

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

**SCUDDER CASH INVESTMENT TRUST**

CIK: **88047** | IRS No.: **04638589** | Fiscal Year End: **0630**  
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Mailing Address	Business Address
SCUDDER STEVENS & CLARK TWO INTERNATIONAL PLACE INC BOSTON MA 02110	TWO INTERNATIONAL PLACE BOSTON MA 02110-4103 6173305592

Scudder  
Cash Investment  
Trust

Annual Report  
May 31, 1999

No-Load Funds

A money market fund for investors seeking stability of capital and, consistent therewith, liquidity of capital and current income.

A no-load fund with no commissions to buy, sell, or exchange shares.

SCUDDER

Scudder Cash Investment Trust

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Date of Inception: 7/23/76      Total Net Assets as      Ticker Symbol: SCTXX  
   of 5/31/99: \$1.14 billion  
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o Scudder Cash Investment Trust's fiscal year end has changed from June 30 to May 31. For its abbreviated fiscal year that began on July 1, 1998, and ended May 31, 1999, Scudder Cash Investment Trust maintained its \$1.00 share price and provided a 4.15% total return.

o The Fund's 30-day net annualized yield was 4.13% as of May 31, 1999.

o The majority of the Fund's investments are in high-quality commercial paper, which can offer some of the highest money market yields available.

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Letter from the Fund's President

Dear Shareholders,

We are pleased to report to you on Scudder Cash Investment Trust's abbreviated fiscal year ended May 31, 1999. We have changed the Fund's fiscal year end from June 30 to May 31 as part of a larger effort to create efficiencies and reduce the costs of producing Scudder fund regulatory materials such as fund reports and prospectuses. Going forward, you will receive regular reports following the Fund's annual and semiannual periods ending in May and November.

During a period of increased volatility for the financial markets, Scudder Cash Investment Trust continued to seek a stable \$1.00 share price and competitive money market rates for its investors. On May 31, 1999, the Fund offered a 30-day net annualized yield of 4.13%. Over its abbreviated fiscal year that began July 1, 1998, and ended May 31, 1999, the Fund provided a total return of 4.15%. A "flight to quality" during much of the period that spurred a large number of investors to turn to money market instruments and tended to depress short-term interest rates has subsided. This is indicated to us by the spread between the Fed Funds rate and the 90-day Treasury bill rate: As wide as one and a half percentage points in mid-October, the spread closed to a tenth of a percentage point as of May 31. Please read the Portfolio Management Discussion beginning on page 4 for additional information concerning your Fund's investment environment, strategy, and outlook.

For those interested in new Scudder products, we are pleased to introduce Scudder Select 500 Fund and Scudder Select 1000 Growth Fund. Both funds are managed with the goal of pursuing long-term outperformance compared to their benchmark indices, the S&P 500 Index and the Russell 1000 Growth Index, respectively. For more information on either Select fund, please call us at the number below.

Please call a Scudder Investor Information representative at 1-800-225-2470 if you have questions about your Fund. Page 23 provides more information on how to contact Scudder. Thank you for choosing Scudder Cash Investment Trust to help meet your investment needs.

Sincerely,

/s/Daniel Pierce  
Daniel Pierce  
President,  
Scudder Cash Investment Trust

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#### Portfolio Management Discussion

Dear Shareholders,

Through a period that included a massive "flight to quality," shifting interest rate stances by the Federal Reserve, a rising but volatile U.S. stock market, and a robust U.S. economy, Scudder Cash Investment Trust provided shareholders with a stable \$1.00 share price and a competitive yield. As of May 31, 1999, the Fund's 30-day net annualized yield was 4.13%. Over its abbreviated fiscal year that began July 1, 1998, and ended May 31, 1999, the Fund provided a total return of 4.15%. The Fund's 12-month total return of 4.56% is roughly equivalent to the 4.58% average return of similar money market funds during the same period as tracked by Lipper Analytical Services, Inc.^1

#### The Markets Settle Down

Market turmoil hit a peak in the wake of the Russian currency devaluation late last summer, followed by the near collapse of the Long Term Capital Management hedge fund. Volatility in the U.S. stock market increased greatly while a massive reallocation to U.S. Treasury bonds and money market instruments led to significantly lower bond and money market yields. Though presidential impeachment proceedings distracted the financial markets, the Federal Reserve's three interest rate cuts during the third and fourth quarters of 1998 helped to gradually restore market stability.

During this period, the U.S. economy continued to grow beyond all expectations, with a dramatic 6% annualized increase in GDP for the fourth quarter of 1998 and a strong start in 1999 that seemed to assure at least 4% GDP growth this year. Reflecting a healthy economy and investor expectations for continued growth, the Dow Jones average reached 10,560 by the close of the Fund's fiscal year. At the same time, the Federal Reserve was preparing to nudge interest rates higher (after the bond market had already done so) in an effort to head off inflationary pressures. The credit concerns that drove so much investor activity in late 1998 had gradually subsided.

#### A Conservative Strategy

Over the Fund's abbreviated fiscal year, we took a "neutral" stance, and refrained from extending the Fund's average maturity because money market yields at the longer end of our acceptable maturity range did not offer attractive value. The Fund's strategy has been to wait until money market yields increased sufficiently in order to make the additional risk of extending maturity worthwhile. The average maturity of the Fund was 36 days as of May 31, 1999.

Scudder Cash Investment Trust invests only in first-tier debt instruments. Because of the increased level of volatility and activity in the markets, we placed an even greater emphasis on the highest quality money market securities during the period. Over its abbreviated fiscal year, the Fund maintained investments in a variety of money market instruments, including commercial paper, variable- and floating-rate securities, U.S. government agency obligations, certificates of deposit, and repurchase agreements.

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^1 Lipper Analytical Services, Inc. is an independent analyst of investment performance. Performance includes reinvestment of dividends and capital gains. Past performance is no guarantee of future results.

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We maintained an overweight position in commercial paper during the period because we believe it offered the most attractive value and some of the highest money market yields available. As of May 31, commercial paper represented 66% of the Fund's assets. The Fund's second largest position, floating-rate securities (16%), was attractive because of these securities' longer maturities, their high correlation with short-term interest rates, and their indexing features. Indexing means that the interest rate of these securities is tied to another

rate such as the prime lending rate, and is adjusted up or down when the base rate changes. Variable-rate securities typically hold an incremental yield advantage over fixed-rate issues that mature in 30 days.

#### Outlook

In light of recent increases in short-term interest rates -- including an increase in the Federal Funds target rate following the close of the period -- a long-predicted slowdown in U.S. economic activity seems more likely to occur in 1999. At the same time, we expect that inflation will remain restrained, which should place an upper limit on short-term rate increases. Though we plan to extend the Fund's average maturity when the market offers sufficient value, we will maintain a cautious approach during the coming months. We will also monitor the level of worldwide economic activity closely over the remainder of the year: The United States has been the only significant engine of economic growth for some time. If the incipient economic recovery in Asia and other parts of the world gathers steam, we will watch for additional upward pressure on inflation and short-term interest rates and adjust our strategy accordingly.

#### Scudder Cash Investment Trust: A Team Approach to Investing

Scudder Cash Investment Trust is managed by a team of Scudder Kemper Investments, Inc. (the "Adviser") professionals, each of whom plays an important role in the Fund's management process. Team members work together to develop investment strategies and select securities for the Fund's portfolio. They are supported by the Adviser's large staff of economists, research analysts, traders, and other investment specialists who work in our offices across the United States and abroad. We believe our team approach benefits Fund investors by bringing together many disciplines and leveraging our extensive resources.

Lead Portfolio Manager Frank J. Rachwalski joined the Adviser in 1973 as a money market specialist within the fixed income group and assumed responsibility for the Fund's day-to-day management and overall investment strategies on January 1, 1998. Mr. Rachwalski has been responsible for the trading and portfolio management of money market funds since 1974.

Portfolio Manager Dean Meddaugh joined the Adviser in 1996 as a money market manager. Mr. Meddaugh joined the team in 1999 and has six years of investment industry experience.

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The Fund's management team will continue to collect and analyze economic data and carefully monitor the investment climate as we position the Fund for high current income, share price stability, and liquidity. We believe that a prudently managed money market fund, such as Scudder Cash Investment Trust, can be a valuable part of a balanced investment portfolio.

Sincerely,

Your Portfolio Management Team

/s/Frank J. Rachwalski, Jr.      /s/Dean Meddaugh  
Frank J. Rachwalski, Jr.      Dean Meddaugh

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##### Glossary of Investment Terms

<TABLE>

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**CERTIFICATE OF DEPOSIT**      A debt instrument issued by a bank that usually pays interest. Maturities range from a few weeks to several years, and interest rates are set by competitive forces in the marketplace.

**COMMERCIAL PAPER**      Short-term obligations with maturities ranging from 2 to 270 days, and issued by banks, corporations, and other borrowers to investors with temporarily idle cash. These instruments are unsecured and usually discounted, although some are interest-bearing, and offer a high level of safety and liquidity.

**FEDERAL RESERVE BOARD (FED)**      Governing board of the Federal Reserve System, which establishes policies on reserve requirements and other bank regulations, sets the discount rate, tightens or loosens the availability of credit in the economy, and regulates the purchase of securities on margin.

GROSS DOMESTIC PRODUCT (GDP) Gross domestic product is a commonly referenced measure of the health of the U.S. economy, and refers to the market value of the goods and services produced by labor and property in the United States. Economic growth that is overly strong can lead to accelerating inflation; weak growth can lead to a recession.

INFLATION An overall increase in the prices of goods and services, as happens when business and consumer spending increases relative to the supply of goods available in the marketplace -- in other words, when too much money is chasing too few goods. High inflation has a negative impact on the prices of fixed-income securities.

LIQUIDITY A characteristic of an investment or an asset referring to the ease of convertibility into cash within a reasonably short period of time.

MATURITY Reaching the date at which a debt instrument is due and payable. A bond due to mature on January 1, 2010 will return the bondholder's principal and final interest payment on that date.

MONEY MARKET Market for short-term debt instruments, including banker's acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, and Treasury bills. Money market instruments are traded through dealers, money center banks, and the Open Market Trading Desk at the New York Federal Reserve Bank. All of these instruments have a high level of safety and liquidity.

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PRIME RATE The base rate that banks use in pricing commercial loans to their best and most creditworthy customers. The rate is determined by the Federal Reserve's decision to raise or lower prevailing interest rates for short-term borrowing.

REPURCHASE AGREEMENT (REPO) Agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed-upon price and, usually, at a stated time. As a money market vehicle, repos refer to the process of a government securities dealer (usually a bank) borrowing from an investor (typically a corporation with excess cash) to finance its inventory, using the securities as collateral.

TOTAL RETURN The most common yardstick to measure the performance of a fund. Total return -- annualized or compound -- is based on a combination of share price changes plus income and capital gain distributions, if any, expressed as a percentage gain or loss in value.

YIELD The dividends or interest paid on a security, expressed as a percentage of the security's current price.

(Sources: Scudder Kemper Investments, Inc.; Barron's Dictionary of Finance and Investment Terms)

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Investment Portfolio as of May 31, 1999

<TABLE>  
<CAPTION>

	Principal Amount (\$)	Market Value (\$)
-----		
Repurchase Agreements 0.6%		
-----		
<S>	<C>	<C>
Repurchase Agreement with State Street Bank and Trust Company dated 5/28/1999 at 4.8%, to be repurchased at \$6,756,602 on 6/1/1999, collateralized by a \$6,980,000 U.S. Treasury Note, 5.25%, 5/15/2004 (Cost \$6,753,000)	6,753,000	6,753,000
-----		
Commercial Paper 66.0%		
-----		
Alpine Securitization Corp., 4.85%, 6/3/1999	20,000,000	19,994,611
Barton Capital Corp., 4.82%, 6/14/1999	40,000,000	39,930,378
Barton Capital Corp., 4.88%, 7/8/1999	16,500,000	16,417,243
Baxter International Inc., 4.84%, 6/11/1999	20,000,000	19,973,110
Clipper Receivables Corp., 4.81%, 6/10/1999	9,200,000	9,188,937
Coca-Cola Enterprises, 4.88%, 6/2/1999	30,000,000	29,995,933
Coca-Cola Enterprises, 4.85%, 7/13/1999	18,000,000	17,898,150
CXC Inc., 4.88%, 8/20/1999	30,000,000	29,674,667
Fairway Finance Corp., 4.88%, 12/15/1999	23,719,000	23,085,597
Falcon Asset Securitization Corp., 4.81%, 6/10/1999	20,000,000	19,975,950
General Motors Acceptance Corp., 4.96%, 6/1/1999	25,000,000	25,000,000

General Motors Acceptance Corp., 4.99%, 7/1/1999 .....	25,000,000	24,896,059
GIRO Funding Corp., 4.95%, 7/26/1999 .....	30,000,000	29,777,250
International Securitization Corp., 4.90%, 8/31/1999 .....	40,000,000	39,504,556
Intrepid Funding Master Trust, 4.84%, 9/20/1999 .....	20,000,000	19,701,533
Lehman Brothers Holdings, 5.01%, 6/28/1999 .....	20,000,000	19,924,850
Lexington Parker Capital Corp., 4.82%, 6/7/1999 .....	32,900,000	32,873,570
Merita North America Inc., 4.83%, 7/9/1999 .....	50,000,000	49,745,083
Moat Funding LLC, 4.90%, 6/2/1999 .....	20,000,000	19,997,278
Moat Funding LLC, 4.90%, 6/17/1999 .....	12,621,000	12,593,514
Moat Funding LLC, 4.90%, 6/24/1999 .....	24,000,000	23,924,867
Moat Funding LLC, 4.92%, 6/28/1999 .....	20,000,000	19,928,933
Monte Rosa Capital Corp., 4.86%, 6/10/1999 .....	20,900,000	20,874,607
Monte Rosa Capital Corp., 4.95%, 7/7/1999 .....	15,000,000	14,925,750
Preferred Receivables Funding Corp., 4.89%, 7/8/1999 .....	33,915,000	33,744,549
Special Purpose Accounts Receivable Cooperative Corp., 4.83%, 6/22/1999 .....	20,000,000	19,943,650
Special Purpose Accounts Receivable Cooperative Corp., 4.83%, 6/25/1999 .....	25,000,000	24,919,500
Thunder Bay Funding Inc., 4.85%, 6/3/1999 .....	40,696,000	40,685,035
Twin Towers Inc., 4.83%, 7/20/1999 .....	14,181,000	14,087,772
Twin Towers Inc., 4.89%, 9/21/1999 .....	40,000,000	39,391,467

The accompanying notes are an integral part of the financial statements.

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<TABLE>

<CAPTION>

	Principal Amount (\$)	Market Value (\$)
<S>	<C>	<C>
Windmill Funding Corp., 4.88%, 7/28/1999 .....	35,000,000	34,729,567
Windmill Funding Corp., 4.88%, 8/25/1999 .....	18,600,000	18,385,687
Total Commercial Paper (Cost \$805,689,653) .....		805,689,653
-----		
Certificates Of Deposit 9.5%		
American Express Centurian Bank, 4.86%*, 2/14/2000 .....	25,000,000	25,000,000
Bankers Trust Co., 5.09%*, 7/23/1999 .....	20,000,000	19,998,821
Comerica Bank Inc., 4.90%*, 3/15/2000 .....	11,500,000	11,495,698
First Union National Bank, 5.23%*, 11/16/1999 .....	20,000,000	20,000,000
NationsBank Corp., 4.83%*, 7/21/1999 .....	40,000,000	39,997,849
Total Certificates Of Deposit (Cost \$116,492,368) .....		116,492,368
-----		
U.S. Government Agency Obligations 8.4%		
Federal National Mortgage Association, 4.76%*, 7/14/1999 .....	56,000,000	56,000,000
Student Loan Marketing Association, 4.76%*, 7/12/1999 .....	46,500,000	46,500,000
Total U.S. Government Agency Obligations (Cost \$102,500,000) ...		102,500,000
-----		
Short-Term and Medium-Term Notes 15.5%		
CIT Group Holdings Corp., Medium Term Note, 4.88%*, 5/15/2000 ..	30,000,000	29,981,285
Countrywide Home Loan, Medium Term Note, 5.25%*, 10/15/1999 ...	50,000,000	50,000,000
Goldman, Sachs & Co., 4.99%*, 8/4/1999 .....	30,000,000	30,000,000
Heller Financial Inc., Medium Term Note, 5.13%*, 6/7/2000 .....	15,000,000	15,014,095
Lehman Brothers Holdings, Medium Term Note, 4.94%*, 10/1/1999 ..	30,000,000	30,000,000
Transamerica Finance Corp., Medium Term Note, 5.25%*, 10/22/1999	35,000,000	35,000,000
Total Short-Term and Medium-Term Notes (Cost \$189,995,380)		189,995,380
-----		
Total Investment Portfolio -- 100.0% (Cost \$1,221,430,401) (a)		1,221,430,401

</TABLE>

(a) The cost for federal income tax purposes was \$1,221,430,401.

\* Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the Treasury bill rate. These securities are shown at their rate as of May 31, 1999.

The accompanying notes are an integral part of the financial statements.

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Financial Statements

Statement of Assets and Liabilities

as of May 31, 1999

<TABLE>		
<CAPTION>		
Assets		
-----		
<S>		<C>
	Investments, at market (identified cost \$1,221,430,401) .....	\$ 1,221,430,401
	Cash .....	1,071,294
	Receivable for Fund shares sold .....	16,446,468
	Interest receivable .....	3,671,760
	Other assets .....	36,888
	Total assets .....	1,242,656,811
-----		
Liabilities		
-----		
	Payable for investments purchased .....	74,602,242
	Dividends payable .....	183,969
	Payable for Fund shares redeemed .....	19,869,511
	Accrued management fee .....	246,040
	Other payables and accrued expenses .....	734,772
	Total liabilities .....	95,636,534
	Net assets, at market .....	\$ 1,147,020,277
-----		
Net Assets		
-----		
	Net assets consist of:	
	Accumulated net realized gain (loss) .....	(463,922)
	Paid-in capital .....	1,147,484,199
	Net assets, at market .....	\$ 1,147,020,277
-----		
Net Asset Value		
-----		
	Net Asset Value, offering and redemption price per share (\$1,147,020,277 /	
	1,146,774,461 outstanding shares of beneficial interest, \$.01 par value, unlimited	
	number of shares authorized) .....	\$ 1.00
-----		

</TABLE>  
The accompanying notes are an integral part of the financial statements.

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Statement of Operations

<TABLE>		
<CAPTION>		
	Eleven	
	Months Ended	Year Ended
	May 31, 1999	June 30,
	(Note D)	1998
-----		
Investment Income		
<S>	<C>	<C>
Interest .....	\$ 57,467,520	\$ 70,992,254
	-----	-----
Expenses:		
Management fee .....	4,605,149	5,260,517
Services to shareholders .....	5,741,604	5,896,563
Custodian and accounting fees .....	189,960	221,803
Trustees' fees and expenses .....	22,518	52,414
Reports to shareholders .....	261,459	314,093
Registration fees .....	80,425	83,320
Auditing .....	41,226	39,616
Legal .....	20,274	22,640
Other .....	56,708	48,622
	-----	-----
Total expenses before reductions .....	11,019,323	11,939,588
Expense reductions .....	(1,785,733)	(1,289,666)
	-----	-----
Expenses, net .....	9,233,590	10,649,922

Net investment income .....	48,233,930	60,342,332
-----------------------------	------------	------------

Realized and unrealized gain (loss) on investment transactions

Net realized gain (loss) on investments .....	--	(17,463)
Net unrealized appreciation (depreciation) during the period on investments.....	419,553	(94,354)
Net gain (loss) on investments .....	419,553	(111,817)

Net increase (decrease) in net assets resulting from operations	\$ 48,653,483	\$ 60,230,515
---	---------------	---------------

</TABLE>

The accompanying notes are an integral part of the financial statements.

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Statements of Changes in Net Assets

<TABLE>  
<CAPTION>

Increase (Decrease) in Net Assets	Eleven Months Ended		
	May 31, 1999 (Note D)	1998	Years Ended June 30, 1997
<S>	<C>	<C>	<C>
Operations:			
Net investment income .....	\$ 48,233,930	\$ 60,342,332	\$ 67,095,055
Net realized gain (loss) on investment transactions during the period .....	--	(17,463)	--
Net unrealized appreciation (depreciation) on investment transactions during the period .....	419,553	(94,354)	911,613
Net increase (decrease) in net assets resulting from operations .....	48,653,483	60,230,515	68,006,668
Distributions to shareholders from net investment income .....	(48,233,930)	(60,324,869)	(67,095,055)
Fund share transactions at net asset value of \$1.00 per share:			
Shares sold .....	2,183,832,499	1,976,992,854	2,146,433,255
Net asset value of shares issued to shareholders in reinvestment of distributions.....	45,455,859	56,773,631	62,538,989
Shares redeemed .....	(2,264,700,201)	(2,282,283,081)	(2,166,626,217)
Net increase (decrease) in net assets from Fund share transactions .....	(35,411,843)	(248,516,596)	42,346,027
Increase (decrease) in net assets .....	(34,992,290)	(248,610,950)	43,257,640
Net assets at beginning of period .....	1,182,012,567	1,430,623,517	1,387,365,877
Net assets at end of period .....	\$ 1,147,020,277	\$ 1,182,012,567	\$ 1,430,623,517

</TABLE>

The accompanying notes are an integral part of the financial statements.

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Financial Highlights

The following table includes selected data for a share outstanding throughout each period and other performance information derived from the financial statements.

<TABLE>  
<CAPTION>

	Eleven Months Ended					
	May 31, 1999 (Note D)	1998	1997	Years Ended June 30, 1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period .....	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000



Net investment income .....	.041	.048	.046	.048	.048	.027
Less distributions from net investment income and net realized capital gains (a).....	(.041)	(.048)	(.046)	(.048)	(.048)	(.027)
Net asset value, end of period .....	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
-----						
Total Return (%) .....	4.15(b)**	4.92(b)	4.73	4.89	4.90	2.77
Ratios and Supplemental Data						
Net assets, end of period (\$ millions) .....	1,147	1,182	1,431	1,387	1,520	1,430
Ratio of operating expenses, net to average daily net assets (%)	.85*	.85	.86	.83	.78	.82
Ratio of operating expenses before expense reduction, to average daily net assets (%).....	1.02*	.95	.86	.83	.78	.82
Ratio of net investment income to average daily net assets (%).....	4.44*	4.82	4.63	4.79	4.84	2.78

(a) Net realized capital gains were less than 6/10 of \$.01 per share.  
(b) Total return would have been lower had certain expenses not been reduced.  
\* Annualized  
\*\* Not annualized

#### 14 - Scudder Cash Investment Trust

##### Notes to Financial Statements

##### A. Significant Accounting Policies

Scudder Cash Investment Trust (the "Fund") is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company.

The Fund's financial statements are prepared in accordance with generally accepted accounting principles which require the use of management estimates. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** The Fund values all portfolio securities utilizing the amortized cost method permitted in accordance with Rule 2a-7 under the 1940 Act and pursuant to which the Fund must adhere to certain conditions. Under this method, which does not take into account unrealized gains and losses on securities, an instrument is initially valued at its cost and thereafter assumes a constant accretion/amortization to maturity of any discount/premium.

**Repurchase Agreements.** The Fund may enter into repurchase agreements with certain banks and broker/dealers whereby the Fund, through its custodian, receives delivery of the underlying securities, the amount of which at the time of purchase and each subsequent business day is required to be maintained at such a level that the market value is equal to at least the repurchase price.

**Federal Income Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code of 1986, as amended, which are applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. The Fund paid no federal income taxes and no federal income tax provision was required. At May 31, 1999, the Fund had a net tax basis capital loss carryforward of approximately \$465,000, which may be applied against any realized net taxable capital gains of each succeeding year until fully utilized or until May 31, 2004 (\$279,000), May 31, 2005 (\$180,000), May 31, 2006 (\$4,000), and May 31, 2007 (\$2,000), the respective expiration dates, whichever occurs first.

**Distribution of Income and Gains.** All of the net investment income of the Fund is declared as a dividend to shareholders of record as of twelve o'clock noon on each business day and is paid to shareholders monthly. During any particular year, net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed and, therefore, will be distributed to the shareholders. An additional distribution may be made to the extent necessary to avoid the payment of a four percent federal excise tax.

The Fund uses the identified cost method for determining realized gain or loss on investments for both financial and federal income tax reporting purposes.

**Other.** Investment transactions are accounted for on a trade date basis (which in most instances is the same as the settlement date). Interest income is accrued pro rata to maturity. All premiums and discounts are amortized/accreted for both tax and financial reporting purposes.

##### B. Related Parties

Under the Management Agreement (the "Agreement") with Scudder Kemper Investments, Inc. ("Scudder Kemper" or the "Adviser"), the Adviser directs the investments of the Fund in accordance with its investment objectives, policies, and restrictions. The Adviser determines the securities, instruments, and other contracts relating to investments to be purchased,

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sold, or entered into by the Fund. In addition to portfolio management services, the Adviser provides certain administrative services in accordance with the Agreement. The management fee payable under the Agreement is equal to an annual rate of 0.50% of the first \$250,000,000 of the Fund's average daily net assets, 0.45% of the next \$250,000,000 of such net assets, 0.40% of the next \$500,000,000 of such net assets, and 0.35% of such net assets in excess of \$1,000,000,000, computed and accrued daily and payable monthly. In addition, the Adviser has agreed to maintain the annualized expenses of the Fund at not more than .85% of average daily net assets until September 30, 1999. For the eleven months ended May 31, 1999, the Adviser did not impose a portion of its fee, amounting to \$1,785,733, and the portion imposed amounted to \$2,819,416, equivalent to an annual effective rate of .26% of the Fund's average daily net assets. For the year ended June 30, 1998, the Adviser did not impose a portion of its fee, amounting to \$1,289,666, and the portion imposed amounted to \$3,970,851.

Scudder Service Corporation ("SSC"), a subsidiary of the Adviser, is the transfer, dividend paying and shareholder service agent for the Fund. For the eleven months ended May 31, 1999, the amount charged to the Fund by SSC aggregated \$3,013,067 of which \$268,659 is unpaid at May 31, 1999. For the year ended June 30, 1998, the amount charged to the Fund by SSC aggregated to \$3,099,779.

Scudder Trust Company ("STC"), a subsidiary of the Adviser, provides recordkeeping and other services in connection with certain retirement and employee benefit plans invested in the Fund. For the eleven months ended May 31, 1999, the amount charged to the Fund by STC aggregated \$1,906,345 of which \$151,847 is unpaid at May 31, 1999. For the year ended June 30, 1998, the amount charged to the Fund by STC aggregated to \$1,883,755.

Scudder Fund Accounting Corporation ("SFAC"), a subsidiary of the Adviser, is responsible for determining the daily net asset value per share and maintaining the portfolio and general accounting records of the Fund. For the eleven months ended May 31, 1999, the amount charged to the Fund by SFAC aggregated \$86,399 of which \$7,785 is unpaid at May 31, 1999. For the year ended June 30, 1998, the amount charged to the Fund by SFAC aggregated to \$98,059.

The Fund is one of several Scudder Funds (the "Underlying Funds") in which the Scudder Pathway Series Portfolios (the "Portfolios") invest. In accordance with the Special Servicing Agreement entered into by the Adviser, the Portfolios, the Underlying Funds, SSC, SFAC, STC, and Scudder Investor Services, Inc., expenses from the operation of the Portfolios are borne by the Underlying Funds based on each Underlying Fund's proportionate share of assets owned by the Portfolios. No Underlying Funds will be charged expenses that exceed the estimated savings to each respective Underlying Fund. These estimated savings result from the elimination of separate shareholder accounts which either currently are or have potential to be invested in the Underlying Funds. For the eleven months ended May 31, 1999, the Special Servicing Agreement expense charged to the Fund aggregated to \$151,549. For the year ended June 30, 1998, the Special Servicing Agreement expense charged to the Fund aggregated to \$24,923.

The Fund pays each Trustee not affiliated with the Adviser an annual retainer plus specified amounts for attended board and committee meetings. For the eleven months ended May 31, 1999, Trustees' fees and expenses aggregated \$22,518. For the year ended June 30, 1998, the Trustee's fees and expenses aggregated \$52,414.

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C. Line of Credit

The Fund and several Scudder Funds ("The Participants") share in a \$850 million revolving credit facility for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee which is allocated pro rata among each of the Participants. Interest is calculated based on the market rates at the time of the borrowing. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement.

D. Year End Change

On August 10, 1998, the Board of Trustees of the Trust changed the fiscal year end of the Fund from June 30 to May 31.

Report of Independent Accountants

To the Board of Trustees and the Shareholders of Scudder Cash Investment Trust:

In our opinion, the accompanying statement of assets and liabilities, including the portfolio 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 Scudder Cash Investment Trust (the "Fund") at May 31, 1999, the results of its operations, the changes in its net assets, and the financial highlights for the periods indicated therein, in conformity with generally accepted accounting principles. 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 generally accepted auditing standards 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 May 31, 1999 by correspondence with the custodian and brokers, provide a reasonable basis for the opinion expressed above.

Boston, Massachusetts  
July 2, 1999

PricewaterhouseCoopers LLP

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Officers and Trustees

Daniel Pierce\*  
President and Trustee

Henry P. Becton, Jr.  
Trustee; President and General  
Manager, WGBH Educational  
Foundation

Dawn-Marie Driscoll  
Trustee; President, Driscoll  
Associates; Executive Fellow,  
Center for Business Ethics,  
Bentley College

Peter B. Freeman  
Trustee; Corporate Director

George M. Lovejoy, Jr.  
Trustee; President and Director,  
Fifty Associates

Wesley W. Marple, Jr.  
Trustee; Professor of Business  
Administration, Northeastern  
University

Kathryn L. Quirk\*  
Trustee, Vice President and  
Assistant Secretary

Jean C. Tempel  
Trustee; Venture Partner  
Venture Capital Group

Thomas W. Joseph\*  
Vice President

Ann M. McCreary\*  
Vice President

Frank J. Rachwalski, Jr.\*  
Vice President

John Millette\*  
Vice President and Secretary

John R. Hebble\*  
Treasurer

Caroline Pearson\*  
Assistant Secretary

\*Scudder Kemper Investments, Inc.

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Investment Products and Services

The Scudder Family of Funds+++  
-----

Money Market  
-----

Scudder U.S. Treasury Money Fund  
Scudder Cash Investment Trust  
Scudder Money Market Series --  
    Prime Reserve Shares\*  
    Premium Shares\*  
    Managed Shares\*  
Scudder Government Money Market Series --  
    Managed Shares\*

Tax Free Money Market^+  
-----

Scudder Tax Free Money Fund  
Scudder Tax Free Money Market Series --  
    Managed Shares\*  
Scudder California Tax Free Money Fund\*\*  
Scudder New York Tax Free Money Fund\*\*

Tax Free^+  
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Scudder Limited Term Tax Free Fund  
Scudder Medium Term Tax Free Fund  
Scudder Managed Municipal Bonds  
Scudder High Yield Tax Free Fund  
Scudder California Tax Free Fund\*\*  
Scudder Massachusetts Limited Term Tax Free Fund\*\*  
Scudder Massachusetts Tax Free Fund\*\*  
Scudder New York Tax Free Fund\*\*  
Scudder Ohio Tax Free Fund\*\*  
Scudder Pennsylvania Tax Free Fund\*\*

U.S. Income  
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Scudder Short Term Bond Fund  
Scudder GNMA Fund  
Scudder Income Fund  
Scudder Corporate Bond Fund  
Scudder High Yield Bond Fund

Global Income  
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Scudder Global Bond Fund  
Scudder International Bond Fund  
Scudder Emerging Markets Income Fund

Asset Allocation  
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Scudder Pathway Conservative Portfolio  
Scudder Pathway Balanced Portfolio  
Scudder Pathway Growth Portfolio  
Scudder Pathway International Portfolio

U.S. Growth and Income  
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Scudder Balanced Fund  
Scudder Dividend & Growth Fund  
Scudder Growth and Income Fund  
Scudder Select 500 Fund  
Scudder S&P 500 Index Fund  
Scudder Real Estate Investment Fund

U.S. Growth

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Value

Scudder Large Company Value Fund  
Scudder Value Fund\*\*\*  
Scudder Small Company Value Fund  
Scudder Micro Cap Fund

Growth

Scudder Classic Growth Fund\*\*\*  
Scudder Large Company Growth Fund  
Scudder Select 1000 Growth Fund  
Scudder Development Fund  
Scudder 21st Century Growth Fund

Global Equity

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Worldwide

Scudder Global Fund  
Scudder International Value Fund  
Scudder International Growth and Income Fund  
Scudder International Fund++  
Scudder International Growth Fund  
Scudder Global Discovery Fund\*\*\*  
Scudder Emerging Markets Growth Fund  
Scudder Gold Fund

Regional

Scudder Greater Europe Growth Fund  
Scudder Pacific Opportunities Fund  
Scudder Latin America Fund  
The Japan Fund, Inc.

Industry Sector Funds

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Choice Series

Scudder Financial Services Fund  
Scudder Health Care Fund  
Scudder Technology Fund

Preferred Series

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Scudder Tax Managed Growth Fund  
Scudder Tax Managed Small  
Company Fund

Retirement Programs and Education Accounts

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Retirement Programs

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Traditional IRA  
Roth IRA  
SEP IRA  
Keogh Plan  
401(k), 403(b) Plans

Variable Annuities

Scudder Horizon Plan\*\*+++ +++  
Scudder Horizon Advantage\*\*+++ +++ +++

Education Accounts

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Education IRA  
UGMA/UTMA

Closed-End Funds#

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The Argentina Fund, Inc.  
The Brazil Fund, Inc.  
The Korea Fund, Inc.  
Montgomery Street Income Securities, Inc.  
Scudder Global High Income Fund, Inc.  
Scudder New Asia Fund, Inc.  
Scudder New Europe Fund, Inc.

For complete information on any of the above Scudder funds, including management fees and expenses, call or write for a free prospectus. Read it carefully before you invest or send money. +++Funds within categories are listed in order from expected least risk to most risk. Certain Scudder funds or classes thereof may not be available for purchase or exchange. +A portion of the income from the tax-free funds may be subject to federal, state, and local taxes. \*A class of shares of the Fund. \*\*Not available in all states. \*\*\*Only the Scudder Shares of

the Fund are part of the Scudder Family of Funds. ++Only the International Shares of the Fund are part of the Scudder Family of Funds. +++ ++A no-load variable annuity contract provided by Charter National Life Insurance Company and its affiliate, offered by Scudder's insurance agencies, 1-800-225-2470. +++ ++A no-load variable annuity contract issued by Glenbrook Life and Annuity Company and underwritten by Allstate Financial Services, Inc., sold by Scudder's insurance agencies, 1-800-225-2470. #These funds, advised by Scudder Kemper Investments, Inc., are traded on the New York Stock Exchange and, in some cases, on various other stock exchanges.

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Scudder Solutions

<TABLE>  
<CAPTION>

Convenient ways to invest, quickly and reliably:

<S>	<C>	<C>
	Automatic Investment Plan	QuickBuy
	A convenient investment program in which money is electronically debited from your bank account monthly to regularly purchase fund shares and "dollar cost average" -- buy more shares when the fund's price is lower and fewer when it's higher, which can reduce your average purchase price over time.*	Lets you purchase Scudder fund shares electronically, avoiding potential mailing delays; money for each of your transactions is electronically debited from a previously designated bank account.
	Automatic Dividend Transfer	Payroll Deduction and Direct Deposit
	The most timely, reliable, and convenient way to purchase shares -- use distributions from one Scudder fund to purchase shares in another, automatically (accounts with identical registrations or the same social security or tax identification number).	Have all or part of your paycheck -- even government checks -- invested in up to four Scudder funds at one time.
	* Dollar cost averaging involves continuous investment in securities regardless of price fluctuations and does not assure a profit or protect against loss in declining markets. Investors should consider their ability to continue such a plan through periods of low price levels.	

Around-the-clock electronic account service and information, including some transactions:

Scudder Automated Information Line: SAIL(TM) -- 1-800-343-2890	Scudder's Web Site -- <a href="http://www.scudder.com">www.scudder.com</a>
Personalized account information, the ability to exchange or redeem shares, and information on other Scudder funds and services via touchtone telephone.	Personal Investment Organizer: Offering account information and transactions, interactive worksheets, prospectuses and applications for all Scudder funds, plus your current asset allocation, whenever you need them. Scudder's Site also provides news about Scudder funds, retirement planning information, and more.

Retirees and those who depend on investment proceeds for living expenses can enjoy these convenient, timely, and reliable automated withdrawal programs:

Automatic Withdrawal Plan	QuickSell
You designate the bank account, determine the schedule (as frequently as once a month) and amount of the redemptions, and Scudder does the rest.	Provides speedy access to your money by electronically crediting your redemption proceeds to the bank account you previously designated.
Distributions Direct	
Automatically deposits your fund distributions into the bank account you designate within three business days after each distribution is paid.	

For more information about these services, call a Scudder representative at 1-800-225-5163

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Mutual Funds and More -- Brokerage and Guidance Services:

Scudder Brokerage Services	Scudder Portfolio Builder
Offers you access to a world of investments, including stocks, corporate bonds, Treasuries, plus	A free service designed to help suggest ways investors like you can diversify your portfolio among domestic and global,

over 8,000 mutual funds from at least 150 mutual fund companies. And Scudder Fund Folio(SM) provides investors with access to a marketplace of more than 800 no-load funds from well-known companies--with no transaction fees or commissions. Scudder shareholders can take advantage of a Scudder Brokerage account already reserved for them, with no minimum investment. For information about Scudder Brokerage Services, call 1-800-700-0820.

as well as equity, fixed-income, and money market funds, using Scudder funds.

Fund Folio funds held less than six months will be charged a transaction fee. You can buy shares directly from the fund itself or its principal underwriter or distributor without paying this fee. Scudder Brokerage Services, Inc., 42 Longwater Drive, Norwell, MA 02061. Member SIPC.

For more information about these services, call a Scudder representative at 1-800-225-5163

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Additional Information on How to Contact Scudder:  
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For existing account services and transactions  
Scudder Investor Relations -- 1-800-225-5163

Please address all written correspondence to  
The Scudder Funds  
P.O. Box 2291  
Boston, Massachusetts  
02107-2291

For establishing 401(k) and 403(b) plans  
Scudder Defined Contribution Services --  
1-800-323-6105

Or Stop by a Scudder Investor Center

For information about The Scudder Funds, including  
additional applications and prospectuses, or for  
answers to investment questions  
Scudder Investor Relations -- 1-800-225-2470  
Investor.Relations@scudder.com

Many shareholders enjoy the personal, one-on-one service of  
the Scudder Investor Centers. Check for an Investor Center near  
you -- they can be found in the following cities:

Boca Raton  
Boston

Chicago  
New York

San Francisco

</TABLE>

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About the Fund's Adviser

Scudder Kemper Investments, Inc., is one of the largest and most experienced investment management organizations worldwide, managing more than \$280 billion in assets globally for mutual fund investors, retirement and pension plans, institutional and corporate clients, insurance companies, and private family and individual accounts.

Scudder Kemper Investments has a rich heritage of innovation, integrity, and client-focused service. In 1997, Scudder, Stevens & Clark, Inc., founded 80 years ago as one of the nation's first investment counsel organizations, joined the Zurich Financial Services Group. As a result, Zurich's subsidiary, Zurich Kemper Investments, Inc., with 50 years of mutual fund and investment management experience, was combined with Scudder. Headquartered in New York, Scudder Kemper Investments offers a full range of investment counsel and asset management capabilities, based on a combination of proprietary research and disciplined, long-term investment strategies. With its global investment resources and perspective, the firm seeks opportunities in markets throughout the world to meet the needs of investors.

Scudder Kemper Investments, Inc., the global asset management firm, is a member of the Zurich Financial Services Group. The Zurich Financial Services Group is an internationally recognized leader in financial services, including property/casualty and life insurance, reinsurance, and asset management.

This information must be preceded or accompanied by a current prospectus.

Portfolio changes should not be considered recommendations for action by individual investors.

SCUDDER