

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

PRUDENTIAL GOVERNMENT SECURITIES TRUST

CIK: **355605** | IRS No.: **136804454** | State of Incorporation: **MA** | Fiscal Year End: **1130**
Type: **N-30D** | Act: **40** | File No.: **811-03264** | Film No.: **1523597**

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Prudential Government Securities Trust/
Money Market Series, Short-Intermediate Term
Series, & U.S. Treasury Money
Market Series

Fund Type Money Market (Government Securities for
Short-Intermediate Term Series)

Objective Money Market Series: High current
income, preservation of capital, and
maintenance of liquidity. Short-Intermediate Term
Series: High level of income
consistent with providing reasonable safety. U.S.
Treasury Money Market
Series: High current income consistent with the
preservation of principal and liquidity.

(GRAPHIC)

This report is not authorized for distribution to
prospective investors unless
preceded or accompanied by a current prospectus.
The views expressed in this report and information
about the Trust's portfolio
holdings are for the period covered by this report
and are subject to change thereafter.

(LOGO)

Build on the Rock

Investment Goals and Style
The Money Market Series seeks high current income,
preservation of capital,
and maintenance of liquidity. The Series invests
primarily in a diversified
portfolio of short-term money market instruments
issued or guaranteed by the
U.S. government or its agencies or
instrumentalities. The U.S. government's
guarantee applies only to the underlying
securities of this Series, and not to
the value of the Series' shares. There can be no
assurance that the Series
will achieve its investment objective.

The U.S. Treasury Money Market Series seeks high
current income consistent
with the preservation of principal and liquidity.
The Series invests
exclusively in U.S. Treasury obligations with
effective remaining maturities
of 13 months or less. The U.S. government's
guarantee applies only to the
underlying securities of this Series, and not to
the value of the Series'
shares. There can be no assurance that the Series
will achieve its investment
objective.

Performance

As of 11/30/00

Money Market Series

	7-Day Current Yld.*	Net Asset Value (NAV)	Weighted Avg. Mat. (WAM)	Net Assets (Millions)
Class A	5.75%	\$1.00	61 Days	\$558
Class Z	5.87%	\$1.00	61 Days	\$ 39
iMoneyNet, Inc. Government and Agency Fund				
Avg.**	5.93%	\$1.00	45 Days	N/A

U.S. Treasury Money Market Series

Class A	5.72%	\$1.00	48 Days	\$365
Class Z	5.84%	\$1.00	48 Days	\$ 6
iMoneyNet, Inc. U.S. Treasury Fund Avg.**				
	5.70%	\$1.00	60 Days	N/A

* Yields will fluctuate from time to time, and past performance is not indicative of future results. An investment in the Series is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Series seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Series.

** iMoneyNet, Inc. reports a seven-day current yield, NAV, and WAM on Tuesdays. This is the data of all funds in the iMoneyNet, Inc. Government and Agency Fund Average and U.S. Treasury Fund Average as of November 28, 2000. iMoneyNet, Inc. was formerly known as IBC Financial Data, Inc.

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Performance at a Glance

The Short-Intermediate Term Series seeks a high level of income consistent with providing reasonable safety. The Series invests at least 65% of its total assets in U.S. government securities, including U.S. Treasury bills, notes, bonds, and other debt securities issued or guaranteed by the U.S. government or its agencies or instrumentalities. The U.S. government's guarantee applies only to the underlying securities of this Series, and not to the value of the Series' shares. It is currently anticipated that the Series will invest primarily in securities with maturities ranging from two to five years. There can be no assurance that the Series will achieve its investment objective.

Cumulative Total Returns¹ As of 11/30/00
Short-Int. Term Series

	One Year	Five Years	Ten Years	Since Inception ²
Class A	7.13%	28.35%	83.31%	293.70%
Class Z	7.41	N/A	N/A	22.46

Lipper Short-
Intermediate
U.S. Gov't Fund
Avg.3

6.83 28.19 86.49 ***

Average Annual Total Returns1 As of 12/31/00
Short-Int. Term Series

	One Year	Five Years	Ten Years	Since Inception2
Class A	8.88%	5.25%	6.25%	7.88%
Class Z	9.05	N/A	N/A	5.83

Distributions and Yields1 As of 11/30/00
Short-Int. Term Series

	Total Distributions Paid for 12 Months	30-Day SEC Yield2
Class A	\$0.45	5.69%
Class Z	\$0.47	5.86%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

1 Source: Prudential Investments Fund Management LLC and Lipper Inc. Shares of this Series are sold without an initial or contingent deferred sales charge. Class Z shares are not subject to distribution and service (12b-1) fees.

2 Inception dates: Class A, 9/22/82; Class Z, 2/26/97.

3 Lipper average returns are for all funds in each share class for the one-, five-, and ten-year periods in the Short-Intermediate U.S. Gov't Fund category. The Lipper average is unmanaged. Short-Intermediate U.S. Government funds invest at least 65% of their assets in securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, with dollar-weighted average maturities of one to five years. *** Lipper Since Inception returns are 297.50% for Class A and 21.84% for Class Z, based on all funds in each share class.

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(LOGO)

January 16, 2001

Dear Shareholder,
Our fiscal year that began December 1, 1999 was a favorable period for investors in money market funds. Money fund yields climbed sharply as the Federal Reserve (the Fed) repeatedly raised short-term interest rates to keep the U.S. economy from overheating. The Money Market Series and the U.S. Treasury Money Market Series benefited from this trend toward higher money fund yields and maintained net asset values of \$1

per share.

As for the Short-Intermediate Term Series, a shift in asset allocation toward mortgage-related securities helped the Series take advantage of a strong bond market rally during the second half of our fiscal year. Consequently, for our 12-month reporting period, the Short-Intermediate Term Series' share classes outperformed their benchmark Lipper Average.

We discuss developments in the fixed-income markets and explain each Series' investments on the following pages. As always, we appreciate your continued confidence in Prudential mutual funds, and look forward to serving your future needs.

Sincerely,

David R. Odenath, Jr., President
Prudential Government Securities Trust/Money
Market Series
Prudential Government Securities Trust/Short-
Intermediate Term Series
Prudential Government Securities Trust/U.S.
Treasury Money Market Series

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Prudential Government Securities Trust Money Market Series
Annual Report November 30, 2000

Investment Adviser's Report

MONEY MARKET SERIES

Our investment strategy was affected by the declining issuance of U.S. Treasuries. Burgeoning federal budget surpluses cut the U.S. government's need to borrow money through Treasury issuance. However, stock market volatility led more investors to seek the relative safety of Treasuries. With fewer Treasuries available, demand grew for federal agency money market securities-- the Series' primary investment vehicle.

Adjustable-rate securities were among the types of attractively priced money market securities that were readily available. Roughly 50% of the Series' total investments remained in adjustable-rate securities during our fiscal year. In the first six months, we focused on securities whose rates reset either daily, weekly, or monthly. This strategy worked well as the Fed raised short-term interest rates in February, March, and May 2000 to curb U.S. economic growth and check inflation. As the Fed tightened monetary policy, rates on our securities adjusted higher, boosting the Series' yields.

We later shifted the Series' focus to securities whose rates reset monthly or quarterly. Holding securities whose rates changed less frequently made sense in the second half of our fiscal year because money market yields declined when reports suggested economic growth was slowing. Therefore, the central bank no longer needed to tighten monetary policy, and investors soon began to debate if and when the Fed might cut rates.

In the second half of our fiscal year, we also bought six-month and one-year federal agency securities to lock in yields before they moved sharply lower.

Our purchases extended the Series' weighted average maturity (WAM). (WAM is a measurement tool that determines a fund's sensitivity to changes in the level of interest rates. It takes into account the maturity level of each security held by a fund.) Lengthening the WAM typically helps the Series' yields to remain higher for a longer time when money market yields decline.

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Prudential Government Securities Trust Money Market Series
Annual Report November 30, 2000

Looking Ahead

In early January 2001, the Fed surprised financial markets with an aggressive half-percentage-point reduction that lowered the federal funds rate to 6.00%.

(This is the rate that U.S. banks charge each other for overnight loans.)

Cutting this key rate also encourages lower borrowing costs for businesses and consumers, which can help stimulate U.S. economic growth.

This marked the first time that the central bank eased monetary policy between its regularly scheduled meetings since the Asian financial crisis in 1998. The boldness and the unusual timing of the move lead us to believe the central bank will continue to ease monetary policy if economic growth remains anemic in 2001.

On the other hand, if a large tax cut aimed at bolstering economic activity is forthcoming, the Fed may be less aggressive in cutting rates. Because of this uncertainty about the direction of fiscal and monetary policy, we plan to position the Series' WAM either in line with, or slightly longer than, that of its competitive average. This strategy will allow us greater flexibility to respond to market conditions.

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Annual Report November 30, 2000

INVESTMENT ADVISER'S REPORT

U.S. TREASURY MONEY MARKET SERIES

A change in the outlook for U.S. monetary policy and a dwindling supply of U.S. Treasuries were among the key factors that influenced our investment strategy during our fiscal year that began December 1, 1999. There was also speculation that computers might malfunction when switching their internal dates from December 31, 1999 to January 1, 2000. Although this concern affected the investment environment, the impact rapidly faded from financial markets after the smooth transition from 1999 to 2000.

At the beginning of 2000, investors focused on the Fed, which raised short-term interest rates in February, March, and May 2000 to rein in U.S. economic growth and prevent higher inflation. These moves increased the federal funds rate (the rate U.S. banks charge each other for overnight loans) by a total of one percentage point to 6.50%. The central bank also hiked the discount rate that member banks pay to borrow from the Federal Reserve system by the same amount, which lifted that rate to 6.00%.

As short-term rates rose, yields on Treasury bills also climbed (and their prices fell). Yet they remained expensive compared to other money market securities. Among Treasury bills, six-month securities offered the most attractive yields. However, we limited our purchases of six-month Treasuries in order to minimize the Series' exposure to interest-rate volatility.

As the spring of 2000 continued, reports indicated that the cumulative effect of repeated rate hikes was beginning to curb economic growth. Consequently, investors began to drive money market yields lower (and prices higher) because the Fed no longer needed to tighten monetary policy.

We bought Treasuries maturing in two to five months and cash management bills, which are issued for very brief periods of time when the federal government suffers shortfalls in its cash flow. These securities provided more attractive yields than one-year Treasury bills. In addition to the outlook for

lower short-term rates, yields on one-year Treasury bills declined sharply because the federal government had cut issuance of these securities from monthly to quarterly. Growing federal budget surpluses had reduced the federal government's need to borrow money through issuance of Treasuries.

Our purchases of two- to five-month Treasuries and cash management bills extended the Series' weighted average maturity (WAM), which was longer than its competitive average for much of the second half of our fiscal year. (WAM is a measurement tool that determines a fund's sensitivity to changes in the level of interest rates. It takes into account the maturity level of each security held by a fund.) Lengthening the Series' WAM enabled its yield to remain higher for a longer time amid the general decline in money market yields.

LOOKING AHEAD

In early January 2001, the Fed surprised financial markets with an aggressive half-percentage-point reduction in the federal funds rate to 6.00%. Cutting this rate also encourages lower borrowing costs for businesses and consumers, which can help stimulate U.S. economic growth.

This was the first time since the Asian crisis in 1998 that the central bank eased monetary policy between its regularly scheduled meetings. The boldness and the unusual timing of the move lead us to believe the central bank will continue to ease monetary policy if economic growth remains anemic in 2001.

On the other hand, if a large tax cut aimed at bolstering economic activity is forthcoming, the Fed may be less aggressive in cutting rates. Because of this uncertainty about the direction of fiscal and monetary policy, we plan to position the Series' WAM either in line with, or slightly longer than, that of its competitive average. This strategy will allow us greater flexibility to respond to market conditions.

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INVESTMENT ADVISER'S REPORT

SHORT-INTERMEDIATE TERM SERIES

Conditions in the U.S. bond market generally

improved during our fiscal year that began December 1, 1999, as the Fed initially increased short-term interest rates in the first half of the year, then left monetary policy unchanged in the second half.

Throughout the 12-month period, we emphasized intermediate-term bonds over shorter-term bonds, as well as mortgage-related securities and federal agency securities over U.S. Treasuries. This strategy enabled the Series' Class A shares to outperform their benchmark Lipper Average by 0.30%.

FED RATE HIKES PRESSURED BOND PRICES

The Fed raised short-term rates in February, March, and May 2000. These moves increased the federal funds rate (the rate U.S. banks charge each other for overnight loans) by a total of one percentage point to 6.50%. The central bank also hiked the discount rate that member banks pay to borrow from the Federal Reserve system by the same amount, which lifted that rate to 6.00%. Boosting short-term rates discourages bank lending, which cuts the amount of money available for business expansion and consumer spending. This, in turn, can slow U.S. economic growth and prevent higher inflation.

Anticipation of the rate hikes led investors to frequently demand higher yields on bonds, forcing bond prices lower. This bearish trend was more pronounced among shorter-term bonds, which typically track changes in the federal funds rate more closely than intermediate- or longer-term bonds. Mindful of this tendency, we emphasized the intermediate sector of the bond market, where there was relatively less upward pressure on yields.

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Prudential Government Securities Trust Short-Intermediate Term Series
Annual Report November 30, 2000

DISTORTED YIELD RELATIONSHIP IN U.S. BOND MARKET

In late May 2000, yields on two-year Treasuries stood higher than yields on five-, 10-, and 30-year Treasuries. This unusual development is known as an inverted yield curve. (A yield curve is a graph that depicts bond yields from the shortest to the longest maturities.) Long-term debt securities normally offer the highest yields to compensate for the greater risk entailed in investing for a longer time. However, the normal yield relationship was reversed by the impact of tighter monetary policy and significant developments

in the Treasury market.

Growing federal budget surpluses reduced the federal government's need to borrow money through issuance of Treasuries. Therefore, the federal government reduced issuance of two-, five-, 10-, and 30-year Treasuries. It also embarked upon its plan to buy back up to \$30 billion of Treasuries by the end of 2000. The combined effect of the Fed's rate hikes (pushing yields on short- and intermediate-term bonds higher) and the Treasury's buyback program (driving yields on longer-term bonds lower) caused the Treasury yield curve to invert. This dwindling supply of Treasuries met with strong investor demand, which helped Treasuries outperform other U.S. fixed-income markets in the first half of our fiscal year.

WE FAVORED MORTGAGE-RELATED SECURITIES

We maintained a sizable exposure to 15-year Fannie Mae mortgage pass-through securities. However, we concentrated our purchases in collateralized mortgage obligations (CMOs). These securities are structured so that their cash flows are less likely to be curtailed when home owners refinance the underlying mortgages with new lower-rate home loans.

During the second half of our fiscal year, having a considerable exposure to short-maturity CMOs worked well relative to short-maturity Treasuries, as investors grew increasingly concerned about the potential for mortgage refinancing. Government reports indicated that the cumulative effect of tighter monetary policy was beginning to curb economic growth.

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Consequently, investors accepted lower yields (and paid higher prices) for bonds because the Fed no longer needed to tighten monetary policy, and there was talk about if and when the Fed might cut rates. Falling bond yields pulled mortgage rates lower, making it possible for more consumers to refinance their home loans.

In this environment, solid demand for short-maturity CMOs pushed their prices higher. Prices of other mortgage-related securities also rose, as did prices of federal agency securities and Treasuries. By the end of our fiscal year, mortgage-related securities comprised 52% of the Series' net assets--up from 27% a year earlier. Government agency securities

accounted for a still considerable 27% versus 33% a year earlier, while Treasuries fell to 11% from 23%.

Prudential Government Securities Trust Fund Management Team

Proposed Merger

A proposal to merge the Short-Intermediate Term Series into the Prudential Government Income Fund will be put to a shareholder vote at a special meeting on or about March 22, 2001. If approved, the merger is scheduled to take place in late March or in April 2001. For information regarding this proposal, please refer to the enclosed materials.

Prudential Government Securities Trust

Annual Report November 30, 2000

Financial Statements

Prudential Government Securities Trust Money Market Series
Portfolio of Investments as of November 30, 2000

<TABLE>
<CAPTION>
Principal Amount

(000) <C>	Description <S>	Value (Note 1) <C>	<C>

Federal Farm Credit Bank	2.9%		
\$ 5,000	5.85%, 12/1/00	\$ 5,000,000	
12,587	5.875%, 7/2/01	12,517,791	

		17,517,791	

Federal Home Loan Bank	42.0%		
9,000	6.63%, 12/7/00, F.R.N.	8,999,991	
17,000	6.55%, 4/12/01, F.R.N.	17,000,000	
48,000	6.505%, 4/19/01, F.R.N.	47,991,043	
14,000	6.56%, 5/10/01, F.R.N.	13,996,932	
7,000	6.48%, 7/18/01, F.R.N.	6,996,926	
12,000	6.4375%, 9/21/01, F.R.N.	11,995,272	
45,500	6.58188%, 10/12/01, F.R.N.	45,473,200	
53,500	6.55%, 10/19/01, F.R.N.	53,467,788	
11,000	6.65125%, 11/30/01, F.R.N.	10,998,020	
1,500	5.965%, 12/1/00	1,500,000	
5,000	5.10%, 12/29/00	4,993,754	
2,000	5.375%, 3/2/01	1,993,826	
8,150	6.52%, 3/28/01	8,147,629	
7,000	6.625%, 4/6/01	6,997,801	
1,800	6.875%, 7/3/01	1,800,117	
1,000	5.935%, 7/6/01	996,103	
200	6.495%, 8/9/01	199,857	
200	7.44%, 8/10/01	201,103	
7,000	6.50%, 9/19/01	6,995,552	

		250,744,914	

Federal Home Loan Mortgage Corporation 1.8%

4,000	5.99%, 12/6/00	3,999,917
2,500	5.40%, 4/12/01	2,488,341
4,000	6.00%, 7/20/01	3,981,916

10,470,174

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust Money Market Series
Portfolio of Investments as of November 30, 2000 Cont'd.

<TABLE>

<CAPTION>

Principal

Amount

(000)	Description	Value (Note 1)
<C>	<S>	<C>
Federal National Mortgage Association	30.8%	
\$ 23,000	6.54%, 3/6/01, F.R.N.	\$ 22,997,007
15,750	6.485%, 6/7/01, F.R.N.	15,743,274
13,000	6.536%, 12/3/01, F.R.N.	12,994,930
12,500	5.90%, 12/1/00	12,500,000
3,049	Zero Coupon, 1/11/01	3,026,707
20,000	Zero Coupon, 1/25/01	19,803,375
26,300	6.47%, 2/16/01	26,284,942
13,000	5.625%, 3/15/01	12,960,538
11,500	6.52%, 3/16/01	11,494,725
2,000	7.00%, 5/17/01	2,002,245
5,500	5.86%, 7/19/01	5,466,229
1,500	6.71%, 7/24/01	1,498,830
500	6.67%, 8/1/01	500,116
23,500	6.64%, 9/18/01	23,508,427
1,235	5.60%, 11/9/01	1,224,244
12,000	6.63%, 11/14/01	11,997,897

		184,003,486

Student Loan Marketing Association 15.3%

3,000	6.64%, 3/9/01, F.R.N.	3,000,559
3,800	6.56%, 3/15/01, F.R.N.	3,799,753
18,000	6.66%, 7/25/01, F.R.N.	18,004,512
4,000	6.68%, 8/23/01, F.R.N.	4,001,192
23,000	6.61%, 8/28/01, F.R.N.	22,998,446
11,000	6.59%, 9/17/01, F.R.N.	10,993,596
22,000	6.61%, 11/16/01, F.R.N.	21,993,876
5,000	6.505%, 2/7/01	4,999,814
1,750	6.15%, 8/9/01	1,744,777

		91,536,525

</TABLE>

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See Notes to Financial Statements

Prudential Government Securities Trust Money Market Series
Portfolio of Investments as of November 30, 2000 Cont'd.

<TABLE>

<CAPTION>

Principal

Amount

(000)	Description	Value (Note 1)
<C>	<S>	<C>
Repurchase Agreements (a)	8.6%	
\$ 16,346	ABN AMRO Incorporated, 6.51%, dated 11/28/00, due 12/5/00 in the amount of \$16,366,691 (cost \$16,346,000; the value of the collateral including interest is \$16,672,920)	\$ 16,346,000

19,303	Credit Suisse First Boston Corp., 6.53%, dated 11/30/00, due 12/4/00 in the amount of \$19,317,005 (cost \$19,303,000; the value of the collateral including interest is \$19,834,788)	19,303,000
15,334	Morgan Stanley Dean Witter & Co., 6.51%, dated 11/29/00, due 12/4/00 in the amount of \$15,347,864 (cost \$15,334,000; the value of the collateral including interest is \$15,748,022)	15,334,000

		50,983,000

	Total Investments 101.4%	
	(amortized cost \$605,255,890 (b))	605,255,890
	Liabilities in excess of other assets (1.4%)	(8,414,142)

	Net Assets 100%	\$ 596,841,748

</TABLE>

F.R.N. Floating Rate Note. The interest rate reflected is the rate in effect at November 30, 2000.

(a) Repurchase Agreements are collateralized by U.S. Treasury or Federal agency obligations.

(b) Federal income tax basis of portfolio securities is the same as for financial reporting purposes.

See Notes to Financial Statements

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Prudential Government Securities Trust Short-Intermediate Term Series
Portfolio of Investments as of November 30, 2000

<TABLE>			
<CAPTION>			
Principal			
Amount			
(000)	Description	Value (Note 1)	
<C>	<S>	<C>	<C>

LONG-TERM INVESTMENTS 93.5%

Asset-Backed 3.9%

\$ 3,000 (a)	Capital One Master Trust 5.43%, Ser. 98-4 A, 1/15/07	\$ 2,921,719
464 (a)	Premier Auto Trust 5.77%, Ser. 98-2 A3, 1/6/02	463,710
1,000	First Union National Bank Commercial Mortgage Trust 6.94%, OO-C2 A1, 4/15/10	1,008,750

		4,394,179

U.S. Government Agency Mortgage Pass-Through Obligations 22.1%

18,000 (b)	Federal National Mortgage Association 6.50%, 12/1/15	17,769,240
4,545	7.00%, 3/01/08	4,567,926
2,109 (a)	7.50%, 4/01/10 - 12/01/10	2,143,096
422 (a)	Federal Home Loan Mortgage Association 9.00%, 9/01/05 - 11/01/05	432,147
45	7.375%, 3/01/06	45,437

		24,957,846

U.S. Government Agency Obligations 26.7%

10,000 (a)	Federal National Mortgage Association 5.50%, 10/12/01, MTN	9,929,700
15,600 (a)	5.625%, 5/14/04	15,319,668
5,000 (a)	6.30%, 9/25/02	4,978,100

</TABLE>

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See Notes to Financial Statements

Prudential Government Securities Trust Short-Intermediate Term Series
 Portfolio of Investments as of November 30, 2000 Cont'd.

<TABLE>

<CAPTION>

Principal

Amount

(000)	Description	Value (Note 1)	
<C>	<S>	<C>	<C>

United States Treasury Notes 10.8%			
\$ 3,000	5.50%, 2/28/03	\$ 2,992,500	
9,157(c)	5.875%, 11/15/04	9,267,159	

		12,259,659	

Collateralized Mortgage Obligations 30.0%			
Federal Home Loan Mortgage Corp.			
12,291(a)	5.75%, 4/15/10	12,149,199	
6,500	6.50%, 7/15/10	6,483,750	
Federal National Mortgage Association			
2,104	6.00%, 6/25/08	2,047,822	
2,129	6.50%, 5/25/08	2,116,749	
10,985	7.00%, 1/18/24	11,139,561	

		33,937,081	

Total long-term investments		105,776,233	
(cost \$104,922,942)		-----	

SHORT-TERM INVESTMENTS 21.7%			

Commercial Paper 14.8%			
Blue Ridge Asset Funding			
3,150	6.53%, 12/6/00	3,147,143	
Falcon Asset Securitization Corp.			
4,535	6.52%, 12/8/00	4,529,251	
Sweetwater Capital Corp.			
4,535	6.52%, 12/11/00	4,526,787	
Wood Street Funding Corp.			
4,535	6.53%, 12/12/00	4,525,951	

Total commercial paper		16,729,132	
(cost \$16,729,132)		-----	

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust Short-Intermediate Term Series
 Portfolio of Investments as of November 30, 2000 Cont'd.

<TABLE>

<CAPTION>

Principal

Amount

(000)	Description	Value (Note 1)	
<C>	<S>	<C>	<C>

Repurchase Agreement 6.9%			
\$ 7,779	Joint Repurchase Agreement Account, 6.50%, 12/01/00 (amortized cost \$7,779,000; Note 5)	\$ 7,779,000	
Total short-term investments		-----	

(cost \$24,508,132)	24,508,132
Total Investments 115.2%	
(cost \$129,431,074; Note 4)	130,284,365
Liabilities in excess of other assets (15.2%)	(17,195,406)
Net Assets 100%	\$ 113,088,959

</TABLE>

- (a) Portion of security segregated as collateral for dollar rolls.
(b) Portion of security held as Mortgage dollar roll, see Note 1 and Note 4. The amount of dollar rolls outstanding at November 30, 2000 was \$12,791,465 (principal \$13,000,000), which was 9.2% of total assets.
(c) Portion of security pledged as initial margin for financial futures contracts.

MTN--Medium Term Note.

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See Notes to Financial Statements

Prudential Government Securities Trust
U.S. Treasury Money Market Series
Portfolio of Investments as of November 30, 2000

<TABLE>

<CAPTION>

Principal
Amount

(000)	Description	Value (Note 1)	<C>
<C>	<S>	<C>	<C>

United States	Treasury Bills 21.4%		
\$ 271	6.35%, 12/18/00	\$ 270,187	
731	6.355%, 12/18/00	728,806	
62,590	6.37%, 12/18/00	62,401,726	
9,208	6.32%, 12/21/00	9,175,670	
281	6.375%, 12/21/00	280,005	
6,356	6.379%, 12/21/00	6,333,474	

		79,189,868	

United States	Treasury Notes 75.7%		
90,087	4.625%, 12/31/00	89,943,901	
59,649	5.50%, 12/31/00	59,599,185	
44,629	4.50%, 1/31/01	44,488,520	
10,898	5.25%, 1/31/01	10,876,671	
51,545	5.00%, 2/28/01	51,377,509	
5,831	5.625%, 2/28/01	5,820,581	
16,000	4.875%, 3/31/01	15,919,261	
1,854	5.00%, 4/30/01	1,844,440	
910	6.25%, 4/30/01	909,708	

		280,779,776	

Total Investments 97.1%			
(amortized cost \$359,969,644(a))		359,969,644	
Other assets in excess of liabilities 2.9%		10,694,071	
Net Assets 100%		\$ 370,663,715	

</TABLE>

- (a) Federal income tax basis of Portfolio securities is the same as for financial reporting purposes.
See Notes to Financial Statements

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Prudential Government Securities Trust As of November 30, 2000
Statement of Assets and Liabilities

<TABLE>
<CAPTION>

<S>	Money Market Series <C>	Short- Intermediate Term Series <C>	U.S. Treasury Money Market Series <C>	<C>
ASSETS				
Investments, at value (cost \$605,255,890, \$129,431,074 and \$359,969,644, respectively)	\$ 605,255,890	\$130,284,365	\$ 359,969,644	
Cash	91,724	246,835	862	
Receivable for investments sold	9,964,389	7,088,229	--	
Interest receivable	6,174,236	535,801	4,863,002	
Receivable for Series shares sold	3,299,481	1,298,758	9,712,070	
Due from broker-variation margin		30,892		
Other assets	12,796	3,575	6,275	
Securities lending income receivable	--	352	--	
	-----	-----	-----	
Total assets	624,798,516	139,488,807	374,551,853	
	-----	-----	-----	
LIABILITIES				
Dollar roll payable	--	12,791,465	--	
Payable for investments purchased	23,992,950	12,013,577	--	
Payable for Series shares reacquired	2,580,741	1,163,821	3,014,907	
Dividends payable	848,577	131,582	507,733	
Management fee payable	196,641	36,967	116,463	
Distribution fee payable	30,823	15,278	19,608	
Accrued expenses and other liabilities	307,036	247,158	229,427	
	-----	-----	-----	
Total liabilities	27,956,768	26,399,848	3,888,138	
	-----	-----	-----	
NET ASSETS	\$ 596,841,748	\$113,088,959	\$ 370,663,715	
	-----	-----	-----	
Net assets were comprised of:				
Shares of beneficial interest, at par (\$.01 per share)	\$ 5,968,417	\$ 117,598	\$ 3,706,637	
Paid-in capital in excess of par	590,873,331	140,172,706	366,957,078	
	-----	-----	-----	
Undistributed net investment income	596,841,748	140,290,304	370,663,715	
Accumulated net realized loss on investments	--	643,398	--	
Net unrealized appreciation on investments	--	(28,748,527)	--	
	-----	-----	-----	
Net assets, November 30, 2000	\$ 596,841,748	\$113,088,959	\$ 370,663,715	
	-----	-----	-----	

</TABLE>

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See Notes to Financial Statements

Prudential Government Securities Trust As of November 30, 2000
Statement of Assets and Liabilities Cont'd.

<TABLE>
<CAPTION>

<S>	Money Market Series <C>	Short- Intermediate Term Series <C>	U.S. Treasury Money Market Series <C>	<C>
Net asset value				
Class A:				

Net asset value, offering price and redemption price per share (\$558,307,469 / 558,307,469 shares of beneficial interest issued and outstanding)

\$1.00

(\$106,047,601 / 11,030,577 shares of beneficial interest issued and outstanding)

\$9.61

(\$365,154,211 / 365,154,211 shares of beneficial interest issued and outstanding)

\$1.00

Class Z:

Net asset value, offering price and redemption price per share (\$38,534,279 / 38,534,279 shares of beneficial interest issued and outstanding)

\$1.00

(\$7,041,358 / 729,212 shares of beneficial interest issued and outstanding)

\$9.66

(\$5,509,504 / 5,509,504 shares of beneficial interest issued and outstanding)

\$1.00

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust
Statement of Operations

Year Ended November 30, 2000

<TABLE>
<CAPTION>

<S>	Money Market Series <C>	Short- Intermediate Term Series <C>	U.S. Treasury Money Market Series <C>	<C>
Net Investment Income				
Interest	\$37,111,110	\$ 7,632,423	\$22,710,452	
Income from securities loaned, net	--	10,221	--	
Total income	37,111,110	7,642,644	22,710,452	
Expenses				
Management fee	2,373,381	483,730	1,594,581	
Distribution fee--Class A	698,878	208,832	495,568	
Transfer agent's fees and expenses	1,955,000	196,000	164,000	
Custodian's fees and expenses	75,000	64,000	55,000	
Registration fees	98,000	24,000	24,000	
Reports to shareholders	70,000	63,000	30,000	
Audit fee	25,000	34,000	25,000	
Legal fees and expenses	25,000	34,000	10,000	
Trustees' fees and expenses	19,000	12,000	14,000	
Insurance expense	9,000	2,000	2,000	
Miscellaneous	10,172	3,994	511	

Total expenses	5,358,431	1,125,556	2,414,660
Net investment income	31,752,679	6,517,088	20,295,792
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on:			
Investment transactions	18,838	(1,876,729)	70,889
Financial futures contracts	--	66,826	--
	18,838	(1,809,903)	70,889
Net change in unrealized appreciation (depreciation) on:			
Investments	--	3,374,282	--
Financial futures contracts	--	38,790	--
	--	3,413,072	--
Net gain on investments	18,838	1,603,169	70,889
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$31,771,517	\$ 8,120,257	\$20,366,681

</TABLE>

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See Notes to Financial Statements

Prudential Government Securities Trust Money Market Series
Statement of Changes in Net Assets

<TABLE>

<CAPTION>

	Year Ended November 30,		
	2000	1999	
<S>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS			
Operations:			
Net investment income	\$ 31,752,679	\$ 26,611,013	
Net realized gain on investment transactions	18,838	22,795	
Net increase in net assets resulting from operations	31,771,517	26,633,808	
Dividends and distributions (Note 1)	(31,771,517)	(26,633,808)	
Series share transactions(a) (Note 6):			
Net proceeds from shares subscribed	1,170,479,432	1,745,594,547	
Net asset value of shares issued in reinvestment of dividends and distributions	30,497,478	25,608,555	
Cost of shares reacquired	(1,222,549,443)	(1,769,693,659)	
Net increase (decrease) in net assets from Series share transactions	(21,572,533)	1,509,443	
Total increase (decrease)	(21,572,533)	1,509,443	
NET ASSETS			
Beginning of year	618,414,281	616,904,838	
End of year	\$ 596,841,748	\$ 618,414,281	

(a) At \$1.00 per share for the Money
Market Series.

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust Short Intermediate Term
Statement of Changes in Net Assets

<TABLE>

<CAPTION>

<S>	Year Ended November 30,		<C>
	2000	1999	
INCREASE (DECREASE) IN NET ASSETS			
Operations:			
Net investment income	\$ 6,517,088	\$ 7,252,280	
Net realized loss on investment transactions	(1,809,903)	(1,548,861)	
Net change in unrealized appreciation/depreciation on investments	3,413,072	(3,950,179)	
Net increase in net assets resulting from operations	8,120,257	1,753,240	
Dividends from net investment income (Note 1)			
Class A	(5,469,326)	(6,943,757)	
Class Z	(351,829)	(453,682)	
	(5,821,155)	(7,397,439)	
Series share transactions (Note 6):			
Net proceeds from shares subscribed	25,315,318	28,989,720	
Net asset value of shares issued in reinvestment of dividends	4,123,903	5,237,511	
Cost of shares reacquired	(54,306,883)	(47,069,301)	
Net decrease in net assets from Series share transactions	(24,867,662)	(12,842,070)	
Total decrease	(22,568,560)	(18,486,269)	
NET ASSETS			
Beginning of year	135,657,519	154,143,788	
End of year (a)	\$ 113,088,959	\$ 135,657,519	
(a) Includes undistributed net investment income of:	\$ 643,398	\$ --	

</TABLE>

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See Notes to Financial Statements

Prudential Government Securities Trust U.S. Treasury Money Market
Statement of Changes in Net Assets

<TABLE>

<CAPTION>

<S>	Year Ended November 30,		<C>
	2000	1999	

 INCREASE (DECREASE) IN NET ASSETS

Operations:

Net investment income	\$ 20,295,792	\$ 15,742,063
Net realized gain on investment transactions	70,889	92,022
	-----	-----
Net increase in net assets resulting from operations	20,366,681	15,834,085
	-----	-----
Dividends and distributions (Note 1)	(20,366,681)	(15,834,085)
	-----	-----
Series share transactions(a) (Note 6):		
Net proceeds from shares subscribed	2,828,165,253	3,016,500,664
Net asset value of shares issued in reinvestment of dividends and distributions	18,143,345	13,902,487
Cost of shares reacquired	(2,799,298,963)	(3,043,734,040)
	-----	-----
Net increase (decrease) in net assets from Series share transactions	47,009,635	(13,330,889)
	-----	-----
Total increase (decrease)	47,009,635	(13,330,889)
NET ASSETS		
Beginning of year	323,654,080	336,984,969
	-----	-----
End of year(a)	\$ 370,663,715	\$ 323,654,080
	-----	-----
	-----	-----

(a) At \$1.00 per share for the U.S. Treasury Money Market Series.

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust
 Notes to Financial Statements

Prudential Government Securities Trust (the 'Fund') is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The Fund consists of three series--the Money Market Series, the Short-Intermediate Term Series and the U.S. Treasury Money Market Series (each a 'Series'); the monies of each series are invested in separate, independently managed portfolios. The Money Market Series seeks high current income, preservation of capital and maintenance of liquidity by investing primarily in a diversified portfolio of short-term money market instruments issued or guaranteed by the U.S. Government or its agencies or instrumentalities that mature in 13 months or less. The Short-Intermediate Term Series seeks a high level of income consistent with providing reasonable safety by investing at least 65% of the Series' total assets in U.S. Government securities, including U.S. Treasury bills, notes, bonds and other debt securities, such as mortgage-related and asset-backed securities, issued or guaranteed by the U.S. Government, its agencies or instrumentalities. The U.S. Treasury Money Market Series seeks high current income consistent with the preservation of principal and liquidity by investing exclusively in U.S. Treasury obligations that mature in 13 months or less.

Note 1. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund and each Series in the preparation of its financial statements.

Securities Valuations: The Money Market Series and U.S. Treasury Money Market Series value portfolio securities at amortized cost, which approximates market value. The amortized cost method of valuation involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium.

For the Short-Intermediate Term Series, the Trustees have authorized the use of an independent pricing service to determine valuations. The pricing service considers such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at securities valuations. When market quotations are not readily available, a security is valued by appraisal at its fair value as determined in good faith under procedures established under the general supervision and responsibility of the Trustees. Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized cost.

Repurchase Agreements: In connection with transactions in repurchase agreements with U.S. financial institutions, it is the Fund's policy that its custodian or

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Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

designated subcustodians, as the case may be under triparty repurchase agreements, takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase agreement exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

Financial Futures Contracts: The Short-Intermediate Term Series may enter into financial futures contracts which are agreements to purchase (long) or sell (short) an agreed amount of securities at a set price for delivery on a future date. Upon entering into a financial futures contract, the Series is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This amount is known as the 'initial margin'. Subsequent payments, known as 'variation margin', are made or received by the Series each day, depending on the daily fluctuations in the value of the underlying security. Such variation margin is recorded for financial statement purposes on a daily basis as unrealized gain or loss. When the contract expires or is closed, the gain or loss is realized and is presented in the statement of operations as net realized gain (loss) on financial futures contracts.

The Short-Intermediate Term Series invests in financial futures contracts in order to hedge its existing portfolio securities, or securities the Series intends to purchase, against fluctuations in value caused by changes in prevailing interest rates. Should interest rates move unexpectedly, the Series may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the underlying hedged assets.

Securities Lending: The Money Market Series and the Short-Intermediate Term Series may lend its portfolio securities to brokers or dealers, banks or other recognized institutional borrowers of securities, provided that the borrower at all times maintains cash or other liquid assets or secures an irrevocable letter of credit in favor of the Series in an amount equal to at least 100% of the market value of the securities loaned. During the time portfolio securities are on loan, the Series continues to receive any dividend or interest paid on such securities. Each Series receives compensation net of rebates for lending securities in the form of fees or it retains a portion of interest on the investments of any cash received as collateral. In these transactions, there are risks of delay in recovery and in some cases even loss of rights in the collateral should the borrower of the securities fail financially. Loans are subject to termination at the option of the borrower or the Series. The Series may pay

Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

reasonable finders', administrative and custodial fees in connection with a loan of its securities and may share the interest earned on the collateral with the borrower. As a matter of fundamental policy the Series may not lend more than 30% of the value of its total assets.

Securities Transactions and Investment Income: Securities transactions are recorded on the trade date. Realized gains and losses on sales of portfolio securities are calculated on the identified cost basis. Interest income is recorded on the accrual basis. The Fund amortizes discounts and premiums on purchases of portfolio securities as adjustments to income. Expenses are recorded on the accrual basis which may require the use of certain estimates by management. The Fund's expenses are allocated to the respective Series on the basis of relative net assets except for Series specific expenses which are allocated at a Series or class level. In November 2000, a revised AICPA Audit and Accounting Guide, Audits of Investment Companies (the 'Guide'), was issued, and is effective for fiscal years beginning after December 15, 2000. The revised Guide will require the Fund to amortize premium on all fixed-income securities. Upon initial adoption, the Fund will be required to adjust the cost of its fixed-income securities by the cumulative amount that would have been recognized had the amortization been in effect from the purchase date of each holding. Adopting this accounting principle will not affect the Fund's net assets value, but will change the classification of certain amounts between interest income and realized and unrealized gain/loss in the Statement of Operations. The Fund expects that the impact of the adoption of this principle will not be material to the financial statements. Net investment income, other than distribution fees, and realized and unrealized gains or losses are allocated daily to each class of shares based upon the relative proportion of net assets of each class at the beginning of the day.

Dollar Rolls: The Short-Intermediate Term Series may enter into dollar roll transactions in which the Series sells securities for delivery in the current month, realizing a gain or loss, and simultaneously contracts to repurchase somewhat similar (same type, coupon and maturity) securities on a specified future date. During the roll period the Short-Intermediate Term Series forgoes principal and interest paid on the securities. The Series is compensated by the interest earned on the cash proceeds of the initial sale and by the lower repurchase price at the future date. The difference between the sale proceeds and the lower repurchase price is taken into income. The Short-Intermediate Term Series maintains a segregated account, the dollar value of which is at least equal to its obligations in respect of dollar rolls.

Federal Income Taxes: For federal income tax purposes, each series of the Fund is treated as a separate taxable entity. It is each Series' policy to continue to

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Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable net income to its shareholders. Therefore, no federal income tax provision is required.

Dividends and Distributions: The Money Market Series and U.S. Treasury Money Market Series declare daily dividends from net investment income and net short-term capital gains and losses. Dividends are paid monthly.

The Short-Intermediate Term Series declares dividends from net investment income daily; payment of dividends is made monthly. Distributions of net capital gains, if any, are made annually.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

Reclassification of Capital Accounts: The Fund accounts and reports for distributions to shareholders in accordance with American Institute of Certified Public Accountants' (AICPA) Statement of Position 93-2: Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital Distributions by Investment Companies. For the Short-Intermediate Term Series, the effect of applying this statement was to decrease undistributed net investment income by \$52,535, increase accumulated net realized losses by \$3,745,878 and decrease paid-in-capital in excess of par by \$3,693,343 which represents the expiration of a portion of the capital loss carryforward and the reversal of prior year's over distribution. Net investment income, net realized gains and net assets were not affected by this change.

Note 2. Agreements

The Fund has a management agreement with Prudential Investments Fund Management LLC ('PIFM'). Pursuant to this agreement, PIFM has responsibility for all investment advisory services and supervises the subadviser's performance of such services. Pursuant to a subadvisory agreement between PIFM and The Prudential Investment Corporation ('PIC'), PIC furnishes investment advisory services in connection with the management of the Fund. In connection therewith, the subadviser is obligated to keep certain books and records of the Fund. PIFM pays for the services of PIC, the cost of compensation of officers of the Fund, occupancy and certain clerical and bookkeeping costs of the Fund. The Fund bears all other costs and expenses.

The management fee paid to PIFM is computed daily and payable monthly at an annual rate of .40 of 1% of the average daily net assets of the Short-Intermediate Term Series and the U.S. Treasury Money Market Series. With respect to the Money Market Series, the management fee is payable as follows:

.40 of 1% of average daily

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Prudential Government Securities Trust Notes to Financial Statements Cont'd.

net assets up to \$1 billion, .375 of 1% of average daily net assets between \$1 billion and \$1.5 billion and .35 of 1% in excess of \$1.5 billion.

Effective January 1, 2000, the subadvisory fee paid to PIC by PIFM is computed daily and payable monthly at an annual rate of .20 of 1% of the average daily net assets of the Short-Intermediate Term Series and the U.S. Treasury Money Market Series. With respect to the Money Market Series, the fee paid to PIC by PIFM is payable as follows: .20 of 1% of average daily net assets up to \$1 billion, .169 of 1% of average daily net assets between \$1 billion and \$1.5 billion and .14 of 1% in excess of \$1.5 billion. Prior to January 1, 2000, PIC was reimbursed by PIFM for reasonable costs and expenses incurred in furnishing investment advisory services. The change in the subadvisory fee structure has no impact on the management fee charged to the Fund or its shareholders.

The Fund has a distribution agreement with Prudential Investment Management Services LLC ('PIMS'), which acts as the distributor of the Class A and Class Z shares of the Fund. The Fund compensates PIMS for distributing and servicing the Fund's Class A shares, pursuant to a plan of distribution (the 'Class A Plan'), regardless of expenses actually incurred by them. The distribution fees for Class A shares are accrued daily and payable monthly. The distributor pays various broker-dealers for account servicing fees and for the expenses incurred by such broker-dealers. No distribution or service fees are paid to PIMS as distributor of the Class Z shares of the Fund.

Pursuant to the Class A Plan, the Money Market Series and the U.S. Treasury Money Market Series compensate PIMS at an annual rate of .125 of 1% of each Series' Class A average daily net assets. The Short-Intermediate Term Series' Class A Plan compensates PIMS at an annual rate of .25 of 1% of the lesser of (a) the aggregate sales of the series' Class A shares issued (not

including reinvestment of dividends and distributions) on or after July 1, 1985 (the effective date of the plan) less the aggregate net asset value of any such shares redeemed, or (b) the average net asset value of the shares issued after the effective date of the plan.

PIFM, PIC and PIMS are wholly owned subsidiaries of The Prudential Insurance Company of America.

The Fund, along with other affiliated registered investment companies (the 'Funds'), entered into a syndicated credit agreement ('SCA') with an unaffiliated lender. The maximum commitment under the SCA is \$1 billion. Interest on any such borrowings will be at market rates. The purpose of the agreement is to serve as an alternative source of funding for capital share redemptions. The Funds pay a commitment fee of .080 of 1% of the unused portion of the credit facility. The commitment fee is accrued and paid quarterly on a pro rata basis by the Funds. The expiration date of the SCA is March 9, 2001. Prior to March 9, 2000, the commitment fee was

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Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

.065 of 1% of the unused portion of the credit facility. The Fund did not borrow any amounts pursuant to the SCA during the year ended November 30, 2000.

Note 3. Other Transactions with Affiliates

Prudential Mutual Fund Services LLC ('PMFS'), a wholly-owned subsidiary of PIFM, serves as the Fund's transfer agent. During the year ended November 30, 2000, the Fund incurred fees of approximately \$1,656,900, \$169,300, and \$159,300, respectively, for the Money Market Series, Short-Intermediate Term Series, and U.S. Treasury Money Market Series. As of November 30, 2000, approximately \$118,400, \$12,500, and \$9,800 of such fees were due to PMFS, respectively, for the Money Market Series, Short-Intermediate Term Series, and U.S. Treasury Money Market Series. Transfer agent fees and expenses in the Statement of Operations includes certain out-of-pocket expenses paid to non-affiliates.

Note 4. Portfolio Securities

Purchases and sales of portfolio securities other than short-term investments, for the Short-Intermediate Term Series for the year ended November 30, 2000 were \$436,716,769 and \$451,944,267, respectively.

For the Short-Intermediate Term Series, the cost basis of investments for federal income tax purposes was \$129,431,074 and, accordingly, as of November 30, 2000, net unrealized appreciation for federal income tax purposes was \$853,291 (gross unrealized appreciation-\$1,348,020; gross unrealized depreciation--\$494,729).

For federal income tax purposes, the Short-Intermediate Term Series has a capital loss carryforward as of November 30, 2000 of approximately \$28,698,000 of which \$7,594,000 expires in 2001, \$12,125,000 expires in 2002, \$448,000 expires in 2003, \$1,933,000 expires in 2004, \$3,290,000 expires in 2005, \$1,537,000 expires in 2007 and \$1,771,000 expires in 2008. Accordingly, no capital gains distribution is expected to be paid to shareholders until net gains have been realized in excess of such carryforward. During the fiscal year ended November 30, 2000, approximately \$3,746,000 of the capital loss carryforward expired unused.

The average balance of dollar rolls outstanding during the year ended November 30, 2000 was approximately \$17,398,859 for the Short-Intermediate Term Series.

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Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

During the fiscal year ended November 30, 2000, the Short-Intermediate

Term Series entered into financial futures contracts. Details of open contracts at November 30, 2000 are as follows:

<TABLE>

<CAPTION>

Number of Contracts	Type	Expiration Date	Value at Trade Date	Value at November 30, 2000	Unrealized Appreciation
<C>	<C>	<S>	<C>	<C>	<C>
	Long Position:				
	U.S. Treasury				
26	5 yr. Note	March 2001	\$2,635,945	\$2,654,844	\$ 18,899
	U.S. Treasury				
60	10 yr. Note	March 2001	6,150,266	6,181,860	31,594

					\$ 50,493

</TABLE>

Note 5. Joint Repurchase Agreement Account

The Fund, along with other affiliated registered investment companies, transfers uninvested cash balances into a single joint account, the daily aggregate balance of which is invested in one or more repurchase agreements collateralized by U.S. Treasury or federal agency obligations. As of November 30, 2000, the Short-Intermediate Term Series had a .88% undivided interest in the repurchase agreements in the joint account. This undivided interest represented \$7,779,000 in principal amount. As of such date, the repurchase agreements in the joint account and the value of the collateral therefore were as follows:

ABN AMRO Incorporated, 6.49%, in the principal amount of \$140,000,000, repurchase price \$140,025,239, due 12/1/00. The value of the collateral including accrued interest was \$142,800,099.

Bear, Stearns & Co. Inc., 6.49%, in the principal amount of \$150,000,000, repurchase price \$150,027,042, due 12/1/00. The value of the collateral including accrued interest was \$154,187,553.

Chase Securities, Inc., 6.49%, in the principal amount of \$170,000,000, repurchase price \$170,030,647, due 12/1/00. The value of the collateral including accrued interest was \$173,403,728.

Credit Suisse First Boston Corp., 6.54%, in the principal amount of \$50,000,000, repurchase price \$50,009,083, due 12/1/00. The value of the collateral including accrued interest was \$51,721,692.

Deutsche Bank Alex. Brown, 6.53%, in the principal amount of \$115,305,000, repurchase price \$115,325,915, due 12/1/00. The value of the collateral including accrued interest was \$117,611,817.

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Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

UBS Warburg, 6.49%, in the principal amount of \$255,000,000, repurchase price \$255,045,971, due 12/1/00. The value of the collateral including accrued interest was \$260,101,709.

Note 6. Capital

The Fund offers Class A and Class Z shares. Neither Class A nor Class Z shares are subject to any sales or redemption charge. Class Z shares are offered exclusively for sale to a limited group of investors. Each series has authorized an unlimited number of shares of beneficial interest at \$.01 par value.

Transactions in shares of beneficial interest for the Money Market Series were as follows:

<TABLE>

<CAPTION>

	Year Ended November 30,	
	2000	1999
<S> Class A	<C>	<C>
Shares sold	1,104,851,149	1,712,722,383
Shares issued in reinvestment of dividends and distributions	28,694,291	24,187,413
Shares reacquired	(1,152,106,270)	(1,750,045,596)
Net increase (decrease) in shares outstanding	(18,560,830)	(13,135,800)

<CAPTION>

	Year Ended November 30,	
	2000	1999
<S> Class Z	<C>	<C>
Shares sold	65,628,283	32,872,164
Shares issued in reinvestment of dividends and distributions	1,803,187	1,421,142
Shares reacquired	(70,443,173)	(19,648,063)
Net increase (decrease) in shares outstanding	(3,011,703)	14,645,243

</TABLE>

Transactions in shares of beneficial interest for the Short-Intermediate Term Series were as follows:

<TABLE>

<CAPTION>

Class A	Shares		Amount	
<S> Year Ended November 30, 2000	<C>	<C>		
Shares sold	1,478,297	\$	13,880,626	
Shares issued in reinvestment of dividends	401,831		3,771,291	
Shares reacquired	(4,375,413)	\$	(41,067,353)	
Net increase (decrease) in shares outstanding	(2,495,285)		(23,415,436)	

</TABLE>

Prudential Government Securities Trust
Notes to Financial Statements Cont'd.

<TABLE>

<CAPTION>

Class A	Shares		Amount	
<S> Year ended November 30, 1999:	<C>	<C>		
Shares sold	1,586,933	\$	15,183,562	
Shares issued in reinvestment of dividends	500,676		4,786,911	
Shares reacquired	(3,863,436)		(36,892,313)	
Net increase (decrease) in shares outstanding	(1,775,827)	\$	(16,921,840)	

<CAPTION>

Class Z		

<S>	<C>	<C>
Year ended November 30, 2000:		
Shares sold	1,212,347	\$ 11,434,692
Shares issued in reinvestment of dividends	37,409	352,612
Shares reacquired	(1,405,106)	(13,239,530)
	-----	-----
Net increase (decrease) in shares outstanding	(155,350)	\$ (1,452,226)
	-----	-----
Year ended November 30, 1999:		
Shares sold	1,423,368	\$ 13,806,158
Shares issued in reinvestment of dividends	47,015	450,600
Shares reacquired	(1,058,235)	(10,176,988)
	-----	-----
Net increase (decrease) in shares outstanding	412,148	\$ 4,079,770
	-----	-----

</TABLE>

Transactions in shares of beneficial interest for the U.S. Treasury Money Market Series were as follows:

<TABLE>

<CAPTION>

Year Ended November 30,		
	2000	1999

<S>	<C>	<C>
Class A		

Shares sold	2,821,510,964	3,013,485,594
Shares issued in reinvestment of dividends and distributions	18,027,281	13,826,283
Shares reacquired	(2,796,024,697)	(3,042,655,971)
	-----	-----
Net increase (decrease) in shares outstanding	43,513,548	(15,344,094)
	-----	-----

<CAPTION>

Class Z		

<S>	<C>	<C>
Shares sold	6,654,289	3,015,070
Shares issued in reinvestment of dividends and distributions	116,064	76,204
Shares reacquired	(3,274,266)	(1,078,069)
	-----	-----
Net increase (decrease) in shares outstanding	3,496,087	2,013,205
	-----	-----

</TABLE>

Note 7. Proposed Reorganization

On November 14, 2000, the Trustees' of the Fund approved an Agreement and Plan of Reorganization (the 'Plan'), which provides for the transfer of all of the assets of Prudential Government Securities Trust: Short Intermediate Term Series to Prudential Government Income Fund, Inc. in exchange for Class A and Z shares of the Prudential Government Income Fund, Inc. and the Prudential Government Income Fund, Inc. assumption of the liabilities of the Prudential Government

The Plan is subject to approval by the shareholders of the Prudential Government Securities Trust: Short Intermediate Term Series at a shareholder meeting scheduled on March 22, 2001. If the Plan is approved, it is expected that the reorganization will take place shortly thereafter. The Prudential Government Securities Trust: Short Intermediate Term Series and the Prudential Government Income Fund, Inc. will each bear their pro-rata share of the costs of the reorganization, including cost of proxy solicitation.

Prudential Government Securities Trust Money Market Series
Financial Highlights

<TABLE>
<CAPTION>

	Class A	
	Year Ended November 30, 2000	
<S>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of year	\$ 1.000	
Net investment income	.053	
Dividends and distributions	(.053)	
Net asset value, end of year	1.000	
TOTAL RETURN(a)	5.43%	
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of year (000)	\$ 558,307	
Average net assets (000)	\$ 559,103	
Ratios to average net assets:		
Expenses, including distribution and service (12b-1) fees	0.91%	
Expenses, excluding distribution and service (12b-1) fees	0.79%	
Net investment income	5.35%	

</TABLE>

(a) Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

Prudential Government Securities Trust Money Market Series
Financial Highlights Cont'd.

<TABLE>
<CAPTION>

	Class A			
	Year Ended November 30,			
	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>
\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
0.042	0.048	0.048	0.046	0.046
(0.042)	(0.048)	(0.048)	(0.046)	(0.046)
\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
4.31%	4.87%	4.87%	4.74%	

\$576,868	\$590,004	\$591,428	\$552,123
\$594,266	\$589,649	\$586,513	\$589,147
0.90%	0.80%	0.77%	0.86%
0.77%	0.67%	0.65%	0.73%
4.23%	4.77%	4.77%	4.63%

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust Money Market Series
Financial Highlights Cont'd.

<TABLE>
<CAPTION>

	Class Z	
	Year Ended November 30, 2000	
<S>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period	\$ 1.000	
Net investment income	.054	
Dividends and distributions	(.054)	
Net asset value, end of period	\$ 1.000	
TOTAL RETURN (a)	5.56%	
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of period (000)	\$38,534	
Average net assets (000)	\$34,243	
Ratios to average net assets:		
Expenses, including distribution and service (12b-1) fees	0.79%	
Expenses, excluding distribution and service (12b-1) fees	0.79%	
Net investment income	5.48%	

</TABLE>

(a) Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions. Total returns for periods of less than one full year are not annualized.

(b) Commencement of offering of Class Z shares.

(c) Figure is actual and not rounded to nearest thousand.

(d) Annualized.

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See Notes to Financial Statements

Prudential Government Securities Trust Money Market Series
Financial Highlights Cont'd.

<TABLE>
<CAPTION>

Class Z				
Year Ended November 30,			March 1, 1996 (b) Through November 30, 1996	
1999	1998	1997	<C>	<C>
<S>	<C>	<C>	<C>	<C>
\$ 1.000	\$ 1.000	\$1.000	\$ 1.000	
0.044	0.049	0.048	0.038	
(0.044)	(0.049)	(0.048)	(0.038)	
\$ 1.000	\$ 1.000	\$1.000	\$ 1.000	

4.44%	5.00%	5.03%	3.87%
\$41,546	\$26,901	\$ 581	\$ 204 (c)
\$32,984	\$19,236	\$ 672	\$ 1,962
0.77%	0.67%	0.65%	0.68% (d)
0.77%	0.67%	0.65%	0.68% (d)
4.38%	4.89%	4.92%	4.68% (d)

See Notes to Financial Statements

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Prudential Government Securities Trust Short-Intermediate Term Series
Financial Highlights

<TABLE>
<CAPTION>

	Class A	
	Year Ended November 30, 2000	
	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of year	\$	9.41
Income from investment operations:		
Net investment income		0.51
Net realized and unrealized gain (loss) on investment transactions		0.14
Total from investment operations		0.65
Less distributions:		
Dividends from net investment income		(0.45)
Net asset value, end of year	\$	9.61
TOTAL RETURN (a)		7.13%
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of year (000)	\$	106,048
Average net assets (000)	\$	113,860
Ratios to average net assets:		
Expenses, including distribution and service (12b-1) fees		0.94%
Expenses, excluding distribution and service (12b-1) fees		0.76%
Net investment income		5.38%
For Class A and Z shares:		
Portfolio turnover rate		370%

(a) Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

38 See Notes to Financial Statements

Prudential Government Securities Trust Short-Intermediate Term Series
Financial Highlights Cont'd.

<TABLE>
<CAPTION>

Class A

Year Ended November 30,

1999	1998	1997	1996
<S>	<C>	<C>	<C>
\$ 9.77	\$ 9.74	\$ 9.70	\$ 9.74
0.47	0.51	0.56	0.51
(0.35)	0.06	--	(0.01)
0.12	0.57	0.56	0.50
(0.48)	(0.54)	(0.52)	(0.54)
\$ 9.41	\$ 9.77	\$ 9.74	\$ 9.70
1.26%	6.01%	5.96%	5.34%
\$127,298	\$149,508	\$149,162	\$185,235
\$138,847	\$155,680	\$166,651	\$186,567
0.92%	0.96%	0.97%	1.01%
0.73%	0.78%	0.77%	0.79%
4.90%	5.26%	5.76%	5.99%
304%	155%	210%	132%

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust Short-Intermediate Term Series
Financial Highlights Cont'd.

<TABLE>

<CAPTION>

	Class Z	
	Year Ended November 30, 2000	
<S>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period	\$ 9.45	
Income from investment operations:		
Net investment income	0.52	
Net realized and unrealized gain (loss) on investment transactions	0.16	
Total from investment operations	0.68	
Less distributions:		
Dividends from net investment income	(0.47)	
Net asset value, end of period	\$ 9.66	
TOTAL RETURN (a)	7.41%	
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of period (000)	\$ 7,041	
Average net assets (000)	\$ 7,073	
Ratios to average net assets:		
Expenses	0.76%	
Net investment income	5.56%	

</TABLE>

(a) Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each period reported and includes reinvestment of dividends and distributions. Total returns for periods of less than one full year are not annualized.

(b) Commencement of offering of Class Z shares.

(c) Figure is actual and not rounded to nearest thousand.

(d) Annualized.

Prudential Government Securities Trust Short-Intermediate Term Series
Financial Highlights Cont'd.

<TABLE>
<CAPTION>

Class Z

Year Ended November 30,		February 26, 1997 (b) Through November 30, 1997
1999	1998	
\$ 9.81	\$ 9.77	\$ 9.64
0.51	0.47	0.47
(0.37)	0.13	0.07
0.14	0.60	0.54
(0.50)	(0.56)	(0.41)
\$ 9.45	\$ 9.81	\$ 9.77
1.46%	6.31%	5.70%
\$8,360	\$4,635	\$ 207 (c)
\$8,798	\$3,631	\$ 202 (c)
0.73%	0.78%	0.77% (d)
5.09%	5.36%	6.52% (d)

</TABLE>

See Notes to Financial Statements

Prudential Government Securities Trust
U.S. Treasury Money Market Series
Financial Highlights

<TABLE>
<CAPTION>

Class A

	Year Ended November 30, 2000	
	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of year	\$ 1.000	
Net investment income	0.052	
Dividends and distributions	(0.052)	
Net asset value, end of year	\$ 1.000	
TOTAL RETURN (a)	5.27%	
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of year (000)	\$ 365,154	
Average net assets (000)	\$ 396,454	
Ratios to average net assets:		
Expenses, including distribution and service (12b-1) fees	0.61%	
Expenses, excluding distribution and service (12b-1) fees	0.48%	

</TABLE>

(a) Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

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See Notes to Financial Statements

Prudential Government Securities Trust
U.S. Treasury Money Market Series
Financial Highlights Cont'd.

<TABLE>
<CAPTION>

Class A

Year Ended November 30,

1999	1998	1997	1996
\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
0.041	0.046	0.047	0.046
(0.041)	(0.046)	(0.047)	(0.046)
\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
4.19%	4.66%	4.80%	4.75%
\$321,641	\$336,985	\$432,784	\$305,330
\$383,772	\$420,140	\$402,634	\$393,060
0.63%	0.63%	0.65%	0.63%
0.51%	0.51%	0.52%	0.51%
4.08%	4.57%	4.66%	4.57%

</TABLE>

See Notes to Financial Statements

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Prudential Government Securities Trust
U.S. Treasury Money Market Series
Financial Highlights (Unaudited) Cont'd.

<TABLE>
<CAPTION>

Class Z

	Year Ended November 30,			February 21, 1997 (b) Through November 30, 1997
	2000	1999	1998	
PER SHARE OPERATING PERFORMANCE:				
Net asset value, beginning of period	\$1.000	\$1.000	\$1.000	\$1.000
Net investment income	0.053	0.043	0.049	0.039
Dividends and distributions	(0.053)	(0.043)	(0.049)	(0.039)
Net asset value, end of period	\$1.000	\$1.000	\$1.000	\$1.000
TOTAL RETURN (a)	5.40%	4.37%	5.05%	3.96%
RATIOS/SUPPLEMENTAL DATA:				
Net assets, end of period (000)	\$5,510	\$2,013	\$ 211 (c)	\$ 205 (c)
Average net assets (000)	\$2,191	\$1,942	\$ 209 (c)	\$ 197 (c)

Ratios to average net assets:

Expenses, including distribution fees and service (12b-1) fees	0.48%	0.51%	0.51%	0.52% (d)
Expenses, excluding distribution fees and service (12b-1) fees	0.48%	0.51%	0.51%	0.52% (d)
Net investment income	5.31%	4.19%	4.91%	3.89% (d)

</TABLE>

- (a) Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each period reported and includes reinvestment of dividends and distributions. Total returns for periods of less than one full year are not annualized.
- (b) Commencement of offering of Class Z shares.
- (c) Figure is actual and not rounded to nearest thousand.
- (d) Annualized.

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See Notes to Financial Statements

Prudential Government Securities Trust
Report of Independent Accountants

To the Shareholders and Trustees of
Prudential Government Securities Trust:

In our opinion, the accompanying statements of assets and liabilities, including the portfolios of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Money Market Series, Short-Intermediate Term Series and U.S. Treasury Money Market Series (constituting Prudential Government Securities Trust, hereafter referred to as the 'Fund') at November 30, 2000, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as 'financial statements') are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at November 30, 2000 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

As described in Note 7 to the financial statements, on November 14, 2000, the Board of Trustees of the Fund approved an Agreement and Plan of Reorganization, subject to shareholders approval, whereby the Prudential Government Securities Trust: Short-Intermediate Term Series would be merged into Prudential Government Income Fund, Inc.

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, New York
January 17, 2001

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Prudential Government Securities Trust
Federal Income Tax Information (Unaudited)

We are required by New York, California, Massachusetts, Missouri and

Oregon to inform you that dividends which have been derived from interest on federal obligations are not taxable to shareholders providing the mutual fund meets certain requirements mandated by the respective states' taxing authorities. We are pleased to report that 57.00% of the dividends paid by the Money Market Series*, 16.65% of the dividends paid by the Short-Intermediate Term Series* and 100% of the dividends paid by the U.S. Treasury Money Market Series qualify for such deduction.

Shortly after the close of the calendar year ended December 31, 2000, you will be advised as to the federal tax status of the dividends you received in calendar year 2000.

For more detailed information regarding your state and local taxes, you should contact your tax adviser or the state/local taxing authorities.

* Due to certain minimum portfolio holding requirements in California, Connecticut and New York, residents of those states will not be able to exclude interest on federal obligations from state and local tax.

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Prudential Government Securities Trust
Getting the Most from Your Prudential Mutual Fund

When you invest through Prudential Mutual Funds, you receive financial advice from a Prudential Securities Financial Advisor or Pruco Securities registered representative. Your financial professional can provide you with the following services:

There's No Reward Without Risk; but Is This Risk Worth It?

Your financial professional can help you match the reward you seek with the risk you can tolerate. Risk can be difficult to gauge--sometimes even the simplest investments bear surprising risks. The educated investor knows that markets seldom move in just one direction. There are times when a market sector or asset class will lose value or provide little in the way of total return. Managing your own expectations is easier with help from someone who understands the markets, and who knows you!

Keeping Up With the Joneses

A financial professional can help you wade through the numerous available mutual funds to find the ones that fit your individual investment profile and risk tolerance. While the newspapers and popular magazines are full of advice about investing, they are aimed at generic groups of people or representative individuals--not at you personally. Your financial professional will review your investment objectives with you. This means you can make financial decisions based on the assets and liabilities in your current portfolio and your risk tolerance--not just based on the current investment fad.

Buy Low, Sell High

Buying at the top of a market cycle and selling at

the bottom are among the most common investor mistakes. But sometimes it's difficult to hold on to an investment when it's losing value every month. Your financial professional can answer questions when you're confused or worried about your investment, and should remind you that you're investing for the long haul.

Prudential Government Securities Trust
Prudential Mutual Funds

Prudential offers a broad range of mutual funds designed to meet your individual needs. For information about these funds, contact your financial professional or call us at (800) 225-1852. Read the prospectus carefully before you invest or send money.

STOCK FUNDS

Large Capitalization Stock Funds

Prudential 20/20 Focus Fund

Prudential Equity Fund, Inc.

Prudential Stock Index Fund

Prudential Tax-Managed Funds

Prudential Tax-Managed Equity Fund

Prudential Value Fund

Target Funds

Large Capitalization Growth Fund

Large Capitalization Value Fund

The Prudential Investment Portfolios, Inc.

Prudential Jennison Growth Fund

Small- to Mid-Capitalization Stock Funds

Nicholas-Applegate Fund, Inc.

Nicholas-Applegate Growth Equity Fund

Prudential Small Company Fund, Inc.

Prudential Tax-Managed Small-Cap Fund, Inc.

Prudential U.S. Emerging Growth Fund, Inc.

Target Funds

Small Capitalization Growth Fund

Small Capitalization Value Fund

The Prudential Investment Portfolios, Inc.

Prudential Jennison Equity Opportunity Fund

Sector Stock Funds

Prudential Natural Resources Fund, Inc.

Prudential Real Estate Securities Fund

Prudential Sector Funds, Inc.

Prudential Financial Services Fund

Prudential Health Sciences Fund

Prudential Technology Fund

Prudential Utility Fund

Global/International Stock Funds

Global Utility Fund, Inc.

Prudential Europe Growth Fund, Inc.

Prudential Pacific Growth Fund, Inc.

Prudential World Fund, Inc.

Prudential Global Growth Fund

Prudential International Value Fund

Prudential Jennison International Growth Fund

Target Funds

International Equity Fund

Strategic Partners Series
Strategic Partners Focused Growth Fund
Strategic Partners New Era Growth Fund

balanced/allocation funds
Prudential Diversified Funds
 Conservative Growth Fund
 Moderate Growth Fund
 High Growth Fund
The Prudential Investment Portfolios, Inc.
 Prudential Active Balanced Fund

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BOND FUNDS

Taxable Bond Funds
Prudential Government Income Fund, Inc.
Prudential High Yield Fund, Inc.
Prudential High Yield Total Return Fund, Inc.
Prudential Short-Term Corporate Bond Fund, Inc.
 Income Portfolio
Prudential Total Return Bond Fund, Inc.
Target Funds
 Total Return Bond Fund

Tax-Free Bond Funds
Prudential California Municipal Fund
 California Series
 California Income Series
Prudential Municipal Bond Fund
 High Income Series
 Insured Series
Prudential Municipal Series Fund
 Florida Series
 New Jersey Series
 New York Series
 Pennsylvania Series
Prudential National Municipals Fund, Inc.

Global/International Bond Funds
Prudential Global Total Return Fund, Inc.

MONEY MARKET FUNDS

Taxable Money Market Funds
Cash Accumulation Trust
 Liquid Assets Fund
 National Money Market Fund
Prudential Government Securities Trust
 Money Market Series
 U.S. Treasury Money Market Series
Prudential Institutional Liquidity Portfolio, Inc.
 Institutional Money Market Series
Prudential MoneyMart Assets, Inc.
Prudential Special Money Market Fund, Inc.
 Money Market Series

Tax-Free Money Market Funds
Prudential California Municipal Fund
 California Money Market Series
Prudential Municipal Series Fund
 New Jersey Money Market Series
 New York Money Market Series
Prudential Tax-Free Money Fund, Inc.

Other Money Market Funds
Command Government Fund

Command Money Fund
Command Tax-Free Fund

Prudential Government Securities Trust
Getting the Most from Your Prudential Mutual Fund

How many times have you read these reports--or other financial materials--and stumbled across a word that you don't understand?

Many shareholders have run into the same problem. We'd like to help. So we'll use this space from time to time to explain some of the words you might have read, but not understood. And if you have a favorite word that no one can explain to your satisfaction, please write to us.

Basis Point: 1/100th of 1%. For example, one-half of one percent is 50 basis points.

Collateralized Mortgage Obligations (CMOs): Mortgage-backed bonds that separate mortgage pools into different maturity classes called tranches. These instruments are sensitive to changes in interest rates and homeowner refinancing activity. They are subject to prepayment and maturity extension risk.

Derivatives: Securities that derive their value from other securities. The rate of return of these financial instruments rises and falls--sometimes very suddenly--in response to changes in some specific interest rate, currency, stock, or other variable.

Discount Rate: The interest rate charged by the Federal Reserve on loans to member banks.

Federal Funds Rate: The interest rate charged by one bank to another on overnight loans.

Futures Contract: An agreement to purchase or sell a specific amount of a commodity or financial instrument at a set price at a specified date in the future.

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Leverage: The use of borrowed assets to enhance return. The expectation is that the interest rate charged on borrowed funds will be lower than the return on the investment. While leverage can increase profits, it can also magnify losses.

Liquidity: The ease with which a financial instrument (or product) can be bought or sold (converted into cash) in the financial markets.

Price/Earnings Ratio: The price of a share of

stock divided by the earnings per share for a 12-month period.

Option: An agreement to purchase or sell something, such as shares of stock, by a certain time for a specified price. An option need not be exercised.

Spread: The difference between two values; often used to describe the difference between "bid" and "asked" prices of a security, or between the yields of two similar maturity bonds.

Yankee Bond: A bond sold by a foreign company or government on the U.S. market and denominated in U.S. dollars.

Prudential Government Securities Trust Short-Intermediate Term Series
Class A Growth of a \$10,000 Investment

(CHART)

Average Annual Total Returns as of 11/30/00				
	One Year	Five Years	Ten Years	Since Inception (9/22/82)
Class A	7.13%	5.12%	6.25%	7.82%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The best- and worst-year information within the graph is designed to give you an idea of how much the Series' returns can fluctuate from year to year by measuring the best and worst calendar years in terms of total annual return for the ten-year period. The graph compares a \$10,000 investment in the Prudential Government Securities Trust/Short-Intermediate Term Series (Class A shares) with a similar investment in the Lehman Brothers Intermediate Government Bond Index (the Index) by portraying the initial account values at 11/30/90, and the account values at the end of the current fiscal year (November 30, 2000), as measured on a quarterly basis, beginning 11/30/90. For purposes of the graph, and unless otherwise indicated, it has been assumed that (a) all recurring fees (including management fees) were deducted, and (b) all dividends and distributions were reinvested.

The Index is an unmanaged weighted index comprising securities issued or backed by the U.S. government or its agencies or instrumentalities, with a remaining maturity of one to ten years. The Index's total returns include the reinvestment of all dividends, but do not include

the effect of operating expenses of a mutual fund. The securities that comprise the Index may differ substantially from the securities in the Series' portfolio. Other indexes may portray different comparative performance. Investors cannot invest directly in an index.

This graph is furnished to you in accordance with SEC regulations.

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Class Z Growth of a \$10,000 Investment

Average Annual Total Returns as of 11/30/00

	One Year	Five Years	Ten Years	Since Inception
Class Z	7.41%	N/A	N/A	5.54%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The best- and worst-year information within the graph is designed to give you an idea of how much the Series' returns can fluctuate from year to year by measuring the best and worst calendar years in terms of total annual return since inception of the share class. The graph compares a \$10,000 investment in the Prudential Government Securities Trust/Short-Intermediate Term Series (Class Z shares) with a similar investment in the Lehman Brothers Intermediate Government Bond Index (the Index) by portraying the initial account values at the commencement of operations of Class Z shares, and the account values at the end of the current fiscal year (November 30, 2000), as measured on a quarterly basis, beginning 2/26/97. For purposes of the graph, and unless otherwise indicated, it has been assumed that (a) all recurring fees (including management fees) were deducted, and (b) all dividends and distributions were reinvested. Class Z shares are not subject to distribution and service (12b-1) fees.

The Index is an unmanaged weighted index comprising securities issued or backed by the U.S. government or its agencies or instrumentalities, with a remaining maturity of one to ten years. The Index's total returns include the reinvestment of all dividends, but do not include the effect of operating expenses of a mutual fund. The securities that comprise the Index may differ substantially from the securities in the Series' portfolio. Other indexes may

portray different comparative performance.
Investors cannot invest directly in
an index.

This graph is furnished to you in accordance with
SEC regulations.

For More Information

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Fund Symbols

SERIES		NASDAQ	CUSIP
Money Market:	Class A	PBGXX	744342205
	Class Z	PGZXX	744342403
Short-Int. Term:	Class A	PBGVX	744342106
	Class Z	PSHZX	744342601
U.S. Treasury:	Class A	PUSXX	744342304
	Class Z	PTZXX	744342502

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