA-Insured) 4.75% 7-03-96	2,000,105
3,000,000	4.75% 7-02-97	3,025,920
3,000,000	California Statewide CDA (FNMA Insured) 3.25% 7-03-96	3,000,000
4,300,000	(Dresdner LOC) 3.30% 7-01-96	4,300,000
3,000,000	(Kaiser Permanente) 3.00% 7-03-96	3,000,000
1,500,000	California HFA Revenue Bonds (Catholic West B) (MBIA/Rabobank LOC) 3.00% 7-03-96	1,500,000
3,100,000	California HFA Revenue Bonds (Catholic West C) (MBIA/Morgan Guaranty LOC) 3.00% 7-03-96	3,100,000
1,000,000	California HFA Revenue Bonds (Kaiser Permanente) 3.00% 7-03-96	1,000,000
500,000	California HFA Revenue Bonds (Pooled Loan Program) Series 90A (Swiss Bank LOC) 2.80% 7-03-96	500,000
500,000	California PCFA Revenue Bonds (Chevron) 3.70% 5-15-97	500,000
1,400,000	California PCFA Revenue Bonds (Pacific Gas & Electric) (Credit Suisse LOC) 3.20% 7-25-96	1,400,000
1,000,000	(Credit Suisse LOC) 3.60% 7-31-96	1,000,000
1,000,000	(United Bank of Switzerland LOC) 3.30% 8-02-96	1,000,000
\$1,000,000	California PCFA Revenue Bonds (San Diego Gas & Electric) 4.00% 9-01-96	\$ 1,000,000
1,000,000	California PCFA Revenue Bonds (Shell Oil) 3.00% 7-01-96	1,000,000
1,350,000	California PCFA Revenue Bonds (Southern California Edison Company) 3.60% 7-23-96	1,350,000
2,000,000	City of Santa Clara Electric Revenue (National Westminster LOC) 3.20% 7-03-96	2,000,000
1,750,000	Contra Costa County TRANS 4.50% 7-03-96	1,750,078
1,000,000	County of Sacramento MFHA Revenue Bonds (Grouse Run) (Bank of America LOC) 3.10% 7-05-96	1,000,000
1,300,000	Duarte Redevelopment Agency (Bank of America LOC) 3.20% 7-05-96	1,300,000
3,000,000	Foothill/Eastern Transportation Agency (Morgan Guaranty LOC) 3.00% 7-05-96	3,000,000

1,800,000	Independent Cities (National Westminster LOC) 3.20% 7-03-96	1,800,000
2,000,000	Irvine Assessment District Improvement Bonds (Kredeitbank NV LOC) 3.30% 7-01-96	2,000,000
1,800,000	Irvine Ranch Water District Revenue Bonds (Bank of America LOC) 3.30% 7-01-96	1,800,000
1,000,000	(Commerzbank LOC) 3.30% 7-01-96	1,000,000
2,000,000	(Landesbank Hessen LOC) 3.30% 7-01-96	2,000,000
3,900,000	Kern County U.H.S.D. (UBS LOC) 3.00% 7-03-96	3,900,000
3,100,000	Los Angeles County IDA, (Hon Industries Project) (Morgan Guaranty LOC) 3.05% 7-03-96	3,100,000

FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
INVESTMENTS AS OF JUNE 30, 1996 - (CONTINUED)
(UNAUDITED)

PRINCIPAL AMOUNT	DESCRIPTION	VALUE
\$2,000,000	Los Angeles County Pension Obligation Bonds (AMBAC-Insured/Bank of Nova Scotia LOC) 3.15% 7-03-96	\$ 2,000,000
1,000,000	Los Angeles County TRANS 4.50% 7-01-96	1,000,000
3,000,000	Los Angeles USD TRANS 4.50% 7-03-96	3,000,119
1,500,000	4.50% 6-30-97	1,510,080
3,300,000	Mountainview Housing Authority (Villa Mariposa Project) (FGIC-SPI) 3.00% 7-05-96	3,300,000
1,900,000	Orange County Sanitation District (Societe Generale LOC) 3.30% 7-01-96	1,900,000
5,200,000	Palm Springs Community Redevelopment Agency (Citibank LOC) 3.30% 7-03-96	5,200,000
2,000,000	Riverside County Certificates of Participation (National Westminster LOC) 2.95% 7-02-96	2,000,000
2,000,000	Riverside County TRANS 4.50% 6-30-97	2,011,500
1,000,000	Sacramento Municipal Utilities District (Bayerische Landesbank Girocentrale LOC) 3.25% 7-12-96	1,000,000
1,400,000	3.30% 8-12-96	1,400,000
1,000,000	San Diego County TRANS 4.50% 9-30-96	1,002,487
3,000,000	4.50% 7-02-97	3,021,660
300,000	San Jose Housing Revenue (Foxchase Apts.) (FGIC-SPI Insured) 3.00% 7-05-96	300,000
500,000	San Jose MFHA (Fairway Glen Apts.) (FGIC-SPI Insured) 3.00% 7-05-96	500,000
3,000,000	Santa Clara County Financing Authority (UBS LOC) 3.00% 7-03-96	3,000,000
4,000,000	Santa Clara County MFHA (Foxchase Apts.) (FGIC-SPI Insured) 3.00% 7-05-96	4,000,000
\$1,000,000	Santa Cruz County TRANS 4.50% 7-11-96	\$ 1,000,269
2,000,000	Simi Valley Housing Authority (Bank of America LOC) 2.90% 7-05-96	2,000,000
1,000,000	Southern California Public Power District 6.00% 7-01-96	1,000,000
1,295,000	8.125% 7-01-96	1,333,850
4,000,000	Southern California Public Power District Bonds 3.10% 7-03-96	4,000,000
2,000,000	Tahoe-Truckee USD 4.70% 9-05-96	2,004,774
1,510,000	University of California 8.00% 11-01-96	1,562,591
2,485,000	Vallejo County Housing Authority (FNMA Insured) 3.10% 7-03-96	2,485,000
2,000,000	West Basin Municipal Water District 3.45% 8-06-96	2,000,000

TOTAL INVESTMENTS -- 109.8%	\$112,559,479 (a)
Other Assets & Liabilities, Net -- (9.8%)	(10,015,310)

TOTAL NET ASSETS -- 100.0%	\$102,544,169
		=====

Legend:

CDA -- Communities Development Authority
 HFA -- Housing Finance Authority
 IDA -- Industrial Development Authority
 LOC -- Letter of Credit
 MFHA -- Multifamily Housing Authority
 PCFA -- Pollution Control Finance Authority
 TRANS -- Tax and Revenue Anticipation Notes
 UBS -- United Bank of Switzerland
 USD -- Unified School District
 VRD -- Variable Rate Demand

Insurance Abbreviations:

FGIC -- Federal Guaranty Insurance Corporation
 FGIC-SPI -- Federal Guaranty Insurance Corporation-
 Securities Purchased Inc.
 FNMA -- Federal National Mortgage Association
 MBIA -- Municipal Bond Investors Assurance

Maturity dates for many bonds and notes represent the next scheduled date at which the interest rate may be adjusted or a "demand" or "put" feature may be exercised.

(a) Cost for tax purposes is the same.

See Notes to Financial Statements

</TABLE>

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FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND

STATEMENT OF ASSETS AND LIABILITIES
 JUNE 30, 1996
 (UNAUDITED)

<TABLE>

<S>	<C>
ASSETS	
Investments, at amortized cost	\$112,559,479
Cash	488,661
Receivable for Fund shares sold	501,396
Interest receivable	887,606
Prepaid expenses	1,201
Other assets	696

	114,439,039

LIABILITIES	
Payable for Investments purchased	11,680,206
Payable for Fund shares redeemed	53,194
Dividends payable	116,930
Accrued expenses:	
Investment adviser's fee	29,789
Shareholder servicing fee	10,305
Trustees' fee	4,446

	11,894,870

NET ASSETS	\$102,544,169
	=====
NET ASSETS CONSIST OF:	
Capital paid in	\$102,541,961
Accumulated net realized gain	2,208

	\$102,544,169
	=====
SHARES ISSUED AND OUTSTANDING (UNLIMITED SHARES AUTHORIZED)	102,541,961

NET ASSET VALUE PER SHARE	\$ 1.00
	=====

</TABLE>

See Notes to Financial Statements

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FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
 STATEMENT OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 1996
(UNAUDITED)

<TABLE>	
<CAPTION>	
<S>	<C>
INTEREST INCOME	\$ 1,601,877

EXPENSES	
Investment adviser's fee	241,290
Transfer agent and shareholder services	24,115
Custodian	1,365
Compensation of Trustees	3,620
Audit	6,385
Legal	3,660
Printing, postage and stationery	8,230
Membership dues	2,248
Registration expense	1,720
Insurance expense	1,936
Other	367

Total expenses	294,936
Less: fees waived by adviser	(72,388)

	222,548

INVESTMENT INCOME -- NET	1,379,329

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$1,379,329
	=====

</TABLE>

See Notes to Financial Statements

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FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>		
<CAPTION>		
<S>	SIX MONTHS ENDED JUNE 30, 1996*	YEAR ENDED DECEMBER 31, 1995
	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS:		
Net investment income	\$ 1,379,329	\$ 2,827,034
Dividends to shareholders	(1,379,329)	(2,827,034)
	-----	-----
	--	--
	-----	-----
FROM CAPITAL TRANSACTIONS:		
(At Net Asset Value of \$1 per share)		
Proceeds from sale of shares	200,019,574	304,441,189
Net asset value of shares issued to shareholders in reinvestment of dividends	1,258,670	2,768,062
Cost of shares redeemed	(183,938,559)	(294,663,687)
	-----	-----
Increase in net assets derived from capital share transactions	17,339,685	12,545,564
	-----	-----
Net increase in net assets	17,339,685	12,545,564
NET ASSETS:		
Beginning of period	85,204,484	72,658,920
	-----	-----
End of period	\$ 102,544,169	\$ 85,204,484
	=====	=====
DIVIDENDS TO SHAREHOLDERS PER SHARE	\$ 0.0142	\$ 0.0325
	=====	=====

* Unaudited

</TABLE>

See Notes to Financial Statements.

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FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
(A SERIES OF FREEDOM GROUP OF TAX EXEMPT FUNDS)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. ACCOUNTING POLICIES. The Freedom Group of Tax Exempt Funds (the "Trust") is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management company. The Agreement and Declaration of Trust permits the issuance of an un-limited number of shares of beneficial interest in separate series, with shares of each series representing interests in a separate portfolio of assets and operating as a separate distinct fund. The Trust consists of two series: the Freedom California Tax Exempt Money Fund (the "Fund") and the Freedom Tax Exempt Money Fund. The financial statements of the Freedom Tax Exempt Money Fund are included in a separate semi-annual report for that Fund.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Security Valuation and Transactions. The Fund values its portfolio securities utilizing the amortized cost valuation method. This method involves valuing a portfolio security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium. Cost is determined and gains and losses are based upon the specific identification method for both financial statement and federal income tax purposes. Investment securities transactions are accounted for on the date the securities are purchased or sold.

The Fund may purchase or sell securities on a when-issued basis. Payment and delivery may take place more than a week after the date of the transaction. The price that will be paid for the underlying securities is fixed at the time the transaction is negotiated.

Expenses. The majority of the expenses of the Trust are directly identifiable to an individual fund. Expenses which are not readily identifiable as belonging to a specific fund are allocated in such manner as deemed equitable by the Trustees, taking into consideration, among other things, the nature and type of expense and the relative size of the funds.

Trustees' fees of \$6,000 per year, plus \$250 per meeting of the Board of Trustees and \$350 per meeting of any committee thereof, are paid by the Trust to each Trustee who is not an interested person of the Trust. No remuneration is paid by the Trust to any Trustee or officer of the Trust who is affiliated with Freedom Capital Management Corporation, the Trust's adviser.

The Trust has entered into an insurance agreement with ICI Mutual Insurance Company, under which the Trust pays both an annual insurance premium and a one-time reserve premium, and is committed to provide additional funds of up to 300% of its initial annual premium if and when called upon.

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FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
(A SERIES OF FREEDOM GROUP OF TAX EXEMPT FUNDS)
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
(UNAUDITED)

Federal Income Tax. It is the Fund's policy to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its income to its shareholders. It is also the intention of the Fund to make sufficient distributions to shareholders to avoid imposition of excise tax on undistributed amounts under the Internal Revenue Code. Therefore, no federal income or excise tax provision is required.

Interest Income and Dividends to Shareholders. Interest income is accrued as earned. Dividends to shareholders are declared daily from net investment income, which consists of interest accrued or discount earned (including original issue and market discount) less amortization of premium and the estimated expenses of the Fund applicable to the dividend period.

Other. There are certain risks arising from geographic concentration in any state. Certain revenue or tax related events in a state may impair the ability of certain issuers of municipal securities to pay principal and interest on their obligations. The Fund may focus its investments in certain industries. As a result, the Fund may be subject to a greater risk than a fund that is more fully diversified in various industries.

NOTE 2. INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS. Freedom Capital Management Corporation ("FCMC") is the investment advisor of the Trust and also furnishes the Fund with administration and other services and office facilities in Boston. For these services and facilities, the Fund pays a monthly fee, based upon the average daily net asset value of the Fund, at the annual rate of one half of one percent (.50%) on the first \$500 million of average daily net assets and forty-five hundredths of one percent (.45%) for average daily net assets in excess of that amount. The Fund itself pays no salaries or compensation to any of its officers.

The Advisory Agreement provides that if, in any fiscal year, the total expenses of the Fund (excluding taxes, interest, brokerage commissions and extraordinary items, but including the management fee) exceed the expense limitations applicable to the Fund imposed by the securities regulations of any state in which it is registered to sell shares, the Adviser will pay or reimburse the Fund for that excess up to the amount of its management fee during that fiscal year. Although there is no certainty that these limitations will be in effect in the future, the most restrictive limitation on an annual basis currently applicable to the Fund is 2.5% of the first \$30 million of average daily net assets, 2.0% of the next \$70 million and 1.5% of average daily net assets over \$100 million. Additionally, FCMC may voluntarily waive part or all of its management fee for a period under the terms of the advisory agreement. Such waivers were provided to the Fund for the six months ended June 30, 1996 and may be discontinued at any time.

Sutro & Co. Inc. ("Sutro") and Freedom Distributors Corporation act as distributors of the Fund's shares and receive no compensation for such services. An affiliate of Sutro, John Hancock Clearing Corporation, received reimbursements of \$10,465 for maintaining and servicing certain shareholder accounts for the six months ended June 30, 1996.

FREEDOM CALIFORNIA TAX EXEMPT MONEY FUND
(A SERIES OF FREEDOM GROUP OF TAX EXEMPT FUNDS)

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
(UNAUDITED)

John Hancock Investor Services, Inc. ("JHIS"), a wholly owned subsidiary of the Berkeley Financial Group, an affiliate of FCMC, is transfer agent for the Fund. JHIS received \$13,650 for the six months ended June 30, 1996.

NOTE 3. Purchases and sales (including maturities) of investments for the six months ended June 30, 1996 were as follows:

Purchases of Investments	\$ 180,321,196
Sales of Investments	\$150,970,000

OUR FINANCIAL HIGHLIGHTS

The table of FINANCIAL HIGHLIGHTS below represents a summary history of our operations. The table expresses the information in terms of a single share outstanding throughout each period:

<TABLE>
<CAPTION>

PERIOD ENDED	NET ASSET VALUE		DIVIDENDS FROM NET INVESTMENT		NET ASSET VALUE END OF PERIOD	TOTAL RETURN*	NET ASSETS END OF PERIOD (THOUSANDS)	RATIO OF EXPENSES TO AVERAGE DAILY NET ASSETS	RATIO OF NET INVESTMENT INCOME TO AVERAGE DAILY NET ASSETS
	BEGINNING OF PERIOD	NET INVESTMENT INCOME	INVESTMENT INCOME	NET ASSET VALUE					

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
June 30, 1996++	\$1.00	\$0.0142	\$(0.0142)	\$1.00	1.43%	\$102,544	0.46% (a) +	2.86% (a) +
December 31, 1995	1.00	0.0325	(0.0325)	1.00	3.29%	85,204	0.47%	3.25% (a)
December 31, 1994	1.00	0.0228	(0.0228)	1.00	2.32%	72,659	0.46%	2.28% (a)
December 31, 1993	1.00	0.0195	(0.0195)	1.00	1.96%	90,479	0.33%	1.95% (a)
December 31, 1992	1.00	0.0241	(0.0241)	1.00	2.45%	67,929	0.29%	2.41% (a)
December 31, 1991	1.00	0.0388	(0.0388)	1.00	3.94%	50,005	0.27%	3.89% (a)
December 31, 1990*	1.00	0.0183	(0.0183)	1.00	1.84%	32,381	0.34%	5.28% (a) +

+ Annualized.

++ Unaudited.

(a) Net of fees waived by the Adviser which amounted to \$.0015, \$.0018, \$.0020, \$.0028, \$.0033, \$.0042 and \$.0017 per share, respectively.

* From commencement of operations, August 27, 1990.

** Total return would have been lower had the Advisor not waived fees. Periods less than a year are not annualized.

</TABLE>

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NO SALES OR REDEMPTION CHARGES

DISTRIBUTORS

Sutro & Co. Incorporated
201 California Street
San Francisco, California 94111

Freedom Distributors Corporation
One Beacon Street
Boston, Massachusetts 02108-3105

Telephone Toll Free
800-453-8206

INVESTMENT ADVISER

Freedom Capital Management Corporation
One Beacon Street
Boston, Massachusetts 02108-3105

TRANSFER AND SHAREHOLDER
SERVICES AGENT

John Hancock Investor
Services Corporation
P.O. Box 9102
Boston, Massachusetts 02205-9102
Telephone Toll Free
800-257-3336

[LOGO] FREEDOM
GROUP OF MONEY FUNDS

This report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by a current prospectus for the Freedom California Tax Exempt Money Fund.

FCTSA 0696

--FREEDOM--
CALIFORNIA

[LOGO]

TAX EXEMPT
MONEY FUND

SEMI-ANNUAL REPORT
JUNE 30, 1996