

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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

Filing Date: **1994-01-06** | Period of Report: **1994-01-06**
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FILER

VISION FIDUCIARY FUNDS INC

CIK: **830755** | State of Incorporation: **PA** | Fiscal Year End: **1031**
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Business Address
*FEDERATED INVESTORS
TOWER
PITTSBURGH PA 15222
4122881229*

VISION
FIDUCIARY
MONEY
MARKET
FUND

SEMI-ANNUAL REPORT
TO SHAREHOLDERS
OCTOBER 31, 1993

Manufacturers and Traders
Trust Company

Investment Adviser
A subsidiary of First Empire State Corporation

Federated Securities Corp. is distributor of the funds.

VISION FIDUCIARY FUNDS, INC.

0112705 (12/93)

PRESIDENT'S MESSAGE

Dear Investor:

I am pleased to present you with the Semi-Annual Report of the Vision Fiduciary Money Market Fund for the six-month period ended October 31, 1993. It contains complete financial information for the Fund--including the Investment Review and Portfolio of Investments.

As of October 31, 1993, net assets in the Vision Fiduciary Money Market Fund had reached \$90.8 million. Dividends paid to shareholders during the period totaled \$1,405,185 million, or \$0.01 per share.

Thank you for putting your cash to work earning competitive money market income. As always, we welcome your questions, comments, or suggestions.

Sincerely,

[LOGO]
Edward C. Gonzales
President
December 8, 1993

INVESTMENT REVIEW

Taxable money markets have remained in the same narrow range for well over one year, which has been an unusual period of stability.

With the federal funds rate unchanged at 3.00%, the Federal Reserve has adopted a "wait and see" attitude with respect to the economy's strength. If in fact the economy does continue to improve in 1994, the Federal Reserve may begin to slowly increase short-term rates. Over the last six months, we have extended our average maturity in the Fund to take advantage of the steepness in the yield curve, consistent with our opinion that rates would remain stable. As the economy strengthens, we anticipate shortening our average maturity in the Fund.

VISION FIDUCIARY MONEY MARKET FUND
 VISION FIDUCIARY FUNDS, INC.
 Portfolio of Investments
 October 31, 1993
 (unaudited)

<TABLE>

<CAPTION>

PRINCIPAL
 AMOUNT

VALUE

<C>	<S>	<C>

CERTIFICATE OF DEPOSIT--3.3%		
\$3,000,000	Harris Bank, 3.08%, 12/31/93.....	\$ 3,000,000

COMMERCIAL PAPER--51.3%*		
	CHEMICALS--7.4%	
3,690,000	duPont (E.I.) deNemours Corp., 3.08%, 11/3/93....	3,689,369
3,000,000	PPG Industries, Inc., 3.10%, 11/9/93.....	2,997,933
	Total.....	6,687,302

	CONTAINER AND PACKAGING--4.4%	
4,000,000	Pitney Bowes, Inc., 3.06%, 12/14/93.....	3,985,380

	DIVERSIFIED--4.4%	
4,000,000	United Technologies Corp., 3.10%, 12/22/93.....	3,982,433

	ELECTRONICS--4.4%	
4,000,000	Hewlett Packard Co., 3.04%, 11/30/93.....	3,990,205

	FINANCE--COMMERCIAL--4.4%	
4,000,000	Transamerica Finance Corp., 3.27%, 1/21/94.....	3,970,570

	FUNDING CORPORATION--13.1%	
4,000,000	AIG Funding, 3.20%, 3/1/94.....	3,957,333
4,000,000	BAT Capital Corp., 3.10%, 11/23/93.....	3,992,422
4,000,000	CIESCO LP, 3.08%, 12/14/93.....	3,985,285

	Total.....	11,935,040

OIL AND OIL FINANCE--4.4%		
4,000,000	Chevron Oil Finance Co., 3.09%, 11/30/93.....	3,990,043
TELECOMMUNICATIONS--8.8%		
4,000,000	American Telephone & Telegraph Capital Corp., 3.08%, 12/31/93.....	3,979,467
4,000,000	BellSouth Telecommunications, Inc., 3.07%, 12/3/93.....	3,989,085
Total.....		7,968,552

TOTAL COMMERCIAL PAPER.....		46,509,525

CORPORATE BONDS/SHORT-TERM--12.7%		
BANKING--4.4%		
3,000,000	Pittsburgh National Bank, Discount Note, 3.20%, 4/28/94.....	2,997,678
1,000,000	Wachovia Bank, N.C., 4.70%, 10/31/94.....	1,011,051
Total.....		4,008,729

</TABLE>		
<TABLE>		
<CAPTION>		
PRINCIPAL		VALUE
AMOUNT		
-----		-----
<C>	<S>	<C>
CORPORATE BONDS/SHORT-TERM--CONTINUED		
FINANCE--AUTOMOTIVE--2.7%		
\$2,469,059	Premier Auto Trust, 3.21%, 9/2/94.....	\$ 2,469,059
FINANCE--RETAIL--3.4%		
3,000,000	Norwest Financial Inc., 7.95%, 6/15/94.....	3,077,667
FOOD & BEVERAGE--2.2%		
2,000,000	PepsiCo, Inc., 3.50%, 1/31/94.....	1,999,497

TOTAL CORPORATE BONDS/SHORT-TERM.....		11,554,952

GOVERNMENT AGENCIES--11.5%		
1,500,000	Federal Home Loan Bank, 3.15%, 6/23/94.....	1,500,000
1,000,000	Federal Home Bank Loan Discount Note, 3.03%, 12/6/93.....	997,054
4,000,000	Federal Home Loan Mortgage Corp. Discount Note, 3.16%, 11/18/93.....	3,994,031
4,000,000	Federal National Mortgage Association Discount Note, 3.08%, 1/10/94.....	3,976,044

TOTAL GOVERNMENT AGENCIES.....		10,467,129

U.S. TREASURY BILLS--2.2%		
2,000,000	U.S. Treasury Bills, 6/30/94.....	1,958,160

VARIABLE RATE INSTRUMENTS--9.9%**	
2,000,000 Federal Farm Credit Bank Floating Rate Note, 3.15%, 4/29/94.....	2,000,000
1,500,000 Student Loan Marketing Association, 3.33%, 11/2/93.....	1,500,000
4,000,000 Associates Corporation of North America, 3.10%, 12/1/93.....	4,000,000
1,500,000 Merrill Lynch, Pierce, Fenner & Smith Co., 3.52%, 11/23/93.....	1,500,000

TOTAL VARIABLE RATE INSTRUMENTS.....	9,000,000

REPURCHASE AGREEMENT--9.2%***	
8,378,000 First Boston Corp., 2.93%, dated 10/29/93, due 11/1/93 (Note 2B).....	8,378,000

TOTAL INVESTMENTS, AT AMORTIZED COST.....	\$90,867,766+

</TABLE>

- *Each issue shows the rate of discount at time of purchase.
- **Current rate and next demand date shown.
- ***The repurchase agreement is fully collateralized by U.S. Treasury obligations based on market prices at the date on the portfolio.
- +Also represents cost for federal tax purposes.

Note: The categories of investments are shown as a percentage of net assets (\$90,799,730) at October 31, 1993.

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

VISION FIDUCIARY MONEY MARKET FUND
VISION FIDUCIARY FUNDS, INC.
Statement of Assets and Liabilities
October 31, 1993 (unaudited)

<TABLE>		
<S>	<C>	<C>
ASSETS:		
Investments, at amortized cost (Note 2A).....		\$90,867,766
Interest receivable.....		232,643

Total assets.....		91,100,409
LIABILITIES:		
Dividends payable.....	\$217,213	
Payable to bank.....	37,148	
Accrued expenses.....	46,318	

Total liabilities.....		300,679

NET ASSETS for 90,799,730 shares of capital stock outstanding.....	\$90,799,730
	=====
NET ASSET VALUE, Offering Price, and Redemption Price Per Share (\$90,799,730 / 90,799,730 shares of capital stock outstanding).....	\$1.00
	=====

</TABLE>

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

VISION FIDUCIARY MONEY MARKET FUND
VISION FIDUCIARY FUNDS, INC.
Statement of Operations
Six Months Ended October 31, 1993 (unaudited)

<TABLE>

<S>	<C>	<C>
INVESTMENT INCOME:		
Interest income (Note 2C).....		\$1,541,084
EXPENSES:		
Administrative personnel and services (Note 5).....	\$72,786	
Directors' fees.....	3,344	
Custodian, transfer and dividend disbursing agent fees and expenses.....	26,161	
Insurance premiums.....	3,203	
Printing and postage.....	2,573	
Auditing fees.....	6,386	
Legal fees.....	2,968	
Recordkeeping fees.....	15,209	
Taxes.....	2,390	
Miscellaneous.....	879	

Total Expenses.....		135,899

NET INVESTMENT INCOME.....		\$1,405,185
		=====

</TABLE>

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

VISION FIDUCIARY MONEY MARKET FUND
VISION FIDUCIARY FUNDS, INC.
Statement of Changes in Net Assets

<TABLE>

<CAPTION>

	YEAR ENDED APRIL 30,	
	-----	-----
	1994*	1993
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		

OPERATIONS--

Net investment income.....	\$ 1,405,185	\$ 2,536,765

DISTRIBUTIONS TO SHAREHOLDERS (NOTE 3)--		
Dividends to shareholders from net investment income.....	(1,405,185)	(2,536,765)

CAPITAL STOCK TRANSACTIONS (NOTE 4)--		
Proceeds from sale of shares.....	103,434,175	237,793,445
Cost of shares redeemed.....	(122,230,626)	(186,957,563)

Change in net assets resulting from capital stock transactions.....	(18,796,451)	50,835,882

CHANGE IN NET ASSETS.....	(18,796,451)	50,835,882
NET ASSETS:		
Beginning of period.....	109,596,181	58,760,299

End of period.....	\$ 90,799,730	\$ 109,596,181
=====		

</TABLE>

* Six months ended October 31, 1993 (unaudited).

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

VISION FIDUCIARY MONEY MARKET FUND

VISION FIDUCIARY FUNDS, INC.

Financial Highlights

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<TABLE>

<CAPTION>

	YEAR ENDED APRIL 30,					
	1994**	1993	1992	1991	1990	1989*
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

INCOME FROM INVESTMENT OPERATIONS						

Net investment income	0.01	0.03	0.05	0.07	0.08	0.07

LESS DISTRIBUTIONS						

Dividends to shareholders from net investment income	(0.01)	(0.03)	(0.05)	(0.07)	(0.08)	(0.07)

NET ASSET VALUE, END OF	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

PERIOD	-----	-----	-----	-----	-----	-----
TOTAL RETURN***	1.47%	3.25%	5.22%	7.64%	8.85%	7.70%
RATIOS TO AVERAGE NET ASSETS						
Expenses	0.28% (a)	0.32%	0.21%	0.41%	0.47%	0.56% (a)
Net investment income	2.90% (a)	3.18%	5.14%	7.38%	8.45%	8.14% (a)
SUPPLEMENTAL DATA						
<CAPTION>						
Net assets, end of period (000 omitted)	\$90,800	\$109,596	\$58,760	\$78,138	\$87,682	\$73,417

</TABLE>

* Reflects operations for the period from June 1, 1988 (date of initial public offering) to April 30, 1989.

** Six months ended October 31, 1993 (unaudited).

*** Based on net asset value which does not reflect the sales load or redemption fee, if applicable.

(a) Computed on an annualized basis.

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

VISION FIDUCIARY MONEY MARKET FUND
VISION FIDUCIARY FUNDS, INC.

Notes to Financial Statements
October 31, 1993 (unaudited)

(1) ORGANIZATION

Vision Fiduciary Money Market Fund (the "Fund") is a portfolio offered by Vision Fiduciary Funds, Inc. (the "Company"), a no-load, diversified, open-end management investment company registered under the Investment Company Act of 1940, as amended. The financial statements herein present only those of Vision Fiduciary Money Market Fund. Sale of shares in the Fund may be made to Manufacturers and Traders Trust Company ("M&T Bank") and its affiliated banks, acting on behalf of certain customers for which they exercise substantial investment discretion.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

- A. Investment Valuations--The Board of Directors ("Directors") has determined that the best method currently available for valuing portfolio securities is amortized cost. The Fund's use of the amortized cost method to value its portfolio securities is conditioned on its compliance with Rule 2a-7 under the Investment Company Act of 1940.
- B. Repurchase Agreements--It is the policy of the Fund to require the custodian bank to take possession, to have legally segregated in the Federal Reserve Book Entry System or to have segregated within the custodian bank's vault, all securities held as collateral in support of repurchase agreement investments. Additionally, procedures have been established by the Fund to monitor, on a daily basis, the market value of each repurchase agreement's underlying securities to ensure the existence of a proper level of collateral. The Fund will only enter into repurchase agreements with banks and other recognized financial institutions such as broker dealers which are deemed by the Fund's adviser to be creditworthy. Risks may arise from the potential inability of counterparties to honor the terms of the repurchase agreement. Accordingly, the Fund could receive less than the repurchase price on the sale of collateral securities.
- C. Income--Interest income is recorded on the accrual basis. Interest income includes interest and discount earned (net of premium), including original issue discount as required by the Internal Revenue Code, plus realized net gains, if any, on portfolio securities.
- D. Federal Taxes--It is the Fund's policy to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and distribute to shareholders each year all of its taxable income. Accordingly, no provision for federal tax is necessary.
- E. When-Issued and Delayed Delivery Transactions--The Fund may engage in when-issued or delayed delivery transactions. To the extent the Fund engages in such transactions, it will do so for the purpose of acquiring portfolio securities consistent with its investment objective and policies and not for the purpose of investment leverage. The Fund will record a when-issued security and the related liability on the trade date. Until the securities are received and paid for, the Fund will maintain security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date.
- F. Other--Investment transactions are accounted for on the date of the transaction.

(3) DIVIDENDS

The Fund computes its net income daily and, immediately prior to the calculation of its net asset value at the close of business, declares and records dividends to shareholders of record at the time of the previous computation of the Fund's net asset value. Payment of dividends is made monthly in cash, or in additional shares at the net asset value on the payable date.

(4) CAPITAL STOCK

At October 31, 1993, there were 1,000,000,000 shares of \$0.001 par value capital stock authorized with respect to the Fund; capital paid-in aggregated \$90,708,930 and par value was \$90,800. Transactions in capital stock were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED APRIL 30,	
	1994*	1993
<S>	<C>	<C>
Shares outstanding, beginning of period.....	109,596,181	58,760,299
Shares sold.....	103,434,175	237,793,445
Shares redeemed.....	(122,230,626)	(186,957,563)
Shares outstanding, end of period.....	90,799,730	109,596,181

</TABLE>

* Six months ended October 31, 1993.

(5) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment advisory services are provided to the Fund by M&T Bank pursuant to an investment advisory agreement dated April 25, 1988. Under the terms of such agreement, the Fund pays no fee for the services of M&T Bank as its Investment Adviser.

Federated Administrative Services ("FAS") provides certain administrative personnel and services at an annual rate of .15% on the first \$250 million of the Company's average aggregate daily net assets; .125% on the next 250 million; .10% on the next \$250 million; and .075% on the average aggregate daily net assets of the Company in excess of \$750 million. The administrative fee received during any fiscal year shall be at least \$50,000. FAS may voluntarily waive a portion of its fee. For the six months ended October 31, 1993, FAS earned \$72,786.

Certain Officers of the Company are also Officers and Trustees of FAS.

DIRECTORS

Randall I. Benderson
Joseph J. Castiglia
Daniel R. Gernatt, Jr.
George K. Hambleton, Jr.

OFFICERS

Edward C. Gonzales
President and Treasurer
Charles L. Davis, Jr.
Vice President and Assistant Treasurer
Joseph M. Huber
Secretary
Victor R. Siclari
Assistant Secretary

Mutual funds are not deposits or obligations of, nor are they endorsed or guaranteed by Manufacturers and Traders Trust Company ("M&T Bank") or any other bank.

Fund shares are not insured or guaranteed by the FDIC, the Federal Reserve Board or any government agency.

The Vision Fiduciary Money Market Fund seeks to maintain a stable \$1 per share net asset value, but there is no guarantee that it will be able to do so.

Although the Vision Fiduciary Money Market Fund is advised by M&T Bank, an investment in the Fund is not guaranteed by the bank.

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