

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: **1995-07-28** | Period of Report: **1995-05-31**
SEC Accession No. **0000770116-95-000010**

([HTML Version](#) on secdatabase.com)

FILER

INTERMEDIATE MUNICIPAL TRUST/

CIK: **770116** | State of Incorporation: **MA** | Fiscal Year End: **0630**
Type: **N-30D** | Act: **40** | File No.: **811-04314** | Film No.: **95557054**

Mailing Address

*FEDERATED INVESTORS
TOWER
PITTSBURGH PA 15222-3779*

Business Address

*FEDERATED INVESTORS
TWR
PITTSBURGH PA 15222-3779
4122881412*

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)
(A PORTFOLIO OF INTERMEDIATE MUNICIPAL TRUST)
PROSPECTUS

The shares of Federated Intermediate Municipal Trust (formerly, "Intermediate Municipal Trust") (the "Fund") offered by this prospectus represent interests in a diversified portfolio of securities of Intermediate Municipal Trust (the "Trust"), an open-end management investment company (a mutual fund).

The objective of the Fund is to provide current income exempt from federal regular income tax. The Fund pursues this investment objective by investing in a portfolio of municipal securities with a dollar-weighted average portfolio maturity of not less than three or more than ten years.

THE SHARES OFFERED BY THIS PROSPECTUS ARE NOT DEPOSITS OR OBLIGATIONS OF ANY BANK, ARE NOT ENDORSED OR GUARANTEED BY ANY BANK, AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THESE SHARES INVOLVES INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

This prospectus contains the information you should read and know before you invest in the Fund. Keep this prospectus for future reference.

The Fund has also filed a Statement of Additional Information dated July 31, 1995 with the Securities and Exchange Commission. The information contained in the Statement of Additional Information is incorporated by reference into this prospectus. You may request a copy of the Statement of Additional Information, which is in paper form only, or a paper copy of this prospectus, if you have received your prospectus electronically, free of charge by calling 1-800-235-4669. To obtain other information or to make inquiries about the Fund, contact the Fund at the address listed in the back of this prospectus.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus dated July 31, 1995

TABLE OF CONTENTS

<S>	<C>
SUMMARY OF FUND EXPENSES	1
-----	-----
FINANCIAL HIGHLIGHTS	2
-----	-----
GENERAL INFORMATION	3
-----	-----
INVESTMENT INFORMATION	3
-----	-----
Investment Objective	3
Investment Policies	3
Municipal Securities	5
Investment Risks	6
Investment Limitations	6
-----	-----
INTERMEDIATE MUNICIPAL TRUST INFORMATION	7
-----	-----
Management of the Trust	7
Distribution of Fund Shares	8
Administration of the Fund	8
NET ASSET VALUE	9
-----	-----
INVESTING IN THE FUND	9
-----	-----
Share Purchases	9
Minimum Investment Required	10

What Shares Cost	10
Exchanging Securities for Fund Shares	10
Subaccounting Services	10
Certificates and Confirmations	11
Dividends	11
Capital Gains	11
REDEEMING SHARES	11

Telephone Redemption	11
Written Requests	12
Accounts with Low Balances	12
SHAREHOLDER INFORMATION	13

Voting Rights	13
Massachusetts Partnership Law	13
TAX INFORMATION	13

Federal Income Tax	13
Pennsylvania Corporate and Personal Property Taxes	14
Other State and Local Taxes	14
PERFORMANCE INFORMATION	15

FINANCIAL HIGHLIGHTS--INSTITUTIONAL SERVICE SHARES	16

FINANCIAL STATEMENTS	17

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	34

ADDRESSES	35

</TABLE>

I

SUMMARY OF FUND EXPENSES

<TABLE>

<CAPTION>

SHAREHOLDER TRANSACTION EXPENSES

<S>	<C>	<C>
Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....		None
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....		None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable).....		None
Redemption Fee (as a percentage of amount redeemed, if applicable).....		None
Exchange Fee.....		None

<CAPTION>

ANNUAL FUND OPERATING EXPENSES
(As a percentage of average net assets)

<S>	<C>	<C>
Management Fee (after waiver) (1).....		0.38%
12b-1 Fee (2).....		None
Total Other Expenses.....		0.19%
Shareholder Services Fee (after waiver) (3).....	0.05%	
Total Fund Operating Expenses (4).....		0.57%

<FN>

- (1) The management fee has been reduced to reflect the voluntary waiver of a portion of the management fee. The adviser can terminate this voluntary waiver at any time at its sole discretion. The maximum management fee is 0.40%.
- (2) As of December 21, 1994, Institutional Service Shares were no longer offered and ceased to exist. Previously, the Fund had adopted a Plan pursuant to Rule 12b-1 under the Investment Company Act of 1940, which provided that the Fund could incur distribution expenses up to .25% of 1% of the average daily net assets of the Institutional Service Shares, annually to compensate Federated Securities Corp. ("FSC"), the Trust's distributor. In addition, the Distribution Plan (the "Plan") was discontinued, as of December 21, 1994, contemporaneous with the termination of the Institutional Service Shares class. When the Plan was in effect, FSC chose to voluntarily waive a portion of its fees. As a result, the Fund paid \$520 under the Plan.
- (3) The maximum shareholder services fee is 0.25%.
- (4) The total Fund operating expenses in the table above are based on expenses expected during the fiscal year ending May 31, 1996. The total Fund

operating expenses were 0.59% for the fiscal year ended May 31, 1995.

</TABLE>

The purpose of this table is to assist an investor in understanding the various costs and expenses that a shareholder of the Fund will bear, either directly or indirectly. For more complete descriptions of the various costs and expenses, see "Investing in the Fund" and "Intermediate Municipal Trust Information." Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

<TABLE>

<CAPTION>

EXAMPLE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>	<C>
You would pay the following expenses on a \$1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$6	\$18	\$32	\$71

</TABLE>

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

1

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

FINANCIAL HIGHLIGHTS*

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Reference is made to the Report of Independent Public Accountants on page 34.

<TABLE>

<CAPTION>

	YEAR ENDED MAY 31,					
	1995	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.52	\$ 10.74	\$ 10.31	\$ 10.09	\$ 9.84	\$ 9.81
INCOME FROM INVESTMENT OPERATIONS						
Net investment income	0.54	0.52	0.56	0.59	0.63	0.64
Net realized and unrealized gain (loss) on investments	0.03	(0.22)	0.43	0.22	0.25	0.03
Total from investment operations	0.57	0.30	0.99	0.81	0.88	0.67
LESS DISTRIBUTIONS						
Distributions from net investment income	(0.54)	(0.52)	(0.56)	(0.59)	(0.63)	(0.64)
NET ASSET VALUE, END OF PERIOD	\$ 10.55	\$ 10.52	\$ 10.74	\$ 10.31	\$ 10.09	\$ 9.84
TOTAL RETURN (B)	5.67%	2.79%	9.80%	8.19%	9.22%	7.02%
RATIOS TO AVERAGE NET ASSETS						
Expenses	0.59%	0.61%	0.48%	0.47%	0.49%	0.50%
Net investment income	5.23%	4.82%	5.27%	5.73%	6.32%	6.49%
Expense waiver/reimbursement (d)	0.00%	0.01%	0.14%	0.22%	0.30%	0.38%
SUPPLEMENTAL DATA						
Net assets, end of period (000 omitted)	\$229,285	\$302,663	\$263,283	\$173,702	\$116,577	\$95,738
Portfolio turnover	11%	7%	3%	9%	43%	14%

<CAPTION>

	1989	1988	1987	1986 (A)
<S>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 9.81	\$ 9.83	\$ 9.97	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS				

Net investment income	0.64	0.62	0.58	0.29
Net realized and unrealized gain (loss) on investments	--	(0.02)	(0.14)	(0.03)
Total from investment operations	0.64	0.60	0.44	0.26
LESS DISTRIBUTIONS				
Distributions from net investment income	(0.64)	(0.62)	(0.58)	(0.29)
NET ASSET VALUE, END OF PERIOD	\$9.81	\$9.81	\$9.83	\$9.97
TOTAL RETURN (B)	6.77%	6.34%	4.25%	2.60%
RATIOS TO AVERAGE NET ASSETS				
Expenses	0.48%	0.49%	0.47%	0.003% (c)
Net investment income	6.56%	6.25%	5.63%	6.46% (c)
Expense waiver/reimbursement (d)	0.39%	0.31%	0.27%	0.57% (c)
SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	\$82,211	\$91,195	\$120,162	\$3,450
Portfolio turnover	25%	119%	81%	23%

<FN>

* During the period from September 6, 1993, to December 21, 1994, the Fund offered two classes of shares, Institutional Shares and Institutional Service Shares. As of December 21, 1994, Institutional Service Shares ceased operations and the class designation for Institutional Shares was eliminated. The table above does not reflect Institutional Service Shares. See page 16 for Institutional Service Shares Financial Highlights.

- (a) Reflects operations for the period from December 26, 1985 (date of initial public investment) to May 31, 1986. For the period from the start of business, October 15, 1985, to December 25, 1985, net investment income per share aggregating \$0.108424 (\$1,084) was distributed to an affiliate of the Trust's adviser. Such distribution represented the net income of the Trust prior to the initial public offering of the Trust shares which commenced December 26, 1985.
- (b) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.
- (c) Computed on an annualized basis.
- (d) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

</TABLE>

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

Further information about the Fund's performance is contained in the Fund's annual report for the fiscal year ended May 31, 1995, which can be obtained free of charge.

2

GENERAL INFORMATION

The Trust was established as a Massachusetts business trust under a Declaration of Trust dated May 31, 1985. The Declaration of Trust permits the Trust to offer separate series of shares of beneficial interest representing interests in separate portfolios of securities. The shares in any one portfolio may be offered in separate classes.

Shares of the Fund are sold primarily to retail and private banking customers of financial institutions and to accounts for which financial institutions act in a fiduciary, advisory, agency, custodial, or similar capacity as a convenient means of accumulating an interest in a professionally managed, diversified portfolio of municipal securities. Shares are also designed for funds held by savings and other institutions, corporations, trusts, brokers, investment counselors and insurance companies. A minimum initial investment of \$25,000 over a 90-day period is required. The Fund may not be a suitable investment for retirement plans since it invests in municipal securities.

Shares are currently sold and redeemed at net asset value without a sales load imposed by the Fund.

INVESTMENT INFORMATION

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide current income exempt from federal regular income tax. Interest income of the Fund that is exempt from federal income tax retains its tax-free status when distributed to the Fund's shareholders. The Fund pursues this investment objective by investing at least 80% of its net assets in a diversified portfolio of municipal securities with a dollar-weighted average portfolio maturity of not less than three or more than ten years. While there is no assurance that the Fund will achieve its investment objective, it endeavors to do so by following the investment policies described in this prospectus. The investment objective and the policy stated above cannot be changed without approval of shareholders.

INVESTMENT POLICIES

The investment policies described below may be changed by the Board of Trustees (the "Trustees") without shareholder approval. Shareholders will be notified before any material change in these policies becomes effective.

ACCEPTABLE INVESTMENTS. The municipal securities in which the Fund invests are:

- debt obligations, including industrial development bonds, issued by or on behalf of any state, territory, or possession of the United States, including the District of Columbia, or any political subdivision of any of these; and
- participation interests, as described below, in any of the above obligations,

the interest from which is, in the opinion of bond counsel for the issuers or in the opinion of officers of the Fund and/or the investment adviser to the Fund, exempt from federal regular income tax.

3

The prices of fixed income securities fluctuate inversely to the direction of interest rates.

AVERAGE MATURITY. The dollar-weighted average portfolio maturity of the Fund's portfolio of municipal securities will not be less than three years or more than ten years. For purposes of determining the dollar-weighted average portfolio maturity of the Fund's portfolio, the maturity of a municipal security will be its ultimate maturity, unless it is probable that the issuer of the security will take advantage of maturity-shortening devices such as a call, refunding, or redemption provision, in which case the maturity date will be the date on which it is probable that the security will be called, refunded, or redeemed. If the municipal security includes the right to demand payment, the maturity of the security for purposes of determining the Fund's dollar-weighted average portfolio maturity will be the period remaining until the principal amount of the security can be recovered by exercising the right to demand payment.

CHARACTERISTICS. The municipal securities in which the Fund invests are:

- rated within the three highest ratings for municipal securities by Moody's Investors Service, Inc. ("Moody's") (Aaa, Aa, or A) or by Standard & Poor's Ratings Group ("S&P") (AAA, AA, or A);
- guaranteed at the time of purchase by the U.S. government as to the payment of principal and interest;
- fully collateralized by an escrow of U.S. government securities or other securities acceptable to the Fund's adviser;
- rated at the time of purchase within Moody's highest short-term municipal obligation rating (MIG1/VMIG1) or Moody's highest municipal commercial paper rating (PRIME-1) or S&P's highest municipal commercial paper rating (SP-1);
- unrated if, at the time of purchase, other municipal securities of that issuer are rated A or better by Moody's or S&P; or
- unrated if determined to be of equivalent quality to one of the foregoing rating categories by the Fund's investment adviser.

A description of the rating categories is contained in the Appendix to the Statement of Additional Information.

PARTICIPATION INTERESTS. The Fund may purchase participation interests from financial institutions such as commercial banks, savings associations, and insurance companies. These participation interests give the Fund an undivided interest in one or more underlying municipal securities. The financial institutions from which the Fund purchases participation interests frequently provide or obtain irrevocable letters of credit or guarantees to attempt to assure that the participation interests are of high quality. The Trustees of the

Fund will determine whether participation interests meet the prescribed quality standards for the Fund.

VARIABLE RATE MUNICIPAL SECURITIES. Some of the municipal securities which the Fund purchases may have variable interest rates. Variable interest rates are ordinarily stated as a percentage of a published interest rate, interest rate index, or some similar standard, such as the 91-day U.S. Treasury

4

bill rate. Variable interest rates are adjusted on a periodic basis, e.g., every 30 days. The Fund will consider this adjustment period to be the maturity of the security for purposes of determining the weighted average maturity of the portfolio.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS. The Fund may purchase and sell municipal securities on a when-issued or delayed delivery basis. These transactions are arrangements in which the Fund purchases securities with payment and delivery scheduled for a future time. The seller's failure to complete these transactions may cause the Fund to miss a price or yield considered to be advantageous. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase prices. Accordingly, the Fund may pay more or less than the market value of the securities on the settlement date.

The Fund may dispose of a commitment prior to settlement if the adviser deems it appropriate to do so. In addition, the Fund may enter into transactions to sell its purchase commitments to third parties at current market values and simultaneously acquire other commitments to purchase similar securities at later dates. The Fund may realize short-term profits or losses upon the sale of such commitments.

TEMPORARY INVESTMENTS. From time to time on a temporary basis, or when the investment adviser determines that market conditions call for a temporary defensive posture, the Fund may invest in short-term temporary investments which may or may not be exempt from federal income tax. Temporary investments include: tax-exempt variable and floating rate demand notes; tax-free commercial paper; other temporary municipal securities; obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities; other debt securities; commercial paper; certificates of deposit of domestic branches of U.S. banks; and repurchase agreements (arrangements in which the organization selling the Fund a security agrees at the time of sale to repurchase it at a mutually agreed upon time and price).

There are no rating requirements applicable to temporary investments with the exception of temporary municipal securities which are subject to the same rating requirements as all other municipal securities in which the Fund invests. However, the investment adviser will limit temporary investments to those it considers to be of comparable quality to the acceptable investments of the Fund.

Although the Fund is permitted to make taxable, temporary investments, there is no current intention of generating income subject to federal regular income tax.

MUNICIPAL SECURITIES

Municipal securities are generally issued to finance public works, such as airports, bridges, highways, housing, hospitals, mass transportation projects, schools, streets, and water and sewer works. They are also issued to repay outstanding obligations, to raise funds for general operating expenses, and to make loans to other public institutions and facilities.

Municipal securities include industrial development bonds issued by or on behalf of public authorities to provide financing aid to acquire sites or construct and equip facilities for privately or

5

publicly owned corporations. The availability of this financing encourages these corporations to locate within the sponsoring communities and thereby increases local employment.

The two principal classifications of municipal securities are "general obligation" and "revenue" bonds. General obligation bonds are secured by the issuer's pledge of its full faith and credit and taxing power for the payment of principal and interest. Interest on and principal of revenue bonds, however, are payable only from the revenue generated by the facility financed by the bond or other specified sources of revenue. Revenue bonds do not represent a pledge of credit or create any debt of or charge against the general revenues of a municipality or public authority. Industrial development bonds are typically classified as revenue bonds.

INVESTMENT RISKS

Yields on municipal securities depend on a variety of factors, including: the general conditions of the municipal note market and of the municipal bond market; the size of the particular offering; the maturity of the obligations; and the rating of the issue. The ability of the Fund to achieve its investment objective also depends on the continuing ability of the issuers of municipal securities and participation interests, or the guarantors of either, to meet their obligations for the payment of interest and principal when due.

INVESTMENT LIMITATIONS

The Fund will not:

- borrow money or pledge securities except, under certain circumstances, the Fund may borrow up to one-third of the value of its total assets and pledge up to 10% of the value of those assets to secure such borrowings;
- invest more than 5% of its total assets in purchases of industrial development bonds, the principal and interest of which are paid by a company which has an operating history of less than three years; or
- with respect to securities comprising 75% of its assets, invest more than 5% of its total assets in securities of one issuer (except cash and cash items, and U.S. government obligations).

The above investment limitations cannot be changed without shareholder approval. The following limitation, however, may be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change in this limitation becomes effective.

The Fund will not:

- invest more than 15% of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, and restricted securities determined by the Trustees to be illiquid.

6

INTERMEDIATE MUNICIPAL TRUST INFORMATION

MANAGEMENT OF THE TRUST

BOARD OF TRUSTEES. The Trust is managed by a Board of Trustees. The Trustees are responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The Executive Committee of the Board of Trustees handles the Board's responsibilities between meetings of the Board.

INVESTMENT ADVISER. Investment decisions for the Fund are made by Federated Management, the Fund's investment adviser (the "Adviser"), subject to direction by the Trustees. The Adviser continually conducts investment research and supervision for the Fund and is responsible for the purchase and sale of portfolio instruments, for which it receives an annual fee from the Fund.

ADVISORY FEES. The Adviser receives an annual investment advisory fee equal to .40 of 1% of the Fund's average daily net assets. Under the investment advisory contract, the Adviser will reimburse the Fund the amount, limited to the amount of the advisory fee, by which the Fund's aggregate annual operating expenses, including its investment advisory fee, but excluding interest, taxes, brokerage commissions, insurance premiums, expenses of registering and qualifying the Fund and its shares under federal and state laws and regulations, expenses of withholding taxes, and extraordinary expenses, exceed .45 of 1% of its average daily net assets. This does not include reimbursement to the Fund of any expenses incurred by shareholders who use the transfer agent's subaccounting facilities. Because of this undertaking, the Adviser receives less than its calculated gross investment advisory fee. The Adviser has also undertaken to reimburse the Fund for operating expenses in excess of limitations established by certain states.

ADVISER'S BACKGROUND. Federated Management, a Delaware business trust organized on April 11, 1989, is a registered investment adviser under the Investment Advisers Act of 1940, as amended. It is a subsidiary of Federated Investors. All of the Class A (voting) shares of Federated Investors are owned by a trust, the trustees of which are John F. Donahue, Chairman and Trustee of Federated Investors, Mr. Donahue's wife, and Mr. Donahue's son, J. Christopher Donahue, who is President and Trustee of Federated Investors.

Jonathan C. Conley has been the Fund's portfolio manager since the Fund's inception. Mr. Conley joined Federated Investors in 1979 and has been a Vice President of the Fund's Adviser since 1982. Mr. Conley is a Chartered Financial Analyst and received his M.B.A. in Finance from the University of Virginia.

J. Scott Albrecht has been the Fund's co-portfolio manager since July 1995. Mr. Albrecht joined Federated Investors in 1989 and has been an Assistant Vice President of the Adviser since 1992. From 1989 until 1991, Mr. Albrecht acted as an investment analyst. Mr. Albrecht was a municipal credit analyst at Mellon Bank, N.A. from 1985 until 1989. Mr. Albrecht is a Chartered Financial Analyst and received his M.S. in Management from Carnegie Mellon University.

7

Federated Management and other subsidiaries of Federated Investors serve as investment advisers to a number of investment companies and private accounts. Certain other subsidiaries also provide administrative services to a number of investment companies. With over \$72 billion invested across more than 260 funds under management and/or administration by its subsidiaries, as of December 31, 1994, Federated Investors is one of the largest mutual fund investment managers in the United States. With more than 1,750 employees, Federated continues to be led by the management who founded the company in 1955. Federated funds are presently at work in and through 4,000 financial institutions nationwide. More than 100,000 investment professionals have selected Federated funds for their clients.

Both the Trust and the Adviser have adopted strict codes of ethics governing the conduct of all employees who manage the Fund and its portfolio securities. These codes recognize that such persons owe a fiduciary duty to the Fund's shareholders and must place the interests of shareholders ahead of the employees' own interest. Among other things, the codes: require preclearance and periodic reporting of personal securities transactions; prohibit personal transactions in securities being purchased or sold, or being considered for purchase or sale, by the Fund; prohibit purchasing securities in initial public offerings; and prohibit taking profits on securities held for less than sixty days. Violations of the codes are subject to review by the Trustees, and could result in severe penalties.

DISTRIBUTION OF FUND SHARES

Federated Securities Corp. is the principal distributor for shares of the Fund. It is a Pennsylvania corporation organized on November 14, 1969, and is the principal distributor for a number of investment companies. Federated Securities Corp. is a subsidiary of Federated Investors.

ADMINISTRATION OF THE FUND

ADMINISTRATIVE SERVICES. Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services (including certain legal and financial reporting services) necessary to operate the Fund. Federated Administrative Services provides these at an annual rate, which relates to the average aggregate daily net assets of all Funds advised by subsidiaries of Federated Investors (the "Federated Funds") as specified below:

<TABLE>
<CAPTION>

MAXIMUM FEE	AVERAGE AGGREGATE DAILY NET ASSETS
-----	-----
<C>	<S>
0.15 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.10 of 1%	on the next \$250 million
0.075 of 1%	on assets in excess of \$750 million

</TABLE>

The administrative fee received during any fiscal year shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares. Federated Administrative Services may choose voluntarily to waive a portion of its fee.

SHAREHOLDER SERVICES. The Fund has entered into a Shareholder Services Agreement with Federated Shareholder Services, a subsidiary of Federated Investors, under which the Fund may

8

make payments up to 0.25 of 1% of the average daily net asset value of the Fund to obtain certain personal services for shareholders and for the maintenance of shareholder accounts ("shareholder services"). Under the Shareholder Services Agreement, Federated Shareholder Services will either perform shareholder services directly or will select financial institutions to perform shareholder services. Financial institutions will receive fees based upon shares owned by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid will be determined, from time to time, by the Fund and

Federated Shareholder Services.

OTHER PAYMENTS TO FINANCIAL INSTITUTIONS. In addition to periodic payments to financial institutions for shareholder services, certain financial institutions may be compensated by the Adviser or its affiliates for the continuing investment of customers' assets in certain funds, including the Fund, advised by those entities. These payments will be made directly by the distributor or Adviser from their assets, and will not be made from the assets of the Fund or by the assessment of a sales load on shares.

CUSTODIAN. State Street Bank and Trust Company ("State Street Bank"), Boston, Massachusetts, is custodian for the securities and cash of the Fund.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT. Federated Services Company, Boston, Massachusetts, is transfer agent for the shares of the Fund and dividend disbursing agent for the Fund.

INDEPENDENT PUBLIC ACCOUNTANTS. The independent public accountants for the Fund are Arthur Andersen LLP, Pittsburgh, Pennsylvania.

NET ASSET VALUE

The Fund's net asset value per share fluctuates. It is determined by dividing the sum of all securities and other assets, less liabilities, by the number of shares outstanding.

INVESTING IN THE FUND

SHARE PURCHASES

Shares are sold on days on which the New York Stock Exchange and the Federal Reserve Wire System are open for business. Shares may be purchased either by wire or mail.

To purchase shares, open an account by calling Federated Securities Corp. and obtain a master account number. Information needed to establish the account will be taken over the telephone. The Fund reserves the right to reject any purchase request.

BY WIRE. To purchase shares by Federal Reserve wire, call the Fund before 1:00 p.m. (Eastern time) to place an order. The order is considered received immediately. Payment by federal funds must be received before 3:00 p.m. (Eastern time) that day. Federal funds should be wired as follows: Federated Services Company, c/o State Street Bank and Trust Company, Boston, Massachusetts; Attention: EDGEWIRE; For Credit to: Federated Intermediate Municipal Trust; Fund Number (this number can

be found on the account statement or by contacting the Fund); Group Number or Wire Order Number; Nominee or Institution Name; and ABA 011000028.

BY MAIL. To purchase shares by mail, send a check made payable to Federated Intermediate Municipal Trust to: Federated Services Company, P.O. Box 8600, Boston, Massachusetts 02266-8600. Orders by mail are considered received after payment by check is converted into federal funds. This is normally the next business day after the check is received.

MINIMUM INVESTMENT REQUIRED

The minimum initial investment in the Fund is \$25,000, plus any non-affiliated bank or broker's fee, if applicable. However, an account may be opened with a smaller amount as long as the \$25,000 minimum is reached within 90 days. The minimum investment for an institutional investor will be calculated by combining all accounts it maintains with the Fund. Accounts established through a non-affiliated bank or broker may be subject to a smaller minimum investment.

WHAT SHARES COST

Shares are sold at their net asset value next determined after an order is received. There is no sales load imposed by the Fund. Investors who purchase shares through a non-affiliated bank or broker may be charged an additional service fee by that bank or broker.

The net asset value is determined as of the close of trading (normally 4:00 p.m., Eastern time) on the New York Stock Exchange, Monday through Friday, except on: (i) days on which there are not sufficient changes in the value of the Fund's portfolio securities that its net asset value might be materially affected; (ii) days during which no shares are tendered for redemption and no orders to purchase shares are received; or (iii) the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor

Day, Thanksgiving Day, and Christmas Day.

EXCHANGING SECURITIES FOR FUND SHARES

Investors may exchange certain municipal securities or a combination of securities and cash for Fund shares. The securities and any cash must have a market value of at least \$25,000. The Fund reserves the right to determine the acceptability of securities to be exchanged. Securities accepted by the Fund are valued in the same manner as the Fund values its assets. Shareholders wishing to exchange securities should first contact Federated Securities Corp.

SUBACCOUNTING SERVICES

Institutions are encouraged to open single master accounts. However, certain institutions may wish to use the transfer agent's subaccounting system to minimize their internal recordkeeping requirements. The transfer agent charges a fee based on the level of subaccounting services rendered. Institutions holding Shares in a fiduciary, agency, custodial, or similar capacity may charge or pass through subaccounting fees to beneficial owners as part of or in addition to normal trust or agency account fees. They may also charge fees for other services provided which may be related to the ownership of Shares. This prospectus should, therefore, be read together with any agreement between the customer and the institution with regard to the services provided, the fees charged for those services, and any restrictions and limitations imposed.

10

CERTIFICATES AND CONFIRMATIONS

As transfer agent for the Fund, Federated Services Company maintains a share account for each shareholder of record. Share certificates are not issued unless requested by contacting the Fund.

Detailed confirmations of each purchase or redemption are sent to each shareholder. Monthly confirmations are sent to report dividends paid during the month.

DIVIDENDS

Dividends are declared daily and paid monthly. Dividends are declared just prior to determining net asset value. If an order for shares is placed on the preceding business day, shares purchased by wire begin earning dividends on the business day wire payment is received by State Street Bank. If the order for shares and payment by wire are received on the same day, shares begin earning dividends on the next business day. Shares purchased by check begin earning dividends on the business day after the check is converted, upon instruction of the transfer agent, into federal funds. Dividends are automatically reinvested on payment dates in additional shares of the Fund unless cash payments are requested by contacting the Fund.

CAPITAL GAINS

Distributions of net realized long-term capital gains realized by the Fund, if any, will be made at least once every twelve months.

REDEEMING SHARES

The Fund redeems shares at their net asset value next determined after the Fund receives the redemption request. Redemptions will be made on days on which the Fund computes its net asset value. Redemption requests must be received in proper form and can be made by telephone request or by written request.

TELEPHONE REDEMPTION

Shareholders may redeem their shares by telephoning the Fund before 4:00 p.m. (Eastern time). The proceeds will normally be wired the following business day, but in no event more than seven days, to the shareholder's account at a domestic commercial bank that is a member of the Federal Reserve System. If at any time, the Fund shall determine it necessary to terminate or modify this method of redemption, shareholders would be promptly notified.

An authorization form permitting the Fund to accept telephone requests must first be completed. It is recommended that investors request this privilege at the time of their initial application. If not completed at the time of initial application, authorization forms and information on this service can be obtained through Federated Securities Corp. Telephone redemption instructions may be recorded. If reasonable procedures are not followed by the Fund, it may be liable for losses due to unauthorized or fraudulent telephone instructions.

11

In the event of drastic economic or market changes, a shareholder may experience difficulty in redeeming by telephone. If such a case should occur, another

method of redemption, such as "Written Requests," should be considered.

WRITTEN REQUESTS

Shares may also be redeemed by sending a written request to Federated Services Company, P.O. Box 8600, Boston, Massachusetts 02266-8600. Call the Fund for specific instructions before redeeming by letter. The shareholder will be asked to provide in the request his name, the Fund name, his account number, and the share or dollar amount requested. If share certificates have been issued, they must be properly endorsed and should be sent by registered or certified mail to Federated Services Company, 500 Victory Road - 2nd Floor, Quincy, Massachusetts 02171 with the written request.

SIGNATURES. Shareholders requesting a redemption of \$50,000 or more, a redemption of any amount to be sent to an address other than that on record with the Fund, or a redemption payable other than to the shareholder of record must have signatures on written redemption requests guaranteed by:

- a trust company or commercial bank whose deposits are insured by the Bank Insurance Fund, which is administered by the Federal Deposit Insurance Corporation ("FDIC");
- a member of the New York, American, Boston, Midwest, or Pacific Stock Exchange;
- a savings bank or savings and loan association whose deposits are insured by Savings Association Insurance Fund, which is administered by the FDIC; or
- any other "eligible guarantor institution," as defined in the Securities Exchange Act of 1934.

The Fund does not accept signatures guaranteed by a notary public.

The Fund and its transfer agent have adopted standards for accepting signature guarantees from the above institutions. The Fund may elect in the future to limit eligible signature guarantors to institutions that are members of a signature guarantee program. The Fund and its transfer agent reserve the right to amend these standards at any time without notice.

RECEIVING PAYMENT. Normally, a check for the proceeds is mailed within one business day, but in no event more than seven days, after receipt of a proper written redemption request.

ACCOUNTS WITH LOW BALANCES

Due to the high cost of maintaining accounts with low balances, the Fund may redeem shares in any account and pay the proceeds to the shareholder of record if the account balance falls below a required minimum value of \$25,000 due to shareholder redemptions. This requirement does not apply, however, if the balance falls below \$25,000 because of changes in the Fund's net asset value. Before shares are redeemed to close an account, the shareholder is notified in writing and allowed 30 days to purchase additional shares to meet the minimum requirement.

SHAREHOLDER INFORMATION

VOTING RIGHTS

Each share of the Fund gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote. All shares of each portfolio in the Trust have equal voting rights except that, in matters affecting only a particular Fund, only shares of that Fund are entitled to vote. As a Massachusetts business trust, the Trust is not required to hold annual shareholder meetings. Shareholder approval will be sought only for certain changes in the Trust's or the Fund's operation and for the election of Trustees under certain circumstances.

Trustees may be removed by the Trustees or by shareholders at a special meeting. A special meeting of the Trust shall be called by the Trustees upon the written request of shareholders owning at least 10% of the outstanding shares of the Trust entitled to vote.

MASSACHUSETTS PARTNERSHIP LAW

Under certain circumstances, shareholders may be held personally liable as partners under Massachusetts law for acts or obligations of the Trust. To protect shareholders of the Fund, the Trust has filed legal documents with Massachusetts that expressly disclaim the liability of its shareholders for acts or obligations of the Trust. These documents require notice of this disclaimer

to be given in each agreement, obligation, or instrument that the Trust or its Trustees enter into or sign on behalf of the Fund.

In the unlikely event a shareholder is held personally liable for the Trust's obligations, the Trust is required to use its property to protect or compensate the shareholder. On request, the Trust will defend any claim made and pay any judgment against a shareholder for any act or obligation of the Trust on behalf of the Fund. Therefore, financial loss resulting from liability as a shareholder of the Fund will occur only if the Trust itself cannot meet its obligations to indemnify shareholders and pay judgments against them from the assets of the Fund.

TAX INFORMATION

FEDERAL INCOME TAX

The Fund will pay no federal income tax because it expects to meet requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. The Fund will be treated as a single, separate entity for federal income tax purposes so that income (including capital gains) and losses realized by the Trust's other portfolios will not be combined for tax purposes with those realized by the Fund.

Shareholders are not required to pay the federal regular income tax on any dividends received from the Fund that represent net interest on tax-exempt municipal bonds. However, dividends representing net interest earned on some municipal bonds are included in calculating the federal individual alternative minimum tax or the federal alternative minimum tax for corporations.

13

The alternative minimum tax, up to 28% of alternative minimum taxable income for individuals and 20% for corporations, applies when it exceeds the regular tax for the taxable year. Alternative minimum taxable income is equal to the regular taxable income of the taxpayer increased by certain "tax preference" items not included in regular taxable income and reduced by only a portion of the deductions allowed in the calculation of the regular tax.

Interest on certain "private activity" bonds issued after August 7, 1986, is treated as a tax preference item for both individuals and corporations. Unlike traditional governmental purpose municipal bonds, which finance roads, schools, libraries, prisons and other public facilities, private activity bonds provide benefits to private parties. The Fund may purchase all types of municipal bonds, including private activity bonds. Thus, while the Fund has no present intention of purchasing any private activity bonds, should it purchase any such bonds, a portion of the Fund's dividends may be treated as a tax preference item.

In addition, in the case of a corporate shareholder, dividends of the Fund which represent interest on municipal bonds may be subject to the 20% corporate alternative minimum tax because the dividends are included in a corporation's "adjusted current earnings." The corporate alternative minimum tax treats 75% of the excess of a taxpayer's pre-tax "adjusted current earnings" over the taxpayer's alternative minimum taxable income as a tax preference item. "Adjusted current earnings" is based upon the concept of a corporation's "earnings and profits." Since "earnings and profits" generally includes the full amount of any Fund dividend, and alternative minimum taxable income does not include the portion of the Fund's dividend attributable to municipal bonds which are not private activity bonds, the difference will be included in the calculation of the corporation's alternative minimum tax.

Dividends of the Fund representing net interest income earned on some temporary investments and any realized net short-term gains are taxed as ordinary income.

These tax consequences apply whether dividends are received in cash or as additional shares. Information on the tax status of dividends and distributions is provided annually.

PENNSYLVANIA CORPORATE AND PERSONAL PROPERTY TAXES

In the opinion of Houston, Houston & Donnelly, counsel to the Trust:

- the Fund is not subject to Pennsylvania corporate or personal property taxes; and
- Fund shares may be subject to personal property taxes imposed by counties, municipalities, and school districts in Pennsylvania to the extent that the portfolio securities in the Fund would be subject to such taxes if owned directly by residents of those jurisdictions.

OTHER STATE AND LOCAL TAXES

Distributions representing net interest received on tax-exempt municipal securities are not necessarily free from income taxes of any state or local taxing authority. State laws differ on this issue and shareholders are urged to consult their own tax advisers.

14

PERFORMANCE INFORMATION

From time to time, the Fund advertises its total return, yield, and tax-equivalent yield.

Total return represents the change, over a specific period of time, in the value of an investment in the Fund after reinvesting all income and capital gains distributions. It is calculated by dividing that change by the initial investment and is expressed as a percentage.

The yield of the Fund is calculated by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the maximum offering price per share of the Fund on the last day of the period. This number is then annualized using semi-annual compounding. The tax-equivalent yield of the Fund is calculated similarly to the yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a specific tax rate. The yield and the tax-equivalent yield do not necessarily reflect income actually earned by the Fund and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

From time to time, advertisements for the Fund may refer to ratings, rankings and other information in certain financial publications and/or compare the Fund's performance to certain indices.

15

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

FINANCIAL HIGHLIGHTS--INSTITUTIONAL SERVICE SHARES*

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Reference is made to the Report of Independent Public Accountants on page 34.

<TABLE>
<CAPTION>

	YEAR ENDED MAY 31,	
	1995 (a)	1994 (b)
<S>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	\$10.52	\$11.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income	0.28	0.36
Net realized and unrealized gain (loss) on investments	(0.44)	(0.48)
Total from investment operations	(0.16)	(0.12)
LESS DISTRIBUTIONS		
Distributions from net investment income	(0.28)	(0.36)
NET ASSET VALUE, END OF PERIOD	\$10.08	\$10.52
TOTAL RETURN (c)	-1.53%	-1.10%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.84% (d)	0.89% (d)
Net investment income	4.88% (d)	4.66% (d)
Expense waiver/reimbursement (e)	0.14% (d)	0.14% (d)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)	\$0	\$1,715

<FN>

* As of December 21, 1994, Institutional Service Shares were no longer offered and ceased to exist. Prior to that date, the Fund had offered two classes of shares, known as Institutional Shares and Institutional Service Shares.

- (a) Reflects operations for the period from June 1, 1994 to December 21, 1994 (date Institutional Service Shares ceased operations.)
- (b) Reflects operations for the period from September 6, 1993 (date of initial public offering) to May 31, 1994.
- (c) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.
- (d) Computed on an annualized basis.
- (e) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

</TABLE>

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

16

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)
PORTFOLIO OF INVESTMENTS
MAY 31, 1995

<TABLE>

<CAPTION>

PRINCIPAL
AMOUNTCREDIT
RATING*

VALUE

<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--98.1%			

	ALABAMA--0.7%		
\$1,500,000	Alabama Water Pollution Control Authority, 6.35% State Revolving Fund Loan Bonds, (Series 1991)/(AMBAC Insured), 8/15/2001	AAA	\$ 1,625,040
	ARIZONA--5.9%		
1,000,000	Arizona State Department of Transportation, 5.50% Revenue Bonds (Series 1992B)/(Original Issue Yield: 5.60%)/(AMBAC Insured), 7/1/2002	Aaa	1,042,170
1,500,000	Maricopa County, AZ, 8.20% Revenue Bonds (MBIA Insured), 12/1/1996	Aaa	1,557,075
1,000,000	Mesa, AZ, 7.125% GO Bonds, 7/1/1999	A1	1,051,480
1,500,000	Phoenix, AZ, 7.40% GO Bonds (Series A), 7/1/2000	AA+	1,693,440
2,900,000	Pima County, AZ, Tucson Unified School District #1, 4.80% School Improvement Bonds (Series 1993E)/(Original Issue Yield: 4.90%)/(FGIC Insured), 7/1/2003	AAA	2,871,174
5,000,000	Salt River Project, AZ, Agricultural Improvement & Power District, 7.10% Electric System Revenue Bonds, 1/1/2000	AA	5,386,650
	Total		13,601,989
	ARKANSAS--1.8%		
4,000,000	North Little Rock, AR, 9.50% Hydro-Electric Revenue Bonds (Prerefunded), 7/1/1995 (@103)	Aaa	4,138,000
	CALIFORNIA--4.1%		

2,250,000	California State Veterans Affairs, 7.80% GO Bonds (Series AV), 10/1/2000	AAA	2,567,475
2,000,000	Los Angeles, CA, Department of Water & Power, 9.00% Electric Plant Revenue Bonds, 2/1/2001	AA	2,415,520

</TABLE>

17

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			
CALIFORNIA--CONTINUED			
\$1,875,000	Los Angeles, CA, Department of Water & Power, 9.00% Electric Plant Revenue Bonds, 6/1/2000	AA	\$ 2,284,631
1,800,000	Los Angeles, CA, Department of Water & Power, 9.00% Electric Plant Revenue Bonds, 6/1/2001	AA	2,142,216
	Total		9,409,842
FLORIDA--7.1%			
3,000,000	Dade County, FL, 10.00% Solid Waste Revenue Bonds (Prerefunded), 10/1/1995 (@102)	Aaa	3,120,780
3,000,000	Florida State Board of Education, 6.00% UT GO Capital Outlay Bonds, (Series 1991B), 6/1/2001	AA	3,219,660
2,000,000	Florida State Board of Education, 6.25% Public Education Capital Outlay Bonds, (Series 1991C), 6/1/2001	Aa	2,172,400
5,500,000	Jacksonville, FL, Electric Authority, 6.70% Electric Revenue Bonds (St. John's River Park Power Project), 10/1/1999	AA	5,635,025
1,000,000	Miami Beach, FL, HFDA, 5.60% Revenue Bonds (Mount Sinai Medical Center)/(Original Issue Yield: 5.65%)/(Capital Guaranty), 11/15/2002	Aaa	1,059,250
1,050,000	Plantation, FL, Water & Sewer Authority, 8.70% Revenue Bonds (MBIA Insured)/(ETM), 3/1/1996	Aaa	1,087,737
	Total		16,294,852
GEORGIA--3.9%			
2,000,000	Georgia Municipal Electric Authority, 6.50% Power Supply Revenue Bonds (Series U), 1/1/2000	A	2,144,220
1,000,000	Georgia Municipal Electric Authority, 6.60% Power Supply Revenue Bonds (Series U), 1/1/2001	A	1,085,660
5,000,000	Georgia State, 7.70% GO Bonds, 2/1/2001	AA+	5,781,200
	Total		9,011,080

</TABLE>

18

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL CREDIT

AMOUNT		RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

	HAWAII--5.4%		
\$3,000,000	City & County of Honolulu, HI, 6.30% GO Bonds, (Series 1991A), 8/1/2001	AA	\$ 3,266,700
1,000,000	Hawaii State, 5.85% GO Bonds (Series 1991BU)/(Original Issue Yield: 5.95%), 11/1/2001	AA	1,064,160
2,000,000	Hawaii State, 6.25% GO Bonds (Series 1992BZ), 10/1/2002	Aa	2,183,780
5,000,000	Hawaii State, 8.00% GO Bonds (Series 1991BT), 2/1/2001	AA	5,795,850
	Total		12,310,490

ILLINOIS--5.5%			
2,000,000	Chicago, IL, School Finance Authority, 8.00% Revenue Bonds, (FGIC Insured), 6/1/1997	Aaa	2,040,000
3,000,000	Du Page, IL, Water Commission, 6.05% GO Water Refunding Bonds (Du Page, Cook & Will Counties)/ (Series 1992), 3/1/2002	Aaa	3,206,640
3,000,000	Illinois Municipal Electric Agency, Power Supply System, 6.20%, Revenue Bonds (Series 1991A)/(AMBAC Insured), 2/1/2001	AAA	3,196,800
1,840,000	Illinois State Highway Authority, 9.125% Revenue Bonds, (Northern Illinois Toll Highway)/(Prerefunded 1/1/1996 @102)	AAA	1,931,062
2,000,000	University of Illinois Board of Trustees, 6.40% Auxiliary Facilities System, Revenue Bonds, (Series 1991), 4/1/2001	AA	2,168,360
	Total		12,542,862

MARYLAND--0.5%			
1,000,000	University of Maryland, 5.80% Tuition Revenue Bonds (Series A)/(System Auxiliary Facility), 2/1/2002	Aa	1,058,740

MICHIGAN--3.9%			
4,500,000	Detroit, MI, School District, 4.85% UT GO Bonds (Q-SBLF Program)/(Original Issue Yield: 4.95%), 5/1/2004	AA	4,394,790

</TABLE>

19

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

MICHIGAN--CONTINUED			
\$1,250,000	Jackson County, MI, Hospital Finance Authority, 4.80% Revenue Bonds (Series A)/(Original Issue Yield: 4.90%)/ (FGIC Insured), 6/1/2005	AAA	\$ 1,207,600
2,000,000	Michigan State Building Authority, 6.25% Revenue Bonds (Series II)/(AMBAC Insured), 10/1/2000	AAA	2,155,320
1,000,000	Royal Oak, MI, Hospital Finance Authority,		

7.40% Hospital Revenue Bonds (William Beaumont Hospital), 1/1/2000	Aa	1,068,490

Total		8,826,200

MISSOURI--4.6%		

5,000,000 Missouri State HEFA, 6.00% Health Facilities Revenue Bonds (Series A)/(BJC Health System)/(Original Issue Yield: 6.05%), 5/15/2005	AA	5,287,700

5,000,000 Missouri State HEFA, 6.10% Health Facilities Revenue Bonds (Series A)/(BJC Health System)/(Original Issue Yield: 6.15%), 5/15/2006	AA	5,307,650

Total		10,595,350

NEVADA--0.5%		

1,000,000 Clark County, NV, 9.75% LT GO School Improvement Bonds (MBIA Insured), 6/1/2000	AAA	1,223,710

NEW HAMPSHIRE--1.2%		

2,555,000 New Hampshire State, 6.40% GO Bonds, (Series 1991A), 6/15/2001	AA	2,793,611

NEW YORK--6.7%		

1,500,000 Municipal Assistance Corp. of New York, 6.60% Revenue Bonds (Series 62), 7/1/2000	AA-	1,595,115

2,000,000 Municipal Assistance Corp. of New York, 7.00% Resolution Revenue Bonds, 7/1/1997	AA	2,108,040

</TABLE>

20

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>

INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

NEW YORK--CONTINUED			

\$2,500,000	New York State Environmental Facilities Corp., 6.15% State Water Pollution Control Service Revenue Bonds (New York City Municipal Water Finance Authority)/(Original Issue Yield: 6.25%), 6/15/2004	A-	\$ 2,693,775

2,550,000	New York State Power Authority, 5.90% Revenue and General Purpose Bonds, 1/1/2002	Aa	2,706,595

4,000,000	New York State Thruway Authority Highway & Bridge, 5.625% Revenue Bonds (Series B)/(Original Issue Yield: 5.75%)/(FGIC Insured), 4/1/2005	AAA	4,163,640

1,000,000	New York State Urban Development Corp., 9.20% Revenue Bonds (Prerefunded), 1/1/1996 (@102)	Aaa	1,050,240

1,000,000	Triborough Bridge & Tunnel Authority, NY, 6.625% General Purpose Revenue Bonds (Series S), 1/1/2001	A+	1,098,150
-----			-----
Total			15,415,555

NORTH CAROLINA--5.8%			

3,355,000	Charlotte-Mecklenburg Hospital Authority, NC, 5.90% Health Care System Revenue Bonds		

	(Original Issue Yield: 5.95%), 1/1/2002	Aa	3,493,796
2,000,000	North Carolina Municipal Power Agency, 5.90% Revenue Bonds (Catawba Electric)/(Original Issue Yield: 5.95%), 1/1/2003	A	2,080,360
5,350,000	North Carolina Municipal Power Agency, 6.00% Revenue Bonds (Catawba Electric)/(Original Issue Yield: 6.05%), 1/1/2004	A	5,575,342
2,000,000	North Carolina Municipal Power Agency, 7.25% Revenue Bonds (Catawba Electric), 1/1/2007	A	2,245,600
	Total		13,395,098
OHIO--3.8%			
1,330,000	Franklin County, OH, 5.30% Hospital Facility Revenue Bonds (Series 1993A)/ (Riverside United Methodist Hospital)/(Original Issue Yield: 5.40%), 5/15/2002	AA	1,352,371

</TABLE>

21

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			
OHIO--CONTINUED			
\$2,500,000	Hamilton County, OH, Sewer System, 6.20% Improvement & Refunding Revenue Bonds (Series 1991A)/(Metropolitan Sewer District of Greater Cincinnati), 12/1/2000	AA-	\$ 2,688,650
1,400,000	Montgomery County, OH, 6.20% Revenue Bonds (Series 1991A)/(Sisters of Charity Healthcare Systems, Inc.)/(MBIA Insured), 5/15/2001	AAA	1,507,198
3,000,000	Ohio State Building Authority, 9.625% Revenue Bonds (Prerefunded), 10/1/1995 (@103)	Aaa	3,145,680
	Total		8,693,899
OKLAHOMA--1.8%			
2,000,000	Oklahoma State Industries Authority, 5.70% Revenue Bonds (Series C)/(Baptist Center Health System)/(AMBAC Insured)/(Original Issue Yield: 5.80%), 8/15/2002	AAA	2,078,760
2,000,000	Tulsa, OK, 5.15% GO Refunding Bonds, 6/1/2003	AA	2,040,720
	Total		4,119,480
PENNSYLVANIA--2.5%			
1,000,000	Allegheny County, PA, HDA, 5.50% Revenue Bonds (Presbyterian University Health System)/(Original Issue Yield: 5.60%)/(MBIA Insured), 11/1/2002	Aaa	1,034,370
1,500,000	Allegheny County, PA, HDA, 6.875% Revenue Bonds (Mercy Hospital of Pittsburgh)/(BIGI Insured), 10/1/1999	Aaa	1,576,545
1,500,000	Pennsylvania Infrastructure Investment Authority, 6.15% Revenue Bonds (Series		

	1990B)/(Pennvest Loan Pool Program), 9/1/2001	AA	1,603,080
1,475,000	Washington County, PA, Hospital Authority, 5.50% Revenue Bonds (Shadyside Hospital)/(Original Issue Yield: 5.60%)/ (AMBAC Insured), 12/15/2001	Aaa	1,541,581
	Total		5,755,576

</TABLE>

22

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

SOUTH CAROLINA--3.7%			
\$ 730,000	Columbia, SC, Waterworks & Sewer System, 6.40% Revenue Bonds, (Prerefunded), 2/1/2001	AAA	\$ 793,882
4,270,000	Columbia, SC, Waterworks & Sewer System, 6.40% Revenue Bonds, 2/1/2001	AA	4,624,880
3,000,000	South Carolina Public Service Authority, 9.50% Electric Revenue Bonds (Prerefunded), 7/1/1995 (@103)	Aaa	3,103,500
	Total		8,522,262

TENNESSEE--1.9%			
3,000,000	Memphis, TN, 5.625% Electric System Revenue Bonds, 1/1/2002	Aa	3,157,170
1,065,000	Metropolitan Government of Nashville & Davidson County, TN, 5.85% Health & Educational Facilities Board Revenue Bonds, (Series 1991B)/(The Vanderbilt University)/(Original Issue Yield: 5.95%), 10/1/2001	AA	1,130,732
	Total		4,287,902

TEXAS--19.7%			
1,000,000	Canyon, TX, ISD, 8.20% GO Bonds (MBIA Insured), 2/15/1996	Aaa	1,028,550
5,000,000	Central Texas Higher Education Authority, 4.85% (Series C), 12/1/2002	Aa	4,901,550
2,000,000	Dallas County, TX, 8.75% UT GO Bonds, 1/10/1996	Aaa	2,057,000
1,755,000	Dallas, Denton & Collins Townships, TX, Waterworks & Sewer System, 6.60% Revenue Bonds, 4/1/2000	Aa	1,852,824
1,000,000	Dallas, Denton & Collins Townships, TX, Waterworks & Sewer System, 9.50% Revenue Bonds, 10/1/1998	Aa	1,082,380
4,000,000	Garland, TX, 5.80% UT GO Bonds, (Dallas County)/ (Original Issue Yield: 5.90%), 8/15/2001	Aa	4,231,920
4,500,000	Houston, TX, ISD, 8.375% LT Schoolhouse Bonds (Series 1991), 8/15/2000	AAA	5,266,620

</TABLE>

23

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>
<CAPTION>
PRINCIPAL AMOUNT CREDIT RATING* VALUE

<C> <S> <C> <C>

INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED

TEXAS--CONTINUED

\$2,500,000	San Antonio, TX, 6.00% Water System Revenue Refunding Bonds (Series 1992)/(Original Issue Yield: 6.15%)/(FGIC Insured), 5/15/2001	Aaa	\$ 2,665,725
1,475,000	San Antonio, TX, 8.625% GO Bonds, 8/1/2000	AA	1,742,875
2,000,000	San Antonio, TX, Electric & Gas System, 7.00% Revenue Bonds, 2/1/1999	Aa	2,166,400
1,650,000	San Antonio, TX, Electric & Gas System, 9.90% Revenue Bonds, 2/1/1998	Aa	1,873,575
6,370,000	Socorro, TX, ISD, 6.25% UT GO Refunding Bonds, (Series 1991A)/ (Permanent School Fund Guaranty)/(Original Issue Yield: 6.30%), 8/15/2001	AAA	6,852,973
3,000,000	Texas State Public Property Finance Corp., 5.10% Acquisition and Refunding Revenue Bonds (Series 1993)/ (Mental Health and Mental Retardation Center)/(CGIC Insured), 9/1/2003	AAA	2,997,750
6,000,000	Texas Water Development Board, 5.80% Revenue Bonds (Series 1992)/(Original Issue Yield: 5.90%), 7/15/2002	Aa	6,357,960
	Total		45,078,102

UTAH--1.0%

2,000,000	Intermountain Power Agency, UT, 7.20% Power Supply Revenue Bonds, 7/1/1999	AA	2,178,920
-----------	----------------------------------------------------------------------------	----	-----------

VIRGINIA--2.8%

2,025,000	Newport News, VA, 5.40% General Improvement GO Refunding Bonds (Series 1992B), 7/1/2002	Aa	2,088,808
1,995,000	Virginia Beach, VA, 6.30% GO Bonds, 3/1/2000	AA	2,145,105
1,995,000	Virginia Beach, VA, 6.30% GO Bonds, 3/1/2001	AA	2,163,418
	Total		6,397,331

</TABLE>

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>
<CAPTION>
PRINCIPAL AMOUNT CREDIT RATING* VALUE

<C> <S> <C> <C>

INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED

WASHINGTON--3.3%

\$1,020,000	Seattle, WA, 6.00% LT GO Refunding Bonds (Series B), 3/1/2002	AA+	\$ 1,088,554
1,500,000	Tacoma, WA, 5.70% Sewer Revenue Bonds (Series B)/ (Original Issue Yield: 5.85%), 12/1/2005	AAA	1,572,465

2,000,000	Washington State, 5.60% GO Motor Vehicle Fuel Tax Refunding Bonds (Series D), 9/1/2001	Aa	2,097,440
2,570,000	Washington State, 6.60% UT GO Bonds (Series A), 2/1/2002	Aa	2,829,493
	Total		7,587,952
	TOTAL INTERMEDIATE-TERM MUNICIPAL SECURITIES (IDENTIFIED COST \$214,382,996)		224,863,843
SHORT-TERM MUNICIPAL SECURITIES--0.3%			
TENNESSEE--0.3%			
800,000	Chattanooga-Hamilton County, TN, Hospital Authority Daily VRDNs (Erlanger Medical Center Guaranty)/(Morgan Guaranty Trust Co. LOC)	A-1	800,000
	TOTAL SHORT-TERM MUNICIPAL SECURITIES (AT AMORTIZED COST)		800,000
	TOTAL MUNICIPAL SECURITIES (IDENTIFIED COST, \$215,182,996) (a)		\$225,663,843

<FN>

* Please refer to the Appendix of the Statement of Additional Information for an explanation of the credit ratings. Current credit ratings are unaudited.

(a) The cost of investments for federal tax purposes amounts to \$215,182,996. The net unrealized appreciation of investments on a federal tax cost basis amounts to \$10,480,847, which is comprised of \$10,715,653 appreciation and \$234,806 depreciation at May 31, 1995.

Note: The categories of investments are shown as a percentage of net assets (\$229,284,686) at May 31, 1995.

</TABLE>

25

FEDERATED INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<S> <C>

The following abbreviations are used in this portfolio:

AMBAC	--American Municipal Bond Assurance Corp.
BIGI	--Bond Investors Guaranty Inc.
CGIC	--Capital Guaranty Insurance Corporation
ETM	--Escrowed to Maturity
FGIC	--Financial Guaranty Insurance Company
GO	--General Obligations
HDA	--Housing Development Authority
HEFA	--Health and Education Facilities Authority
HFDA	--Health Facility Development Authority
ISD	--Independent School District
LOC	--Letter of Credit
LT	--Limited Tax
MBIA	--Municipal Bonds Investors Assurance
Q-SBLF	--Qualified State Bond Loan Fund
UT	--Unlimited Tax
VRDNs	--Variable Rate Demand Notes

</TABLE>

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

26

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1995

<TABLE>	
<S>	
ASSETS:	

Investments in securities, at value (identified and tax cost \$215,182,996)	\$225,663,843

Cash	93,009

Income Receivable	4,555,135

Receivable for shares Sold	38,919

Total assets	230,350,906

LIABILITIES:

</TABLE>

<TABLE>	
<S>	
Dividends payable	<C> \$ 814,390 <C>

Payable for shares redeemed	192,670

Accrued expenses	59,160

</TABLE>

<TABLE>	
<S>	
Total liabilities	<C> 1,066,220 <C>

NET ASSETS for 21,742,785 shares outstanding	\$229,284,686

NET ASSETS CONSIST OF:

Paid-in capital	\$232,246,166

Net unrealized appreciation (depreciation) of investments	10,480,847

Accumulated net realized gain (loss) on investments	(13,442,327)

Total Net Assets	\$229,284,686

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share:	
(\$229,284,686 DIVIDED BY 21,742,785 shares outstanding)	\$ 10.55

</TABLE>

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

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF OPERATIONS
YEAR ENDED MAY 31, 1995

<TABLE>	
<S>	
INVESTMENT INCOME:	

Interest	\$15,101,083

EXPENSES:	

Investment advisory fee	\$1,038,460

Administrative personnel and services fees	196,539

Custodian and portfolio accounting fees	146,451

Shareholder services fee--Institutional Service Shares (note 4)	1,881

Transfer agent and dividend disbursing agent fees and expenses	40,276

Share registration costs	27,597	
Directors'/Trustees' fees	8,696	
Auditing fees	18,613	
Legal fees	11,392	
Printing and postage	22,784	
Insurance premiums	9,300	
Distribution services fees--Institutional Service Shares (note 4)	1,819	
Taxes	9,714	
Miscellaneous	5,470	
Total expenses	1,538,992	
Deduct--		
Waiver of distribution services fees	1,299	
Net expenses		1,537,693
Net investment income		13,563,390
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investments		(5,402,939)
Net change in unrealized appreciation (depreciation) on investments		4,350,977
Net realized and unrealized gain (loss) on investments		(1,051,962)
Change in net assets resulting from operations		\$12,511,428

</TABLE>

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

28

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

	YEAR ENDED MAY 31,	
	1995	1994
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 13,563,390	\$ 14,990,620
Net realized gain (loss) on investment (\$2,484,394 net loss and \$0, respectively, as computed for federal tax purposes)	(5,402,939)	(760,854)
Net change in unrealized appreciation/ (depreciation) of investments	4,350,977	(7,198,457)
Change in net assets resulting from operations	12,511,428	7,031,309
DISTRIBUTIONS TO SHAREHOLDERS--		
Distributions from net investment income:		
Institutional Shares	(13,516,478)	(14,961,284)
Institutional Services Shares	(46,912)	(29,336)
Change in net assets from distributions to shareholders	(13,563,390)	(14,990,620)

SHARE TRANSACTIONS--		
Proceeds from sale of Shares	67,745,760	204,983,560
Net asset value of Shares issued to shareholders in payment of distributions declared	2,440,705	2,548,104
Cost of Shares redeemed	(144,228,224)	(158,476,788)
Change in net assets from Share transactions	(74,041,759)	49,054,876
Change in net assets	(75,093,721)	41,095,565
NET ASSETS:		
Beginning of period	304,378,407	263,282,842
End of period	\$ 229,284,686	\$ 304,378,407

</TABLE>

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

29

FEDERATED INTERMEDIATE MUNICIPAL TRUST

(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1995

(1) ORGANIZATION

Intermediate Municipal Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end, management investment company. The Trust consists of two non-diversified portfolios and one diversified portfolio. The financial statements included herein are only those of Federated Intermediate Municipal Trust (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

Until December 21, 1994, the Fund offered two classes of shares, Institutional Shares and Institutional Service Shares. Effective December 21, 1994, Institutional Service Shares ceased operations and all contracts entered into by the Fund on behalf of Institutional Service Shares were terminated. Institutional Service Shares were identical in all respects to Institutional Shares except that Institutional Service Shares were sold pursuant to a Distribution Plan adopted in accordance with the Act's Rule 12b-1. Also effective December 21, 1994, the class designation for Institutional Shares was eliminated.

Effective December 19, 1994, the Board of Trustees (the "Trustees") changed the name of the Fund from Intermediate Municipal Trust to Federated Intermediate Municipal Trust.

(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. These policies are in conformity with generally accepted accounting principles.

INVESTMENT VALUATIONS--Municipal bonds are valued by an independent pricing service taking into consideration yield, liquidity, risk, credit quality, coupon, maturity, type of issue, and any other factors or market data the pricing service deems relevant in determining valuations for normal institutional size trading units of debt securities. The independent pricing service does not rely exclusively on quoted prices. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be valued at amortized cost, which approximates fair market value.

INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code"). Distributions to shareholders are recorded on the ex-dividend date.

30

FEDERATED INTERMEDIATE MUNICIPAL TRUST

FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its tax-exempt income. Accordingly, no provisions for federal tax are necessary. At May 31, 1995, the Fund, for federal tax purposes, had a capital loss carryforward of \$7,088,018, which will reduce the Fund's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of the distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal tax. Pursuant to the Code, such capital loss carryforward will expire in 1996 (\$3,974,606), 1997 (\$215,810), 1998 (170,468), 2001 (\$242,740) and 2003 (\$2,484,394). Additionally, net capital losses of \$3,679,399 attributable to security transactions incurred after October 31, 1994 are treated as arising on June 1, 1995, the first day of the Fund's next taxable year.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains 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.

OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value) for each class of shares. Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED MAY 31,			
	1995*		1994	
	SHARES	DOLLARS	SHARES	DOLLARS
<S>	<C>	<C>	<C>	<C>
Shares sold	6,524,563	\$ 67,387,240	18,798,999	\$ 203,167,923
Shares issued to shareholders in payment of distributions declared	233,106	2,407,168	233,762	2,527,875
Shares redeemed	(13,796,581)	(142,201,578)	(14,769,157)	(158,406,508)
Net change resulting from Institutional Shares transactions	(7,038,912)	(\$ 72,407,170)	4,263,604	\$ 47,289,290

</TABLE>

FEDERATED INTERMEDIATE MUNICIPAL TRUST

(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

<TABLE>
<CAPTION>

	YEAR ENDED MAY 31,			
	1995**		1994***	
	SHARES	DOLLARS	SHARES	DOLLARS
<S>	<C>	<C>	<C>	<C>
Shares sold	34,479	\$ 358,520	167,890	\$ 1,815,637
Shares issued to shareholders in payment of distributions declared	3,242	33,537	1,896	20,229
Shares redeemed	(200,816)	(2,026,646)	(6,691)	(70,280)

Net change resulting from Institutional Service Shares transactions	(163,095)	(1,634,589)	163,095	\$	1,765,586
Net change resulting from Fund Share transactions	(7,202,007)	(\$ 74,041,759)	4,426,699	\$	49,054,876

<FN>

- * Until December 21, 1994, the Fund offered two classes of shares, Institutional Shares and Institutional Service Shares. As of December 21, 1994, Institutional Service Shares ceased operations and the class designation for Institutional Shares was eliminated.
- ** For the period from June 1, 1994 to December 21, 1994 (date Institutional Service Shares ceased operations).
- *** For the period from September 6, 1993 (date of initial public offering) to May 31, 1994.

</TABLE>

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .40% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive its fee. The Adviser can modify or terminate this voluntary waiver at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS"), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. The FAS fee is based on the level of average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors for the period. The administrative fee received during the period of the Administrative Agreement shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares.

DISTRIBUTION AND SHAREHOLDER SERVICES FEE--As of December 21, 1994, Institutional Service Shares were no longer offered and ceased to exist. In addition, the Distribution Plan (the "Plan") was discontinued. Under the terms of the Plan, the Fund compensated Federated Securities Corp. ("FSC"), the principal distributor, from the net assets of the Institutional Service Shares to finance activities intended to result in the sale of the Fund's Institutional Service Shares subject to the Plan. The Plan provided that the Fund may incur distribution expenses up to .25 of 1% of the average daily net assets of the Institutional Service Shares, annually, to compensate FSC. When the Plan was in

32

FEDERATED INTERMEDIATE MUNICIPAL TRUST

(FORMERLY, INTERMEDIATE MUNICIPAL TRUST)

effect, FSC chose to voluntarily waive a portion of its fees. As a result, the Fund paid \$520 under the Plan.

Under the terms of a Shareholder Services Agreement with Federated Shareholder Services ("FSS"), the Fund will pay FSS up to .25 of 1% of average daily net assets of each class of shares for the period. The fee is to obtain certain services for shareholders and to maintain shareholder accounts. For the year ended May 31, 1995, Institutional Shares did not incur a shareholder services fee.

TRANSFER AND DIVIDEND DISBURSING AGENT FEES AND EXPENSES--Federated Services Company ("FServ") serves as transfer agent and dividend disbursing agent for the Fund. The fee is based on the size, type, and number of accounts and transactions made by shareholders.

INTERFUND TRANSACTIONS--During the year ended May 31, 1995, the Fund engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees, and/or common Officers. These transactions were made at current market value pursuant to Rule 17a-7 under the Act amounting to \$59,600,000 and \$66,888,860, respectively.

GENERAL--Certain of the Officers and Trustees of the Trust are Officers and Directors or Trustees of the above companies.

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the year ended May 31, 1995, were as follows:

<TABLE>

<S>

<C>

PURCHASES	\$ 27,509,077
SALES	\$ 99,529,561

</TABLE>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Trustees of
 INTERMEDIATE MUNICIPAL TRUST
 (Federated Intermediate Municipal Trust)
 (formerly, Intermediate Municipal Trust):

We have audited the accompanying statement of assets and liabilities of Federated Intermediate Municipal Trust (an investment portfolio of Intermediate Municipal Trust, a Massachusetts business trust), including the schedule of portfolio of investments, as of May 31, 1995, and the related statement of operations for the year then ended, the statement of changes in net assets, and financial highlights (see page 2 and 16 of the prospectus) for the periods presented. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of the securities owned as of May 31, 1995, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Federated Intermediate Municipal Trust, an investment portfolio of Intermediate Municipal Trust as of May 31, 1995, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the periods presented, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Pittsburgh, Pennsylvania
 June 30, 1995

ADDRESSES

<TABLE>		
<S>		
Fund	Federated Intermediate Municipal Trust	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
Distributor	Federated Securities Corp.	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
Investment Adviser	Federated Management	Federated Investors Tower Pittsburgh, Pennsylvania 15222-3779
Custodian	State Street Bank and Trust Company	P.O. Box 8600 Boston, Massachusetts 02266-8600
Transfer Agent and Dividend Disbursing Agent	Federated Services Company	P.O. Box 8600 Boston, Massachusetts 02266-8600

</TABLE>

35

FEDERATED INTERMEDIATE
MUNICIPAL TRUST
PROSPECTUS

A Diversified Portfolio of Intermediate
Municipal Trust, An Open-End Management
Investment Company

July 31, 1995

[LOGO] FEDERATED SECURITIES CORP.
Distributor
A subsidiary of FEDERATED INVESTORS
FEDERATED INVESTORS TOWER
PITTSBURGH, PA 15222-3779
CUSIP 458810108
8061702A-IS (7/95)

[RECYCLED PAPER LOGO]

Federated Intermediate Municipal Trust
(A Portfolio of Intermediate Municipal Trust)
Statement of Additional Information

This Statement of Additional Information should be read with the prospectus of Federated Intermediate Municipal Trust (formerly "Intermediate Municipal Trust") (the "Fund") dated July 31, 1995. This Statement is not a prospectus itself. To receive a copy of the prospectus, write or call the Fund.
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779
Statement dated July 31, 1995

FEDERATED SECURITIES CORP. Distributor A subsidiary of Federated Investors General Information About the Trust	1
Investment Objective and Policies	1
Acceptable Investments When-Issued and Delayed Delivery Transactions	1
Temporary Investments	2
Portfolio Turnover	3
Investment Limitations	3
Management of Intermediate Municipal Trust	5
Officers and Trustees	5
Fund Ownership	9
Trustees' Compensation	10
Trustee Liability	10
Investment Advisory Services	11
Adviser to the Fund	11
Advisory Fees	11
Other Related Services	11
Administrative Services	11
Shareholder Services Agreement	11
Transfer Agent and Dividend Disbursing Agent	12
Brokerage Transactions	12

Conversion to Federal Funds	12
Determining Net Asset Value	12
Determining Value of Securities	12
Redeeming Shares	13
Redemption in Kind	13
Exchanging Securities for Fund Shares	13
Tax Consequences	13
Tax Status	13
The Fund's Tax Status	13
Shareholders' Tax Status	14
Total Return	14
Yield	14
Tax-Equivalent Yield	14
Performance Comparisons	15
About Federated Investors	16
Mutual Fund Market	16
Appendix	18

General Information About the Trust

Intermediate Municipal Trust (the "Trust") was established as a Massachusetts business trust under a Declaration of Trust dated May 31, 1985. On September 1, 1993, the name of the Trust was changed from Federated Intermediate Municipal Trust to Intermediate Municipal Trust.

Investment Objective and Policies

The Fund's investment objective is to provide current income exempt from federal regular income tax. The investment objective cannot be changed without approval of shareholders.

Acceptable Investments

The Fund invests at least 80% of its net assets in a diversified portfolio of municipal securities with an average weighted maturity of not less than three or more than ten years. The investment policy objective stated above cannot be changed without the approval of shareholders. The following investment policies may be changed without shareholder approval.

Characteristics

The municipal securities in which the Fund invests have the characteristics set forth in the prospectus.

A municipal security will be determined by the Fund's adviser to meet the quality standards established by the Trust's Board of Trustees (the "Trustees") if it is of comparable quality to municipal securities within the Fund's rating requirements. The Trustees consider the creditworthiness of the issuer of a municipal security, the issuer of a participation interest if the Fund has the right to demand payment from the issuer of the interest, or the guarantor of payment by either of those issuers. The Fund is not required to sell a municipal security if the security's rating is reduced below the required minimum subsequent to its purchase by the Fund. The investment adviser considers this event, however, in its determination of whether the Fund should continue to hold the security in its portfolio. If Moody's Investors Service, Inc. or Standard & Poor's Ratings Group ratings change because of changes in those organizations or in their rating systems, the Fund will try to use comparable ratings as standards in accordance with the investment policies described in the Fund's prospectus.

Types of Acceptable Investments

Examples of municipal securities are:

- municipal notes and tax-exempt commercial paper;
- serial bonds sold with a series of maturity dates;
- tax anticipation notes sold to finance working capital needs of municipalities in anticipation of receiving taxes;
- bond anticipation notes sold in anticipation of the issuance of longer-term bonds;
- pre-refunded municipal bonds refundable at a later date (payment of principal and interest on prerefunded bonds are assured through the first call date by the deposit in escrow of U.S. government securities); or
- general obligation bonds secured by a municipality's pledge of taxation.

Participation Interests

The financial institutions from which the Fund purchases participation interests frequently provide or secure from other financial institutions irrevocable letters of credit or guarantees and give the Fund the right to demand payment on specified notice (normally within thirty days) from the issuer of the letter of credit or guarantee. These financial institutions may charge certain fees in connection with their repurchase commitments, including a fee equal to the excess of the interest paid on the municipal securities over the negotiated yield at which the participation interests were purchased by the Fund. By purchasing participation interests, the Fund is buying a security meeting the maturity and quality requirements of the Fund and is also receiving the tax-free benefits of the underlying securities.

In the acquisition of participation interests, the Fund's investment adviser will consider the following quality factors:

- a high-quality underlying municipal security (of which the Trust takes possession);
- a high-quality issuer of the participation interest; or
- a guarantee or letter of credit from a high-quality financial institution supporting the participation interest.

Variable Rate Municipal Securities

Variable interest rates generally reduce changes in the market value of municipal securities from their original purchase prices. Accordingly, as interest rates decrease or increase, the potential for capital appreciation or depreciation is less for variable rate municipal securities than for fixed income obligations.

Many municipal securities with variable interest rates purchased by the Fund are subject to repayment of principal (usually within seven days) on the Fund's demand. The terms of these variable rate demand instruments require payment of principal and accrued interest from the issuer of the municipal obligations, the issuer of the participation interests, or a guarantor of either issuer.

When-Issued and Delayed Delivery Transactions

These transactions are made to secure what is considered to be an advantageous price or yield for the Fund. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase prices. No fees or other expenses, other than normal transaction costs, are incurred. However, liquid assets of the Fund sufficient to make payment for the securities to be purchased are segregated on the Fund's records at the trade date. These assets are marked to market daily and are maintained until the transaction has been settled. The Fund may engage in when-issued and delayed delivery transactions to an extent that would cause the segregation of an amount up to 20% of the total value of its assets.

Temporary Investments

The Fund may also invest in temporary investments, from time to time, for temporary, defensive purposes. The Fund does not presently intend to invest in taxable temporary investments in the coming year. The Fund might invest in temporary investments:

- while waiting to invest proceeds of sales of portfolio securities, although generally such proceeds will be invested in municipal securities as quickly as possible;
- in anticipation of redemption requests; or
- for temporary defensive purposes, in which case the Fund may invest more than 20% of the value of its net assets in cash or cash items, U.S. Treasury bills or securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, or repurchase agreements.

The Fund will not purchase temporary investments (other than securities of the U.S. government, its agencies or instrumentalities) if, as a result of the purchase, 25% or more of the value of its total assets would be invested in any one industry.

Repurchase Agreements

Repurchase agreements are arrangements in which banks, broker/dealers, and other recognized financial institutions sell U.S. government or agency securities or other securities to the Fund and agree at the time of sale to repurchase them at a mutually agreed upon time and price within one year from the date of acquisition. The Fund or its custodian will take possession of the securities subject to repurchase agreements. To the extent that the original seller does not repurchase the securities from the Fund, the Fund could receive less than the repurchase price on any sale of such securities. In the event that such a defaulting seller filed for bankruptcy or became insolvent, disposition of such securities by the Fund might be delayed pending court action. The Fund believes that under the regular procedures normally in effect for custody of the Fund's portfolio securities subject to repurchase agreements, a court of competent jurisdiction would rule in favor of the Fund and allow retention or disposition of such securities. The Fund may only enter into repurchase agreements with banks and other recognized financial institutions such as broker/dealers which are found by the Fund's adviser to be creditworthy pursuant to guidelines established by the Trustees. The Fund's adviser will also monitor the creditworthiness of the seller.

From time to time, such as when suitable municipal securities are not available, the Fund may invest a portion of its assets in cash. Any portion of the Fund's assets maintained in cash will reduce the amount of assets in municipal securities and thereby reduce the Fund's yield.

Portfolio Turnover

The Fund will not attempt to set or meet a portfolio turnover rate since any turnover would be incidental to transactions undertaken in an attempt to achieve the Fund's investment objective. During the fiscal years ended May 31, 1995 and 1994, the portfolio turnover rates were 11% and 7%, respectively.

Investment Limitations

Diversification of Investments

With respect to 75% of the value of the Fund's total assets, the Fund will not purchase securities of any one issuer (other than securities issued or guaranteed by the government of the United States or its agencies or instrumentalities) if as a result more than 5% of the value of its total assets would be invested in the securities of that issuer.

Under this limitation, each governmental subdivision, including states and the District of Columbia, territories, possessions of the United States, or their political subdivisions, agencies, authorities, instrumentalities, or similar entities, will be considered a separate issuer if its assets and revenues are separate from those of the governmental body creating it and the security is backed only by its own assets and revenues.

Industrial development bonds backed only by the assets and revenues of a nongovernmental user are considered to be issued solely by that user. If in the case of an industrial development bond or government-issued security, a governmental or some other entity guarantees the security, such guarantee would be considered a separate security issued by the guarantor, subject to a limit on investments in the guarantor of 10% of total assets.

Acquiring Securities

The Fund will not acquire the voting securities of any issuer, except as part of a merger, consolidation, reorganization, or acquisition of assets. It will not invest in securities issued by any other investment company or investment trust.

Concentration of Investments

The Fund does not intend to purchase securities (other than pre-refunded municipal bonds prior to the termination of the escrow arrangement, securities guaranteed by the U.S. government or its agencies or direct obligations of the U.S. government) if, as a result of such purchases, 25% or more of the value of its total assets would be invested in a governmental subdivision in any one state, territory, or possession of the United States.

This policy applies to securities which are related in such a way that an economic, business, or political development affecting one security would also affect the other securities (such as securities paid from revenues from selected projects in transportation, public works, education, or housing).

Borrowing

The Fund will not borrow money except as a temporary measure for extraordinary or emergency purposes and then only in amounts not in excess of 5% of the value of its total assets or in an amount up to one-third of the value of its total assets, including the amount borrowed, in order to meet redemption requests without immediately selling portfolio securities. This borrowing provision is not for investment leverage but solely to facilitate management of the portfolio by enabling the Fund to meet redemption requests when the liquidation of portfolio securities would be inconvenient or disadvantageous. Interest paid on borrowed funds will serve to reduce the Fund's income. The Fund will liquidate any such borrowings as soon as possible and may not purchase any portfolio securities while any borrowings are outstanding.

Pledging Assets

The Fund will not mortgage, pledge, or hypothecate any assets except to secure permitted borrowings. In those cases, it may mortgage, pledge or hypothecate assets having a market value not exceeding 10% of the value of total assets at the time of the borrowing.

Underwriting

The Fund will not underwrite any issue of securities, except as it may be deemed to be an underwriter under the Securities Act of 1933 in connection with the sale of securities in accordance with its investment objective, policies, and limitations.

Issuing Senior Securities

The Fund will not issue senior securities except for delayed-delivery and when-issued transactions and futures contracts, each of which might be considered senior securities. In addition, the Fund reserves the right to purchase municipal securities which the Fund has the right or obligation to sell to a third party (including the issuer of a participation interest).

Investing in Real Estate

The Fund will not purchase or sell real estate, although it may invest in municipal securities secured by real estate or interests in real estate.

Investing in Commodities and Minerals

The Fund will not purchase or sell commodities, commodity contracts, or oil, gas, or other mineral exploration or development programs or leases.

Lending Cash or Securities

The Fund will not lend any of its assets, except that it may acquire publicly or nonpublicly issued municipal securities as

permitted by its investment objective and policies.

Dealing in Puts And Calls

The Fund will not purchase or sell puts, calls, straddles, spreads, or any combination of them, except that the Fund may purchase put options on municipal securities in an amount up to 10% of its total assets or may purchase municipal securities accompanied by agreements of sellers to repurchase them at the Fund's option.

Investing in New Issuers

The Fund will not invest more than 5% of the value of its total assets in industrial development bonds where the payment of principal and interest are the responsibility of a company with a record of less than three years of continuous operation, including the operation of any predecessor.

Except as noted, the above investment limitations cannot be changed without shareholder approval. The following restrictions, however, may be changed by the Trustees without shareholder approval. Except as noted, shareholders will be notified before any material change in these limitations becomes effective.

Selling Short and Buying On Margin

The Fund will not sell any securities short or purchase any securities on margin, but may obtain such short-term credits as may be necessary for clearance of purchases and sales of securities.

Investing in Issuers Whose Securities Are Owned by Officers of the Trust

The Fund will not purchase or retain the securities of any issuer if the Officers and Trustees of the Trust or its investment adviser, owning individually more than 1/2 of 1% of the issuer's securities, together own more than 5% of the issuer's securities.

Investing in Illiquid Securities

The Fund will not invest more than 15% of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, and certain restricted securities not determined by the Trustees to be liquid.

In addition, to comply with investment restrictions of a certain state, the Fund will not invest in real estate limited partnerships.

Except with respect to borrowing money, if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value or net assets will not result in a violation of such restriction. The Fund has no present intent to borrow money, pledge securities, or purchase put options during the coming year.

For purposes of its policies and limitations, the Fund considers certificates of deposit and demand and time deposits issued by a U.S. branch of a domestic bank or savings and loan having capital, surplus, and undivided profits in excess of \$100,000,000 at the time of investment to be "cash items."

Management of Intermediate Municipal Trust Officers and Trustees

Officers and Trustees are listed with their addresses, principal occupations during the past five years, birthdates and present positions, including any affiliation with Federated Management, Federated Investors, Federated Securities Corp., Federated Services Company, Federated Administrative Services, Federated Shareholder Services, and the Funds (as defined below).

John F. Donahue@*

Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: July 28, 1924
Chairman and Trustee

Chairman and Trustee, Federated Investors, Federated Advisers, Federated Management, and Federated Research; Chairman and Director, Federated Research Corp.; Chairman, Passport Research, Ltd.; Chief Executive Officer and Director, Trustee, or Managing General Partner of the Funds. Mr. Donahue is the father of J. Christopher Donahue, Executive Vice President of the Company.

Glen R. Johnson *

Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: May 2, 1929
President and Trustee

Trustee, Federated Investors; President and/or Trustee of some of the Funds; staff member, Federated Securities Corp. and Federated Administrative Services.

Thomas G. Bigley

28th Floor, One Oxford Centre
Pittsburgh, Pennsylvania
Birthdate: February 3, 1934

Trustee
Director, Oberg Manufacturing Co.; Chairman of the Board, Children's Hospital of Pittsburgh; Director, Trustee, or Managing General Partner of the Funds; formerly, Senior Partner, Ernst & Young LLP.

John T. Conroy, Jr.
Wood/IPC Commercial Department
John R. Wood and Associates, Inc., Realtors
3255 Tamiami Trail North
Naples, Florida
Birthdate: June 23, 1937

Trustee
President, Investment Properties Corporation; Senior Vice-President, John R. Wood and Associates, Inc., Realtors; President, Northgate Village Development Corporation; Partner or Trustee in private real estate ventures in Southwest Florida; Director, Trustee, or Managing General Partner of the Funds; formerly, President, Naples Property Management, Inc.

William J. Copeland
One PNC Plaza - 23rd Floor
Pittsburgh, Pennsylvania
Birthdate: July 4, 1918

Trustee
Vi
Vice Chairman and Director, PNC Bank, N.A., and PNC Bank Corp. and Director, Ryan Homes, Inc.

James E. Dowd
571 Hayward Mill Road
Concord, Massachusetts
Birthdate: May 18, 1922
Trustee
Attorney-at-law; Director, The Emerging Germany Fund, Inc.; Director, Trustee, or Managing General Partner of the Funds.

Lawrence D. Ellis, M.D.*
3471 Fifth Avenue, Suite 1111
Pittsburgh, Pennsylvania
Birthdate: October 11, 1932
Trustee
Professor of Medicine and Member, Board of Trustees, University of Pittsburgh; Medical Director, University of Pittsburgh Medical Center - Downtown; Member, Board of Directors, University of Pittsburgh Medical Center; formerly, Hematologist, Oncologist, and Internist, Presbyterian and Montefiore Hospitals; Director, Trustee, or Managing General Partner of the Funds.

Edward L. Flaherty, Jr.@
Henny, Kochuba, Meyer and Flaherty
Two Gateway Center - Suite 674
Pittsburgh, Pennsylvania
Birthdate: June 18, 1924
Trustee
Attorney-at-law; Shareholder, Henny, Kochuba, Meyer and Flaherty; Director, Eat'N Park Restaurants, Inc., and Statewide Settlement Agency, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Counsel, Horizon Financial, F.A., Western Region.

Peter E. Madden
70 Westcliff Road
Westin, Massachusetts
Birthdate: March 16, 1942
Trustee
Consultant; State Representative, Commonwealth of Massachusetts; Director, Trustee, or Managing General Partner of the Funds; formerly, President, State Street Bank and Trust Company and State Street Boston Corporation.

Gregor F. Meyer
Henny, Kochuba, Meyer and Flaherty
Two Gateway Center - Suite 674
Pittsburgh, Pennsylvania
Birthdate: October 6, 1926
Trustee

M
Meritcare, Inc.; Director, Eat'N Park Restaurants, Inc.; Director, Trustee, or Managing General Partner of the Funds.

John E. Murray, Jr., J.D., S.J.D.
President, Duquesne University
Pittsburgh, Pennsylvania
Birthdate: December 20, 1932

Trustee
President, Law Professor, Duquesne University; Consulting Partner,
Mollica, Murray and Hogue; Director, Trustee or Managing General Partner
of the Funds.

Wesley W. Posvar
1202 Cathedral of Learning
University of Pittsburgh
Pittsburgh, Pennsylvania
Birthdate: September 14, 1925

Trustee
Professor, International Politics and Management Consultant; Trustee,
Carnegie Endowment for International Peace, RAND Corporation, Online
Computer Library Center, Inc., and U.S. Space Foundation; Chairman,
Czecho Management Center; Director, Trustee, or Managing General Partner
of the Funds; President Emeritus, University of Pittsburgh; founding
Chairman, National Advisory Council for Environmental Policy and
Technology and Federal Emergency Management Advisory Board.

Marjorie P. Smuts
4905 Bayard Street
Pittsburgh, Pennsylvania
Birthdate: June 21, 1935

Trustee
Public relations/marketing consultant; Conference Coordinator, Non-
profit entities; Director, Trustee, or Managing General Partner of the
Funds.

J. Christopher Donahue
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: April 11, 1949

Executive Vice President
President and Trustee, Federated Investors, Federated Advisers,
Federated Management, and Federated Research; President and Director,
Federated Research Corp.; President, Passport Research, Ltd.; Trustee,
Federated Administrative Services, Federated Services Company, and
Federated Shareholder Services; President or Vice President of the
Funds; Director, Trustee, or Managing General Partner of some of the
Funds. Mr. Donahue is the son of John F. Donahue, Chairman and Trustee
of the Company.

Edward C. Gonzales *
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: October 22, 1930

Executive Vice President
Vice President, Treasurer, and Trustee, Federated Investors; Vice
President and Treasurer, Federated Advisers, Federated Management,
Federated Research, Federated Research Corp., and Passport Research,
Ltd.; Executive Vice President, Treasurer, and Director, Federated
Securities Corp.; Trustee, Federated Services Company and Federated
Shareholder Services; Chairman, Treasurer, and Trustee, Federated
Administrative Services; Trustee or Director of some of the Funds;
Executive Vice President or President of the Funds.

John W. McGonigle
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: October 26, 1938

Executive Vice President and Secretary
Vice President, Secretary, General Counsel, and Trustee, Federated
Investors; Vice President, Secretary, and Trustee, Federated Advisers,
Federated Management, and Federated Research; Vice President and
Secretary, Federated Research Corp. and Passport Research, Ltd.;
Trustee, Federated Services Company; Executive Vice President,
Secretary, and Trustee, Federated Administrative Services; Secretary and
Trustee, Federated Shareholder Services; Executive Vice President and
Director, Federated Securities Corp.; Vice President and Secretary of
the Funds.

Richard B. Fisher
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: May 17, 1923

Vice President
Executive Vice President and Trustee, Federated Investors; Director,
Federated Research Corp.; Chairman and Director, Federated Securities
Corp.; President or Vice President of some of the Funds; Director or
Trustee of some of the Funds.

David M. Taylor *
Federated Investors Tower

Pittsburgh, Pennsylvania
 Birthdate: January 13, 1947
 Treasurer

Senior Vice President, Contoller, and Trustee, Federated Investors;
 Contoller, Federated Advisers, Federated Management, Federated
 Research, Federated Research Corp., and Passport Research, Ltd.; Senior
 Vice President, Federated Shareholder Services; Senior Vice President,
 Federated Administrative Services; Treasurer of the Funds.

* This Trustee is deemed to be an "interested person" as defined
 in the Investment Company Act of 1940, as amended.

@ Member of the Executive Committee. The Executive Committee of
 the Board of Trustee handles the responsibilities of the Board
 of Trustee between meetings of the Board.

As used in the table above, "The Funds" and "Funds" mean the following
 investment companies: American Leaders Fund, Inc.; Annuity Management
 Series; Arrow Funds; Automated Cash Management Trust; Automated
 Government Money Trust; California Municipal Cash Trust; Cash Trust
 Series II; Cash Trust Series, Inc.; DG Investor Series; Edward D. Jones
 & Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange
 Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated
 Growth Trust; Federated High Yield Trust; Federated Income Securities
 Trust; Federated Income Trust; Federated Index Trust; Federated
 Institutional Trust; Federated Master Trust; Federated Municipal Trust;
 Federated Short-Term Municipal Trust; Federated Short-Term U.S.
 Government Trust; Federated Stock Trust; Federated Tax-Free Trust;
 Federated Total Return Series, Inc.; Federated U.S. Government Bond
 Fund; Federated U.S. Government Securities Fund: 1-3 Years; Federated
 U.S. Government Securities Fund: 3-5 Years; First Priority Funds; Fixed
 Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund,
 Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.;
 Fund for U.S. Government Securities, Inc.; Government Income Securities,
 Inc.; High Yield Cash Trust; Insurance Management Series; Intermediate
 Municipal Trust; International Series, Inc.; Investment Series Funds,
 Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty
 High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.;
 Liberty U.S. Government Money Market Trust; Liberty Term Trust, Inc. -
 1999; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series
 Trust; Money Market Management, Inc.; Money Market Obligations Trust;
 Money Market Trust; Municipal Securities Income Trust; Newpoint Funds;
 New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The
 Planters Funds; RIMCO Monument Funds; The Shawmut Funds; Star Funds; The
 Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.;
 Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust;
 Trademark Funds; Trust for Financial Institutions; Trust For Government
 Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust
 for U.S. Treasury Obligations; The Virtus Funds; and World Investment
 Series, Inc.

Fund Ownership

Officers and Trustees own less than 1% of the Fund's outstanding shares.
 As of July 6, 1995, the following shareholders of record owned 5% or
 more of the outstanding Shares of the Fund: United Jersey Bank,
 Hackensack, NJ, owned approximately 1,772,092 Shares 8.21%.

Trustees' Compensation

NAME , POSITION WITH TRUST	AGGREGATE COMPENSATION	
	FROM TRUST *#	TOTAL COMPENSATION PAID FROM FUND COMPLEX +
John F. Donahue Trustee Complex	\$0	\$ 0 for the Trust and 68 other investment companies in the Fund
Thomas G. Bigley Trustee Complex	\$958	\$ 20,688 for the Trust and 49 other investment companies of the Fund
John T. Conroy, Jr. Trustee Complex	\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
William J. Copeland Trustee Complex	\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
James E. Dowd Trustee Complex	\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
Lawrence D. Ellis, M.D. Trustee Complex		\$ 1,286 \$ 106,460 for the Trust and 64 other investment companies in the Fund
Edward L. Flaherty, Jr. Trustee Complex		\$ 2,371 \$ 117,202 for the Trust and 64 other investment companies in the Fund

Glen R. Johnson Trustee	\$ 0	\$ 0 for the Trust and 8 other investment companies in the Fund Complex
Peter E. Madden Trustee Complex	\$ 1,091	\$ 90,563 for the Trust and 64 other investment companies in the Fund Complex
Gregor F. Meyer Trustee Complex	\$ 1,286	\$ 106,460 for the Trust and 64 other investment companies in the Fund Complex
John E. Murray, Jr. Trustee Complex	\$ 632	\$ 0 for the Trust and 69 other investment companies in the Fund Complex
Wesley W. Posvar Trustee Complex	\$ 1,286	\$ 106,460 for the Trust and 64 other investment companies in the Fund Complex
Marjorie P. Smuts Trustee Complex	\$ 1,286	\$ 106,460 for the Trust and 64 other investment companies in the Fund Complex

*Information is furnished for the fiscal year ended May 31, 1995.
#The aggregate compensation is provided for the Trust which is comprised of three portfolios.
+The information is provided for the last calendar year.

Trustee Liability

The Trust's Declaration of Trust provides that the Trustees will not be liable for errors of judgment or mistakes of fact or law. However, they are not protected against any liability to which they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

Investment Advisory Services

Adviser to the Fund

The Fund's investment adviser is Federated Management (the "Adviser"). It is a subsidiary of Federated Investors. All of the voting securities of Federated Investors are owned by a trust, the Trustees of which are John F. Donahue, his wife, and his son, J. Christopher Donahue.

The Adviser shall not be liable to the Trust, the Fund, or any shareholder for any losses that may be sustained in the purchase, holding, or sale of any security, or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties imposed upon it by its contract with the Fund

Advisory Fees

For its advisory services, the Adviser receives an annual investment advisory fee as described in the prospectus. During the fiscal years ended May 31, 1995, 1994, and 1993, the Adviser earned \$1,038,460, \$1,224,249, and \$842,542, respectively, which were reduced by \$6,917, \$308,350, and \$324,118, respectively, because of undertakings to limit the Fund's expenses.

State Expense Limitations

The Adviser has undertaken to comply with the expense limitation established by certain states for investment companies whose shares are registered for sale in those states. If the Fund's normal operating expenses (including the investment advisory fee, but not including brokerage commissions, interest, taxes, and extraordinary expenses) exceed 2.5% per year of the first \$30 million of average net assets, 2% per year of the next \$70 million of average net assets, and 1.5% per year of the remaining average net assets, the Adviser will reimburse the Fund for its expenses over the limitation.

If the Fund's monthly projected operating expenses exceed this expense limitation, the investment advisory fee paid will be reduced by the amount of the excess, subject to an annual adjustment. If the expense limitation is exceeded, the amount to be reimbursed by the Adviser will be limited, in any single fiscal year, by the amount of the investment advisory fee.

This arrangement is not part of the advisory contract and may be amended or rescinded in the future.

Other Related Services

Affiliates of the Adviser may, from time to time, provide certain electronic equipment and software to institutional customers in order to facilitate the purchase of shares of funds offered by Federated Securities Corp.

Administrative Services

Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services to the Fund for a fee as described in the prospectus. Prior to March 1, 1994, Federated Administrative Services, Inc., also a subsidiary of Federated Investors, served as the Fund's administrator. (For purposes of this Statement of Additional Information, Federated Administrative Services and Federated Administrative Services, Inc. may, hereinafter, collectively be referred to as the "Administrators.") For the fiscal years ended May 31, 1995, 1994, and 1993, the Administrators earned \$196,539, \$303,207, and

\$271,801, respectively, none of which was waived. Dr. Henry Gailliot, an officer of Federated Management, the Adviser to the Fund, holds approximately 20% of the outstanding common stock and serves as a director of Commercial Data Services, Inc., a company which provides computer processing services to Federated Administrative Services.

Shareholder Services Agreement

This arrangement permits the payment of fees to Federated Shareholder Services and, indirectly, to financial institutions, to cause services to be provided to shareholders by a representative who has knowledge of the shareholder's particular circumstances and goals. These activities and services may include, but are not limited to: providing office space, equipment, telephone facilities, and various clerical, supervisory, computer, and other personnel as necessary or beneficial to establish and maintain shareholder accounts and records; processing purchase and redemption transactions and automatic investments of client account cash balances; answering routine client inquiries; and assisting clients in changing dividend options, account designations, and addresses.

For the fiscal period ending May 31, 1995 and 1994, the Fund paid shareholder service fees in the amount of \$1,881 and \$833, respectively, all of which was paid to financial institutions.

Transfer Agent and Dividend Disbursing Agent

Federated Services Company serves as transfer agent and dividend disbursing agent for the Fund. The fee paid to the transfer agent is based upon the size, type and number of accounts and transactions made by shareholders.

Federated Services Company also maintains the Trust's accounting records. The fee paid for this service is based upon the level of the Fund's average net assets for the period plus out-of-pocket expenses.

Brokerage Transactions

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the Adviser looks for prompt execution of the order at a favorable price. In working with dealers, the Adviser will generally use those who are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. In selecting among firms believed to meet these criteria, the Adviser may give consideration to those firms which have sold or are selling Shares of the Fund and other Federated Funds. The Adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Trustees.

The Adviser may select brokers and dealers who offer brokerage and research services. These services may be furnished directly to the Fund or to the Adviser and may include:

- advice as to the advisability of investing in securities;
- security analysis and reports;
- economic studies;
- industry studies;
- receipt of quotations for portfolio evaluations; and
- similar services.

The Adviser and its affiliates exercise reasonable business judgment in selecting brokers who offer brokerage and research services to execute securities transactions. They determine in good faith that commissions charged by such persons are reasonable in relationship to the value of the brokerage and research services provided.

Research services provided by brokers may be used by the Adviser or by affiliates of Federated Investors in advising Federated Funds and other accounts. To the extent that receipt of these services may supplant services for which the adviser or its affiliates might otherwise have paid, it would tend to reduce their expenses.

Purchasing Shares

Shares are sold at their net asset value without a sales load on days the New York Stock Exchange is open for business. The procedure for purchasing Shares is explained in the prospectus under "Investing in the Fund."

Conversion to Federal Funds

It is the Fund's policy to be as fully invested as possible so that maximum interest may be earned. To this end, all payments from shareholders must be in federal funds or be converted into federal funds. This conversion must be made before shares are purchased. State Street Bank and Trust Company ("State Street Bank") acts as the shareholder's agent in depositing checks and converting them to federal funds.

Determining Net Asset Value

Net asset value generally changes each day. The days on which net asset value is calculated by the Fund are described in the prospectus.

Determining Value of Securities

The values of the Fund's portfolio securities are determined as follows:

- according to prices provided by independent pricing services, which do not include market prices for the Fund's specific portfolio securities and may be determined without exclusive reliance on quoted prices, and which may take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data

- employed in determining valuations for such securities; or
- for short-term obligations with remaining maturities of 60 days or less, at the time of purchase, at amortized cost unless the Trustees determine that particular circumstances of the security indicate otherwise.

Redeeming Shares

The Fund redeems shares at the next computed net asset value after the Fund receives the redemption request. Redemption procedures are explained in the prospectus under "Redeeming Shares." Although State Street Bank does not charge for telephone redemptions, it reserves the right to charge a fee for the cost of wire-transferred redemptions of less than \$5,000.

Redemption in Kind

Although the Fund intends to redeem shares in cash, it reserves the right under certain circumstances to pay the redemption price in whole or in part by a distribution of securities from the Fund's portfolio. Redemption in kind will be made in conformity with applicable Securities and Exchange Commission rules, taking such securities at the same value employed in determining net asset value and selecting the securities in a manner the Trustees determine to be fair and equitable.

The Fund has elected to be governed by Rule 18f-1 of the Investment Company Act of 1940, as amended, under which the Trust is obligated to redeem shares for any one shareholder in cash only up to the lesser of \$250,000 or 1% of the Fund's net asset value during any 90-day period.

Exchanging Securities for Fund Shares

Investors may exchange municipal securities they already own for shares or they may exchange a combination of municipal securities and cash for shares. An investor should forward the securities in negotiable form with a letter of transmittal and authorization to Federated Securities Corp. The Fund will notify the investor of its acceptance and valuation of the securities within five business days of their receipt by State Street Bank. The Fund values securities in the same manner as the Fund values its assets. The basis of the exchange will depend upon the net asset value of Fund shares on the day the securities are valued. One share of the Fund will be issued for each equivalent amount of securities accepted.

Any interest earned on the securities prior to the exchange will be considered in valuing the securities. All interest, dividends, subscription, or other rights attached to the securities become the property of the Trust, along with the securities.

Tax Consequences

Exercise of this exchange privilege is treated as a sale for federal income tax purposes. Depending upon the cost basis of the securities exchanged for shares, a gain or loss may be realized by the investor.

Tax Status

The Fund's Tax Status

The Fund will pay no federal income tax because it expects to meet the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. To qualify for this treatment, the Fund must, among other requirements:

- derive at least 90% of its gross income from dividends, interest, and gains from the sale of securities;
- derive less than 30% of its gross income from the sale of securities held less than three months;
- invest in securities within certain statutory limits; and
- distribute to its shareholders at least 90% of its net income earned during the year.

Shareholders' Tax Status

Capital Gains

Capital gains or losses may be realized by the Fund on the sale of portfolio securities and as a result of discounts from par value on securities held to maturity. Sales would generally be made because of:

- the availability of higher relative yields;
- differentials in market values;
- new investment opportunities;
- changes in creditworthiness of an issuer; or
- an attempt to preserve gains or limit losses.

Distributions of long-term capital gains are taxed as such, whether they are taken in cash or reinvested, and regardless of the length of time the shareholder has owned the shares. Any loss by a shareholder on Fund shares held for less than six months and sold after a capital gains distribution will be treated as a long-term capital loss to the extent of the capital gains distribution.

Total Return

The Fund's average annual total returns for the Fund, and its predecessor, Institutional Shares of the Fund (when the Fund was offered with separate classes of shares) for the one-year and five-year periods ended May 31, 1995, and for the period from December 26, 1985 (effective date of the Trust's registration statement) to May 31, 1995, were 5.67%, 7.10% and 6.63%, respectively.

The average annual total return for the Fund is the average compounded

rate of return for a given period that would equate a \$1,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of shares owned at the end of the period by the net asset value per share at the end of the period. The number of shares owned at the end of the period is based on the number of shares purchased at the beginning of the period with \$1,000, adjusted over the period by any additional shares, assuming the monthly reinvestment of all dividends and distributions.

Yield

The Fund's yield for the thirty-day period ended May 31, 1995, was 4.39%.

The yield for shares of the Fund is determined by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the maximum offering price per share on the last day of the period. This value is then annualized using semi-annual compounding. This means that the amount of income generated during the thirty-day period is assumed to be generated each month over a twelve-month period and is reinvested every six months. The yield does not necessarily reflect income actually earned by the Fund because of certain adjustments required by the Securities and Exchange Commission and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

To the extent that financial institutions and brokers/dealers charge fees in connection with services provided in conjunction with an investment in the Fund, performance will be reduced for those shareholders paying those fees.

Tax-Equivalent Yield

The Fund's tax-equivalent yields for the thirty-day period ended May 31, 1995, was 6.10%

The tax-equivalent yield of the Fund is calculated similarly to the yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a 28% tax rate and assuming that income is 100% tax-exempt.

Tax-Equivalency Table

The Fund may also use a tax-equivalency table in advertising and sales literature. The interest earned by the municipal bonds in the Fund's portfolio generally remains free from federal regular income tax,* and is often free from state and local taxes as well. As the table below indicates, a "tax-free" investment is an attractive choice for investors, particularly in times of narrow spreads between tax-free and taxable yields.

**TAXABLE YIELD EQUIVALENT FOR 1995
MULTISTATE MUNICIPAL FUNDS**

FEDERAL INCOME TAX BRACKET:	15.00%	28.00%	31.00%	36.00%	39.60%
JOINT RETURN	\$1- 39,000	\$39,001- 94,250	\$94,251- 143,600	\$143,601- 256,500	OVER 256,500
SINGLE RETURN	\$1- 23,350	\$23,351- 56,550	\$56,551- 117,950	\$117,951- 256,500	OVER 256,500

Tax-Exempt Yield

Taxable Yield Equivalent

1.00%	1.18%	1.39%	1.45%	1.56%
1.66%				
1.50%	1.76%	2.08%	2.17%	2.34%
2.48%				
2.00%	2.35%	2.78%	2.90%	3.13%
3.31%				
2.50%	2.94%	3.47%	3.62%	3.91%
4.14%				
3.00%	3.53%	4.17%	4.35%	4.69%
4.97%				
3.50%	4.12%	4.86%	5.07%	5.47%
5.79%				
4.00%	4.71%	5.56%	5.80%	6.25%
6.62%				
4.50%	5.29%	6.25%	6.52%	7.03%
7.45%				
5.00%	5.88%	6.94%	7.25%	7.81%
8.28%				
5.50%	6.47%	7.64%	7.97%	8.59%
9.11%				
6.00%	7.06%	8.33%	8.70%	9.38%
9.93%				
6.50%	7.65%	9.03%	9.42%	10.16%
10.76%				
7.00%	8.24%	9.72%	10.14%	10.94%
11.59%				

7.50%	8.82%	10.42%	10.87%	11.72%
12.42%				
8.00%	9.41%	11.11%	11.59%	12.50%
13.25%				

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions.

The chart above is for illustrative purposes only. It is not an indicator of past or future performance of Fund shares.

* Some portion of the Fund's income may be subject to the federal alternative minimum tax and state and local income taxes.

Performance Comparisons

The performance of the Fund depends on such variables as:

- portfolio quality;
- average portfolio maturity;
- type of instruments in which the portfolio is invested;
- changes in interest rates and market value of portfolio securities;
- changes in the Fund's expenses ; and
- various other factors.

The Fund's performance fluctuates on a daily basis largely because net earnings and offering price per share fluctuate daily. Both net earnings and offering price per share are factors in the computation of yield and total return.

Investors may use financial publications and/or indices to obtain a more complete view of the Fund's performance. When comparing performance, investors should consider all relevant factors such as the composition of any index used, prevailing market conditions, portfolio compositions of other funds, and methods used to value portfolio securities and compute offering price. The financial publications and/or indices which the Fund uses in advertising may include:

- Lipper Analytical Services, Inc. ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all capital gains distributions and income dividends and takes into account any change in offering price over a specific period of time. From time to time, the Fund will quote its Lipper ranking in the intermediate municipal bond funds category in advertising and sales literature.
- Morningstar Inc., an independent rating service, is the publisher of the bi-weekly Mutual Fund Values. Mutual Fund Values rates more than 1,000 NASDAQ - listed mutual funds of all types, according to their risk-adjusted returns. The maximum rating is five stars, and ratings are effective for two weeks.
- Lehman Brothers Five-Year State General Obligation Bonds is an index comprised of all state general obligation debt issues with maturities between four and six years. These bonds are rated A or better and represent a variety of coupon ranges. Index figures are total returns calculated for one, three, and twelve month periods as well as year-to-date. Total returns are also calculated as of the index inception, December 31, 1979.
- Lehman Brothers Ten-Year State General Obligation Bonds is an index comprised of the same issues noted above except that the maturities range between nine and eleven years. Index figures are total returns calculated for the same periods as listed above.

Advertisements and other sales literature for the Fund may quote total returns which are calculated on non-standardized base periods. These total returns represent the historic change in the value of an investment in the Fund based on monthly reinvestment of dividends over a specified period of time.

About Federated Investors

Federated is dedicated to meeting investor needs which is reflected in its investment decision making structured, straightforward, and consistent. This has resulted in a history of competitive performance with a range of competitive investment products that have gained the confidence of thousands of clients and their customers.

The company's disciplined security selection process is firmly rooted in sound methodologies backed by fundamental and technical research.

Investment decisions are made and executed by teams of portfolio managers, analysts, and traders dedicated to specific market sectors.

In the municipal sector, as of December 31, 1994, Federated managed 18 bond funds with approximately \$1.9 billion in assets and 18 money market funds with approximately \$6.6 billion in total assets. In 1976, Federated introduced one of the first municipal bond mutual funds in the industry and is now one of the largest institutional buyers of municipal securities.

J. Thomas Madden, Executive Vice President, oversees Federated's equity and high yield corporate bond management while William D. Dawson, Executive Vice President, oversees Federated's domestic fixed income management. Henry A. Frantzen, Executive Vice President, oversees the

management of Federated's international portfolios.

Mutual Fund Market

Twenty-seven percent of American households are pursuing their financial goals through mutual funds. These investors, as well as businesses and institutions, have entrusted over \$2 trillion to the more than 5,500 funds available.*

Federated Investors, through its subsidiaries, distributes mutual funds for a variety of investment applications. Specific markets include:

Institutional

Federated meets the needs of more than 4,000 institutional clients nationwide by managing and servicing separate accounts and mutual funds for a variety of applications, including defined benefit and defined contribution programs, cash management, and asset/liability management. Institutional clients include corporations, pension funds, tax-exempt entities, foundations/endowments, insurance companies, and investment and financial advisors. The marketing effort to these institutional clients is headed by John B. Fisher, President, Institutional Sales Division.

Trust Organizations

Other institutional clients include close relationships with more than 1,500 banks and trust organizations. Virtually all of the trust divisions of the top 100 bank holding companies use Federated funds in their clients' portfolios. The marketing effort to trust clients is headed by Mark R. Gensheimer, Executive Vice President, Bank Marketing & Sales.

Broker/Dealers and Bank Broker/Dealer Subsidiaries

Federated mutual funds are available to consumers through major brokerage firms nationwide including 200 New York Stock Exchange firms supported by more wholesalers than any other mutual fund distributor. The marketing effort to these firms is headed by James F. Getz, President, Broker/Dealer Division.

* SOURCE: Investment Company Institute

Appendix

Standard and Poor's Ratings Group ("S&P") Municipal Bond Ratings

AAA--Debt rated "AAA" has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA--Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degree.

A--Debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

NR--Indicates that no public rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular type of obligation as a matter of policy.

Plus (+) or minus (-): The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Moody's Investors Service, Inc. Municipal Bond Ratings

Aaa--Bonds which are rated Aaa are judged to be of the best quality.

They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa--Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A--Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

NR--Not rated by Moody's.

Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate or municipal bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Fitch Investors Service, Inc. Investment Grade Bond Ratings

AAA--Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA--Bonds considered to be investment grade and of very high credit

quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated "AAA." Because bonds rated in the "AAA" and "AA" categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated "F-1+."

A--Bonds considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

NR--NR indicates that Fitch does not rate the specific issue.

Plus (+) or Minus (-): Plus and minus signs are used with a rating symbol to indicate the relative position of a credit within the rating category. Plus and minus signs, however, are not used in the "AAA" category.

Standard and Poor's Ratings Group Municipal Note Ratings

SP-1--Very strong or strong capacity to pay principal and interest.

Those issues determined to possess overwhelming safety characteristics will be given a plus sign (+) designation.

SP-2--Satisfactory capacity to pay principal and interest.

Moody's Investors Service, Inc. Short-Term Loan Ratings

MIG1/VMIG1--This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad based access to the market for refinancing.

MIG2/VMIG2--This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

Standard and Poor's Ratings Group Commercial Paper Ratings

A-1--This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

A-2--Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high for issues designated A-1.

Moody's Investors Service, Inc. Commercial Paper Ratings

PRIME-1--Issuers rated PRIME-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations.

PRIME-1 repayment capacity will normally be evidenced by the following characteristics:

- leading market positions in well-established industries;
- high rates of return on funds employed;
- conservative capitalization structure with moderate reliance on debt and ample asset protection;
- broad margins in earning coverage of fixed financial charges and high internal cash generation; and
- well-established access to a range of financial markets and assured sources of alternative liquidity.

PRIME-2--Issuers rated PRIME-2 (or related supporting institutions) have a strong capacity for repayment of short-term promissory obligations.

This will normally be evidenced by many of the characteristics cited above, but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Cusip 458810108
8061702B (7/95)

FEDERATED INTERMEDIATE MUNICIPAL TRUST
(formerly, Intermediate Municipal Trust)

ANNUAL REPORT FOR FISCAL YEAR ENDED MAY 31, 1995

INVESTMENT REVIEW

For the 12 months ended May 31, 1995, the intermediate-term, fixed-income securities markets exhibited marked levels of volatility. From May 31, 1994, to November 21, 1994, seven-year Treasury note yields climbed from 6.99 percent to 7.92 percent. By May 31, 1995, those rates had fallen to 6.18 percent. As for seven-year "AA" municipal general obligation bonds, rates ascended from 5.15 percent on May 31, 1994, to 5.95 percent on November 22, 1994, then descended to 4.75 percent by May 31, 1995.

Facing such volatility, the duration of the Trust was kept relatively low for several reasons. The Fund sought high levels of distributable tax-exempt income for shareholders, and maintained a high-coupon bias in its portfolio. During the past 12 months, the average coupon rate of the issues in the Fund rose from 6.18 percent on May 31, 1994, to 6.46 percent on November 21, 1994, to 6.72 percent on May 31, 1995. This increasing coupon trend reduced the portfolio "modified duration" over the period--from 5.33

years to 4.91 years to 4.58 years as of the aforementioned dates.

The Fund avoided the purchase of secondary "market discount" issues between May and November of 1994 so that taxable ordinary income would not be created or distributed to shareholders of the Fund. (These very issues exhibited the greatest price appreciation in the subsequent bond market rally).

Over the period, the Fund experienced net redemptions. Between May and November of 1994, Fund shares outstanding fell by 12.4 percent--from 28.8 million shares to 25.2 million shares. By May of 1995, Fund shares outstanding declined another 13.8 percent--to 21.7 million. The portfolio duration was truncated to mitigate net asset value sensitivity with such shareholder activity. This was accomplished by the sale of issues with low embedded distribution yields and without the creation of net realized capital gains.

During the 12 months ended May 31, 1995, the Fund maintained a high quality portfolio. The credit quality of the Fund's holdings, expressed as a percent of aggregate market value, as of May 31, 1995, was: 37.2% in "AAA" issues; 57.8% in "AA" issues; 4.9% in "A" issues; and 0.1% in the highest quality tax-exempt, short-term issues.

In determining the creditworthiness of issues for possible investment by the Fund, the adviser concentrates on a variety of economic and financial parameters. Demographic constitution, income distribution, industry concentration, provision of governmental services, debt authorization, and management/investment practices and policies are weighed when an assessment of general obligation issues is made. For revenue obligations, cash generation, product/service pricing elasticity, competition and industry make-up, debt structure, debt service coverage, financial flexibility, and contingent liabilities become subject to scrutiny.

For the 12 months ended May 31, 1995, an investor in Federated Intermediate Municipal Trust experienced a total return of 5.67 percent.* This performance was composed of 5.38 percent net income and reinvestment return and 0.29 percent appreciation in the net asset value per share. The return configuration of the Lipper Intermediate Municipal Debt Funds Average differed in orientation: 6.95 percent total return, of which 4.92 percent was net income and reinvestment and 2.03 was price appreciation.** Past investment performance is neither indicative nor predictive of future investment performance.

*PERFORMANCE QUOTED REPRESENTS PAST PERFORMANCE. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, SO THAT AN INVESTOR'S SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

**INDICES, UNLIKE MUTUAL FUNDS, ARE UNMANAGED.

FEDERATED INTERMEDIATE MUNICIPAL TRUST

GROWTH OF \$25,000 INVESTED IN FEDERATED INTERMEDIATE MUNICIPAL TRUST

The graph below illustrates the hypothetical investment of \$25,000 in the Federated Intermediate Municipal Trust (the "Fund") from December 26, 1985 (start of performance) to May 31, 1995 compared to the Lehman Brothers Seven-Year General Obligation Municipal Bond Index (LB7YRGOMBI)+ and the Lipper Intermediate Municipal Debt Funds Average (LIMDFA)++.

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

<TABLE>
<CAPTION>

Graphic Representation Omitted. See Appendix A

AVERAGE ANNUAL TOTAL RETURN** FOR THE PERIOD ENDED MAY 31, 1995

1 Year.....	5.67%
5 Year.....	7.10%
Start of Performance (12/26/85).....	6.63%

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE PERFORMANCE. YOUR INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO WHEN SHARES ARE REDEEMED, THEY MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. MUTUAL FUNDS ARE NOT OBLIGATIONS OF OR GUARANTEED BY ANY BANK AND ARE NOT FEDERALLY INSURED.

THIS REPORT MUST BE PRECEDED OR ACCOMPANIED BY THE FUND'S PROSPECTUS DATED JULY 31, 1995, WHICH, TOGETHER WITH FINANCIAL STATEMENTS CONTAINED THEREIN, CONSTITUTES THE FUND'S ANNUAL REPORT.

*The Fund's performance assumes the reinvestment of all dividends and distributions. The LB7YRGOMBI and the LIMDFA have been adjusted to reflect reinvestment of dividends on securities in the indices.

**Total return quoted reflects all applicable sales loads and contingent deferred sales charges.

+The LB7YRGOMBI is not adjusted to reflect sales loads, expenses, or other fees that the SEC requires to be reflected in the Fund's performance. The index is unmanaged.

++The LIMDFA represents the average of the total returns reported by all of the mutual funds designated by Lipper Analytical Services, Inc. as falling into the category, and is not adjusted to reflect any sales loads. However, these total returns are reported net of expenses or other fees that the SEC requires to be reflected in a fund's performance.

[LOGO]

Distributor
CUSIP 458810108
G00289-01
[LOGO]
RECYCLED
PAPER

APPENDIX A

A1. The graphic presentation here displayed consists of a line graph titled "Growth of \$25,000 Invested in Federated Intermediate Municipal Trust" The corresponding components of the line graph are listed underneath. The Federated Intermediate Municipal Trust (the "Fund") is represented by a broken line. The Lehman Brothers 7-Year General Obligation Municipal Bond Index (the "LB7YRGOMBI") is represented by a solid line. The Lipper Intermediate Municipal Debt Funds (the "LIMDFA") is represented by a dottedline. The line graph is a visual representation of a comparison of change in value of a hypothetical \$25,000 investment in the Fund and the LB7YRGOMBI and the LIMDFA. The "x" axis reflects computation periods from the start of performance (December 26, 1985) to May 31, 1995. The "y" axis reflects the cost of the investment, ranging from \$20,000 to \$55,000. The right margin reflects the ending value of the hypothetical investment in the Fund as compared to the LB7YRGOMBI and the LIMDFA.. The ending values are \$45,790, \$52,814 and \$49,092, respectively.

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)
(A PORTFOLIO OF INTERMEDIATE MUNICIPAL TRUST)
PROSPECTUS

The shares of Federated Pennsylvania Intermediate Municipal Trust (formerly, "Pennsylvania Intermediate Municipal Trust") (the "Fund") offered by this prospectus represent interests in a non-diversified portfolio of securities of Intermediate Municipal Trust (the "Trust"), an open-end management investment company (a mutual fund).

The investment objective of the Fund is to provide current income which is exempt from federal regular income tax and the personal income taxes imposed by the Commonwealth of Pennsylvania. The Fund invests primarily in a portfolio of Pennsylvania municipal securities, including securities of states, territories, and possessions of the United States which are not issued by or on behalf of the Commonwealth of Pennsylvania or its political subdivisions, but which are exempt from federal regular income tax and Pennsylvania state personal income taxes.

THE SHARES OFFERED BY THIS PROSPECTUS ARE NOT DEPOSITS OR OBLIGATIONS OF ANY BANK, ARE NOT ENDORSED OR GUARANTEED BY ANY BANK, AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENTAL AGENCY. INVESTMENT IN THESE SHARES INVOLVES INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

This prospectus contains the information you should read and know before you invest in the Fund. Keep this prospectus for future reference.

The Fund has also filed a Statement of Additional Information, dated July 31, 1995, with the Securities and Exchange Commission. The information contained in the Statement of Additional Information is incorporated by reference into this prospectus. You may request a copy of the Statement of Additional Information which is in paper form only, or a paper copy of this prospectus, if you have received your prospectus electronically, free of charge by calling 1-800-235-4669. To obtain other information or to make inquiries about the Fund, contact the Fund at the address listed in the back of this prospectus.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus dated July 31, 1995

TABLE OF CONTENTS

SUMMARY OF FUND EXPENSES	1

FINANCIAL HIGHLIGHTS	2

GENERAL INFORMATION	3

INVESTMENT INFORMATION	3

Investment Objective	3
Investment Policies	3
Pennsylvania Municipal Securities	6
Investment Risks	6
Non-Diversification	7
Investment Limitations	7
INTERMEDIATE MUNICIPAL TRUST INFORMATION	8

Management of the Trust	8
Distribution of Fund Shares	9
Administration of the Fund	9
NET ASSET VALUE	10

INVESTING IN THE FUND	10

Share Purchases	10
Subaccounting Services	11
Minimum Investment Required	11
What Shares Cost	11
Exchanging Securities for Fund Shares	11
Certificates and Confirmations	12
Dividends and Distributions	12
Capital Gains	12
REDEEMING SHARES	12

Accounts with Low Balances	13
SHAREHOLDER INFORMATION	13

Voting Rights	13
Massachusetts Partnership Law	14
TAX INFORMATION	14

Federal Income Tax	14
Pennsylvania Taxes	15
Other State and Local Taxes	15
PERFORMANCE INFORMATION	16

FINANCIAL STATEMENTS	17

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	29

ADDRESSES	30

SUMMARY OF FUND EXPENSES

SHAREHOLDER TRANSACTION EXPENSES

Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....	None
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....	None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable)...	None
Redemption Fee (as a percentage of amount redeemed, if applicable).....	None
Exchange Fee.....	None

ANNUAL FUND OPERATING EXPENSES
(As a percentage of average net assets)

Management Fee (after waiver) (1).....	0.00%
12b-1 Fee.....	None
Total Other Expenses (after expense reimbursement).....	0.45%
Shareholder Services Fee (after waiver) (2).....	0.10%
Total Fund Operating Expenses (3).....	0.45%

- (1) The management fee has been reduced to reflect the waiver of the management fee. The maximum management fee is 0.50%
- (2) The maximum shareholder services fee is 0.25%
- (3) The total Fund operating expenses in the table above are based on expenses expected during the fiscal year ending May 31, 1996. The total Fund operating expenses were 0.45% for the fiscal year ended May 31, 1995 and would have been 4.40% absent the voluntary reimbursement of certain other operating expenses and reductions to meet state limitations.

The purpose of this table is to assist an investor in understanding the various costs and expenses that a shareholder of the Fund will bear, either directly or indirectly. For more complete descriptions of the various costs and expenses, see "Investing in the Fund" and "Intermediate Municipal Trust Information." Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

EXAMPLE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
You would pay the following expenses on a \$1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$5	\$14	\$25	\$57

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Reference is made to the Report of Independent Public Accountants on page 29.

	YEAR ENDED MAY 31,	
	1995	1994 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 9.85	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS		
Net investment income	0.48	0.23

Net realized and unrealized gain (loss) on investments	0.21	(0.15)
Total from investment operations	0.69	0.08
LESS DISTRIBUTIONS		
Distributions from net investment income	(0.48)	(0.23)
NET ASSET VALUE, END OF PERIOD	\$ 10.06	\$ 9.85
TOTAL RETURN (b)	7.35%	0.76%
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.45%	0.25% (c)
Net investment income	5.11%	4.76% (c)
Expense waiver/reimbursement	3.95% (d)	5.06% (c) (e)
SUPPLEMENTAL DATA		
Net assets, end of period (000 omitted)	\$8,344	\$2,881
Portfolio turnover	41%	39%

- (a) Reflects operations for the period from December 5, 1993 (date of initial public investment) to May 31, 1994.
- (b) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.
- (c) Computed on an annualized basis.
- (d) The Adviser waived \$32,714 of the investment advisory fee and reimbursed \$86,896 of other expenses, which represent 0.50% and 1.33% of average net assets, respectively, to comply with certain state expense limitations. The remainder of the waiver/reimbursement was voluntary. This expense decrease is reflected in both the expense and net investment income ratios shown above.
- (e) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

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

Further information about the Fund's performance is contained in the Fund's annual report for the fiscal year ended May 31, 1995, which can be obtained free of charge.

2

GENERAL INFORMATION

The Trust was established as a Massachusetts business trust under a Declaration of Trust dated May 31, 1985. The Declaration of Trust permits the Trust to offer separate series of shares of beneficial interest representing interests in separate portfolios of securities. The shares in any one portfolio may be offered in separate classes.

Shares of the Fund are designed for the investment of moneys generally held by financial institutions in a fiduciary capacity. A minimum initial investment of \$25,000 over a 90-day period is required. The Fund may not be a suitable investment for non-Pennsylvania taxpayers or retirement plans since Pennsylvania municipal securities are not likely to produce competitive after-tax yields for such persons and entities when compared to other investments.

Shares are sold and redeemed at net asset value without a sales load imposed by the Fund.

INVESTMENT INFORMATION

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide current income exempt from federal regular income tax and the personal income taxes imposed by the Commonwealth of Pennsylvania. Interest income of the Fund that is exempt from federal regular income tax and Pennsylvania state personal income tax retains its tax-free status when distributed to the Fund's shareholders. The Fund pursues its investment objective by investing at least 80% of its net assets in

a non-diversified portfolio of Pennsylvania municipal securities. The portfolio has a dollar-weighted average maturity of not less than three or more than ten years. While there is no assurance that the Fund will achieve its investment objective, it endeavors to do so by following the investment policies described in this prospectus. The investment objective and the policy stated above cannot be changed without approval of shareholders.

INVESTMENT POLICIES

The investment policies described below may be changed by the Board of Trustees (the "Trustees") without shareholder approval. Shareholders will be notified before any material change in these policies becomes effective.

ACCEPTABLE INVESTMENTS. The Pennsylvania municipal securities in which the Fund invests are:

- obligations issued by or on behalf of the Commonwealth of Pennsylvania, its political subdivisions, or agencies;
- debt obligations of any state, territory, or possession of the United States, or any political subdivision of any of these; and
- participation interests, as described below, in any of the above obligations,

3

the interest from which is, in the opinion of bond counsel for the issuers or in the opinion of officers of the Fund and/or the investment adviser to the Fund, exempt from both federal regular income tax and the personal income taxes imposed by the Commonwealth of Pennsylvania.

The prices of fixed income securities fluctuate inversely to the direction of interest rates.

AVERAGE MATURITY. The dollar-weighted average maturity of the Fund's portfolio of Pennsylvania municipal securities will not be less than three years or more than ten years. For purposes of determining the dollar-weighted average maturity of the Fund's portfolio, the maturity of a municipal security will be its ultimate maturity, unless it is probable that the issuer of the security will take advantage of maturity-shortening devices such as a call, refunding, or redemption provision, in which case the maturity date will be the date on which it is probable that the security will be called, refunded, or redeemed. If the municipal security includes the right to demand payment, the maturity of the security for purposes of determining the Fund's dollar-weighted average portfolio maturity will be the period remaining until the principal amount of the security can be recovered by exercising the right to demand payment.

CHARACTERISTICS. The municipal securities in which the Fund invests are:

- rated within the three highest ratings for municipal securities by Moody's Investors Service, Inc. ("Moody's") (Aaa, Aa, or A), Standard & Poor's Ratings Group ("S&P") (AAA, AA, or A), or Fitch Investors Service, Inc. ("Fitch") (AAA, AA, or A);
- guaranteed at the time of purchase by the U.S. government as to the payment of principal and interest;
- fully collateralized by an escrow of U.S. government securities or other securities acceptable to the Fund's adviser;
- rated at the time of purchase within Moody's highest short-term municipal obligation rating (MIG1/VMIG1) or Moody's highest municipal commercial paper rating (PRIME-1) or S&P's highest municipal commercial paper rating (SP-1);
- unrated if, at the time of purchase, other municipal securities of that issuer are rated A or better by Moody's, S&P, or Fitch; or
- unrated if determined to be of equivalent quality to one of the foregoing rating categories by the Fund's investment adviser.

If a security is subsequently downgraded, the adviser will determine whether it continues to be an acceptable investment; if not, the security will be sold. A description of the rating categories is contained in the Appendix to the Statement of Additional Information.

PARTICIPATION INTERESTS. The Fund may purchase participation interests from financial institutions such as commercial banks, savings associations, and insurance companies. These participation interests give the Fund an undivided interest in Pennsylvania municipal securities. The financial institutions from which the Fund purchases participation interests frequently provide or secure irrevocable letters of credit or guarantees to assure that the participation

interests are of high quality.

4

The Trustees will determine whether participation interests meet the prescribed quality standards for the Fund.

VARIABLE RATE MUNICIPAL SECURITIES. Some of the Pennsylvania municipal securities which the Fund purchases may have variable interest rates. Variable interest rates are ordinarily stated as a percentage of a published interest rate, interest rate index, or a similar standard, such as the 91-day U.S. Treasury bill rate. Many variable rate municipal securities are subject to payment of principal on demand by the Fund in not more than seven days. All variable rate municipal securities will meet the quality standards for the Fund. The Fund's investment adviser has been instructed by the Trustees to monitor the pricing, quality, and liquidity of the variable rate municipal securities, including participation interests held by the Fund on the basis of published financial information and reports of the rating agencies and other analytical services.

MUNICIPAL LEASES. Also included within the general category of municipal securities are certain lease obligations or installment purchase contract obligations and participations therein (hereinafter collectively referred to as "lease obligations") of municipal authorities or entities. Although lease obligations do not constitute general obligations of the municipality for which the municipality's taxing power is pledged, a lease obligation is ordinarily backed by the municipality's covenant to budget for, appropriate, and make the payments due under the lease obligation. Interest on lease obligations is tax-exempt to the same extent as if the municipality had issued debt obligations to finance the underlying project or purchase. However, certain lease obligations contain "non-appropriation" clauses which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis. In addition to the "non-appropriation" risk, these securities represent a relatively new type of financing that has not yet developed the depth of marketability associated with more conventional bonds, and some lease obligations may be illiquid. Although "non-appropriation" lease obligations are generally secured by the leased property, disposition of the property in the event of foreclosure might prove difficult. In addition, the tax treatment of such obligations in the event of "non-appropriation" is unclear. The Fund does not intend to invest more than 10% of its total assets in lease obligations that contain "non-appropriation" clauses.

If the Fund purchases unrated municipal leases, the Trustees will be responsible for determining, on an ongoing basis, the credit quality of such leases and the likelihood that such leases will not be cancelled.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS. The Fund may purchase Pennsylvania municipal securities on a when-issued or delayed delivery basis. These transactions are arrangements in which the Fund purchases securities with payment and delivery scheduled for a future time. The seller's failure to complete these transactions may cause the Fund to miss a price or yield considered to be advantageous. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase prices. Accordingly, the Fund may pay more or less than the market value of the securities on the settlement date.

The Fund may dispose of a commitment prior to settlement if the adviser deems it appropriate to do so. In addition, the Fund may enter into transactions to sell its purchase commitments to third parties

5

at current market values and simultaneously acquire other commitments to purchase similar securities at later dates. The Fund may realize short-term profits or losses upon the sale of such commitments.

TEMPORARY INVESTMENTS. The Fund normally invests its assets in Pennsylvania municipal securities, as described above. However, from time to time, when the investment adviser determines that market conditions call for a temporary defensive posture, the Fund may invest in short-term non-Pennsylvania municipal tax-exempt obligations or taxable temporary investments. These temporary investments include: notes issued by or on behalf of municipal or corporate issuers; obligations issued or guaranteed by the U.S. government, its agencies, or instrumentalities; other debt securities; commercial paper; certificates of deposit of banks; and repurchase agreements (arrangements in which the organization selling the Fund a bond or temporary investment agrees at the time of sale to repurchase it at a mutually agreed upon time and price).

There are no rating requirements applicable to temporary investments with the exception of temporary municipal securities which are subject to the same rating requirements as all other municipal securities in which the Fund invests. However, the investment adviser will limit temporary investments to those it considers to be of comparable quality to the acceptable investments of the Fund.

Although the Fund is permitted to make taxable, temporary investments, there is no current intention of generating income subject to federal regular income tax or Pennsylvania state personal income tax.

PENNSYLVANIA MUNICIPAL SECURITIES

Pennsylvania municipal securities are generally issued to finance public works, such as airports, bridges, highways, housing, hospitals, mass transportation projects, schools, streets, and water and sewer works. They are also issued to repay outstanding obligations, to raise funds for general operating expenses, and to make loans to other public institutions and facilities.

Pennsylvania municipal securities include industrial development bonds issued by or on behalf of public authorities to provide financing aid to acquire sites or construct and equip facilities for privately or publicly owned corporations. The availability of this financing encourages these corporations to locate within the sponsoring communities and thereby increases local employment.

The two principal classifications of municipal securities are "general obligation" and "revenue" bonds. General obligation bonds are secured by the issuer's pledge of its full faith and credit and taxing power for the payment of principal and interest. However, interest on and principal of revenue bonds are payable only from the revenue generated by the facility financed by the bond or other specified sources of revenue. Revenue bonds do not represent a pledge of credit or create any debt of or charge against the general revenues of a municipality or public authority. Industrial development bonds are typically classified as revenue bonds.

INVESTMENT RISKS

Yields on Pennsylvania municipal securities depend on a variety of factors, including, but not limited to: the general conditions of the municipal bond market; the size of the particular offering; the maturity of the obligations; and the rating of the issue. Further, any adverse economic conditions or developments affecting the Commonwealth of Pennsylvania or its municipalities could impact the

6

Fund's portfolio. The ability of the Fund to achieve its investment objective also depends on the continuing ability of the issuers of Pennsylvania municipal securities and participation interests, or the guarantors of either, to meet their obligations for the payment of interest and principal when due. Investing in Pennsylvania municipal securities which meet the Fund's quality standards may not be possible if the Commonwealth of Pennsylvania or its municipalities do not maintain their current credit ratings. In addition, any Pennsylvania constitutional amendments, legislative measures, executive orders, administrative regulations, or voter initiatives could result in adverse consequences affecting Pennsylvania municipal securities.

NON-DIVERSIFICATION

The Fund is a non-diversified investment portfolio. As such, there is no limit on the percentage of assets which can be invested in any single issuer. An investment in the Fund, therefore, will entail greater risk than would exist in a diversified portfolio of securities because the higher percentage of investments among fewer issuers may result in greater fluctuation in the total market value of the Fund's portfolio. Any economic, political, or regulatory developments affecting the value of the securities in the Fund's portfolio will have a greater impact on the total value of the portfolio than would be the case if the portfolio was diversified among more issuers.

The Fund intends to comply with Subchapter M of the Internal Revenue Code, as amended. This undertaking requires that at the end of each quarter of the taxable year, with regard to at least 50% of the Fund's total assets, no more than 5% of its total assets are invested in the securities of a single issuer; beyond that, no more than 25% of its total assets are invested in the securities of a single issuer.

INVESTMENT LIMITATIONS

The Fund will not borrow money directly or through reverse repurchase agreements (arrangements in which the Fund sells a portfolio instrument for a percentage of its cash value with an arrangement to buy it back on a set date) or pledge securities except, under certain circumstances, the Fund may borrow up to one-third of the value of its total assets and pledge up to 10% of the value of total assets to secure such borrowings. The Fund does not intend to engage in any borrowing during the coming fiscal year.

The above investment limitations cannot be changed without shareholder approval. The following limitations, however, can be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change

in these limitations becomes effective.

In order to pass-through to investors the tax-free income from the Fund for purposes of Pennsylvania state personal income taxes, the Fund will invest in securities for income earnings rather than trading for profit. The Fund will not vary its investments, except to: (i) eliminate unsafe investments and investments not consistent with the preservation of the capital or the tax status of the investments of the Fund; (ii) honor redemption orders, meet anticipated redemption requirements, and negate gains from discount purchases; (iii) reinvest the earnings from securities in like securities; or (iv) defray normal administrative expenses (the "Pennsylvania Investment Restrictions"). Legislation enacted in December 1993, eliminates the necessity of the Pennsylvania Investment Restrictions. Consequently, the Trustees may vote to eliminate the Pennsylvania Investment Restrictions.

7

The Fund will not invest more than 15% of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, and restricted securities determined by the Trustees not to be liquid.

INTERMEDIATE MUNICIPAL TRUST INFORMATION

MANAGEMENT OF THE TRUST

BOARD OF TRUSTEES. The Trust is managed by a Board of Trustees. The Trustees are responsible for managing the business affairs of the Trust and for exercising all of the powers of the Trust except those reserved for the shareholders. The Executive Committee of the Board of Trustees handles the Board's responsibilities between meetings of the Board.

INVESTMENT ADVISER. Pursuant to an investment advisory contract with the Trust, investment decisions for the Fund are made by Federated Management, the Fund's investment adviser (the "Adviser"), subject to direction by the Trustees. The Adviser continually conducts investment research and supervision for the Fund and is responsible for the purchase or sale of portfolio instruments, for which it receives an annual fee from the Fund.

ADVISORY FEES. The Fund's Adviser receives an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. Under the investment advisory contract, the Adviser may reimburse the Fund the amount, limited to the amount of the advisory fee, by which the Fund's aggregate annual operating expenses, including its investment advisory fee, but excluding interest, taxes, brokerage commissions, insurance premiums, expenses of registering and qualifying the Fund and its shares under federal and state laws, expenses of withholding taxes, and extraordinary expenses, exceed a certain percentage of its average daily net assets. This does not include reimbursement to the Fund of any expenses incurred by shareholders who use the transfer agent's sub-accounting facilities. The Adviser can terminate this voluntary reimbursement of expenses at any time at its sole discretion. The Adviser has also undertaken to reimburse the Fund for operating expenses in excess of limitations established by certain states.

ADVISER'S BACKGROUND. Federated Management, a Delaware business trust organized on April 11, 1989, is a registered investment adviser under the Investment Advisers Act of 1940, as amended. It is a subsidiary of Federated Investors. All of the Class A (voting) shares of Federated Investors are owned by a trust, the trustees of which are John F. Donahue, Chairman and Trustee of Federated Investors, Mr. Donahue's wife, and Mr. Donahue's son, J. Christopher Donahue, who is President and Trustee of Federated Investors.

J. Scott Albrecht has been the Fund's portfolio manager since the Fund's inception. Mr. Albrecht joined Federated Investors in 1989 and has been an Assistant Vice President of the Adviser since 1992. From 1989 until 1991, Mr. Albrecht acted as an investment analyst. Mr. Albrecht was a municipal credit analyst at Mellon Bank, N.A. from 1985 until 1989. Mr. Albrecht is a Chartered Financial Analyst and received his M.S. in Management from Carnegie Mellon University.

Federated Management and other subsidiaries of Federated Investors serve as investment advisers to a number of investment companies and private accounts. Certain other subsidiaries

8

also provide administrative services to a number of investment companies. With over \$72 billion invested across more than 260 funds under management and/or administration by its subsidiaries, as of December 31, 1994, Federated Investors is one of the largest mutual fund investment managers in the United States. With more than 1,750 employees, Federated continues to be led by the management who founded the company in 1955. Federated funds are

presently at work in and through 4,000 financial institutions nationwide. More than 100,000 investment professionals have selected Federated funds for their clients.

Both the Trust and the Adviser have adopted strict codes of ethics governing the conduct of all employees who manage the Fund and its portfolio securities. These codes recognize that such persons owe a fiduciary duty to the Fund's shareholders and must place the interests of shareholders ahead of the employees' own interest. Among other things, the codes: require preclearance and periodic reporting of personal securities transactions; prohibit personal transactions in securities being purchased or sold, or being considered for purchase or sale, by the Fund; prohibit purchasing securities in initial public offerings; and prohibit taking profits on securities held for less than sixty days. Violations of the codes are subject to review by the Trustees, and could result in severe penalties.

DISTRIBUTION OF FUND SHARES

Federated Securities Corp. is the principal distributor for shares of the Fund. It is a Pennsylvania corporation organized on November 14, 1969 and is the principal distributor for a number of investment companies. Federated Securities Corp. is a subsidiary of Federated Investors.

ADMINISTRATION OF THE FUND

ADMINISTRATIVE SERVICES. Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services (including certain legal and financial reporting services) necessary to operate the Fund. Federated Administrative Services provides these at an annual rate, which relates to the average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors (the "Federated Funds") as specified below:

MAXIMUM FEE	AVERAGE AGGREGATE DAILY NET ASSETS
<C>	<S>
0.15 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.10 of 1%	on the next \$250 million
0.075 of 1%	on assets in excess of \$750 million

The administrative fee received during any fiscal year shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares. Federated Administrative Services may choose voluntarily to waive a portion of its fee.

SHAREHOLDER SERVICES. The Fund has entered into a Shareholder Services Agreement with Federated Shareholder Services, a subsidiary of Federated Investors, under which the Fund may make payments up to 0.25 of 1% of the average daily net asset value of the Fund to obtain certain personal services for shareholders and for the maintenance of shareholder accounts ("shareholder services"). Under the Shareholder Services Agreement, Federated Shareholder Services will either perform shareholder

9

services directly or will select financial institutions to perform shareholder services. Financial institutions will receive fees based upon shares owned by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid will be determined, from time to time, by the Fund and Federated Shareholder Services.

OTHER PAYMENTS TO FINANCIAL INSTITUTIONS. In addition to periodic payments to financial institutions for shareholder services, certain financial institutions may be compensated by the Adviser or its affiliates for the continuing investment of customers' assets in certain funds, including the Fund, advised by those entities. These payments will be made directly by the distributor or Adviser from their assets, and will not be made from the assets of the Fund or by the assessment of a sales load on shares.

CUSTODIAN. State Street Bank and Trust Company ("State Street Bank"), Boston, Massachusetts, is custodian for the securities and cash of the Fund.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT. Federated Services Company, Boston, Massachusetts, is transfer agent for the shares of the Fund, and dividend disbursing agent for the Fund.

INDEPENDENT PUBLIC ACCOUNTANTS. The independent public accountants for the Fund are Arthur Andersen LLP, Pittsburgh, Pennsylvania.

NET ASSET VALUE

The Fund's net asset value per share fluctuates. It is determined by dividing the sum of all securities and other assets, less liabilities, by the number of shares outstanding.

INVESTING IN THE FUND

SHARE PURCHASES

Shares of the Fund are sold on days on which the New York Stock Exchange is open for business. Shares may be purchased either by wire or mail. The Fund reserves the right to reject any purchase request.

To purchase shares of the Fund, open an account by calling Federated Securities Corp. Information needed to establish the account will be taken over the telephone.

BY WIRE. To purchase shares of the Fund by Federal Reserve wire, call the Fund before 1:00 p.m. (Eastern time) to place an order. The order is considered received immediately. Payment by federal funds must be received before 3:00 p.m. (Eastern time) that day. Federal funds should be wired as follows: Federated Services Company, c/o State Street Bank and Trust Company, Boston, Massachusetts; Attention: EDGEWIRE; For Credit to: Federated Pennsylvania Intermediate Municipal Trust; Fund Number (this number can be found on the Account Statement or by contacting the Fund); Group Number or Order Number; Nominee or Institution Name; and ABA Number 011000028.

10

BY MAIL. To purchase shares of the Fund by mail, send a check made payable to Federated Pennsylvania Intermediate Municipal Trust to: Federated Services Company, P.O. Box 8600, Boston, Massachusetts 02266-8600. Orders by mail are considered received when payment by check is converted into federal funds. This is normally the next business day after the check is received.

SUBACCOUNTING SERVICES

Financial institutions are encouraged to open single master accounts. However, certain financial institutions may wish to use the transfer agent's subaccounting system to minimize their internal recordkeeping requirements. The transfer agent may charge a fee based on the level of subaccounting services rendered. Financial institutions holding shares in a fiduciary, agency, custodial, or similar capacity may charge or pass through subaccounting fees as part of or in addition to normal trust or agency account fees. They may also charge fees for other services provided which may be related to the ownership of shares. This prospectus should, therefore, be read together with any agreement between the customer and the institution with regard to the services provided, the fees charged for those services, and any restrictions and limitations imposed.

MINIMUM INVESTMENT REQUIRED

The minimum initial investment in the Fund is \$25,000, plus any non-affiliated bank or broker's fee, if applicable. However, an account may be opened with a smaller amount as long as the \$25,000 minimum is reached within 90 days. An institutional investor's minimum investment will be calculated by combining all accounts it maintains with the Fund.

Individual accounts established through a bank or broker may be subject to a different minimum investment requirement.

WHAT SHARES COST

Shares of the Fund are sold at their net asset value next determined after an order is received. There is no sales load imposed by the Fund. Investors who purchase shares through a non-affiliated bank or broker may be charged an additional service fee by that bank or broker.

The net asset value is determined as of the close of trading (normally 4:00 p.m., Eastern time) on the New York Stock Exchange, Monday through Friday, except on: (i) days on which there are not sufficient changes in the value of the Fund's portfolio securities that its net asset value might be materially affected; (ii) days during which no shares are tendered for redemption and no orders to purchase shares are received; or (iii) the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

EXCHANGING SECURITIES FOR FUND SHARES

Investors may exchange certain municipal securities or a combination of securities and cash for Fund shares. The securities and cash must have a market

value of at least \$25,000. The Fund reserves the right to determine the acceptability of the securities to be exchanged. Securities accepted by the Fund are valued in the same manner as the Fund values its assets. Shareholders wishing to exchange securities should first contact Federated Securities Corp.

11

CERTIFICATES AND CONFIRMATIONS

As transfer agent for the Fund, Federated Services Company maintains a share account for each shareholder. Share certificates are not issued unless requested in writing.

Detailed confirmations of each purchase and redemption are sent to each shareholder. Monthly confirmations are sent to report dividends paid during that month.

DIVIDENDS AND DISTRIBUTIONS

Dividends are declared daily and paid monthly to all shareholders invested in the Fund on the record date. Dividends and distributions are automatically reinvested in additional shares of the Fund on payment dates at the ex-dividend date net asset value, unless shareholders request cash payments on the new account form or by writing to Federated Services Company. All shareholders on the record date are entitled to the dividend.

CAPITAL GAINS

Distributions of net realized long term capital gains realized by the Fund, if any, will be made at least once every twelve months.

REDEEMING SHARES

The Fund redeems shares at their net asset value next determined after the Fund receives the redemption request. Redemptions will be made on days on which the Fund computes its net asset value. Redemption requests must be received in proper form and can be made by telephone request or by written request.

BY TELEPHONE. Shareholders may redeem their shares by telephoning the Fund before 4:00 p.m. (Eastern time). All proceeds will normally be wire transferred the following business day, but in no event more than seven days, to the shareholder's account at a domestic commercial bank that is a member of the Federal Reserve System. If at any time the Fund shall determine it necessary to terminate or modify this method of redemption, shareholders would be promptly notified.

An authorization form permitting the Fund to accept telephone redemption requests must first be completed. It is recommended that investors request this privilege at the time of their initial application. If not completed at the time of initial application, authorization forms and information on this service can be obtained through Federated Securities Corp. Telephone redemption instructions may be recorded. If reasonable procedures are not followed by the Fund, it may be liable for losses due to unauthorized or fraudulent telephone instructions.

In the event of drastic economic or market changes, a shareholder may experience difficulty in redeeming by telephone. If such a case should occur, another method of redemption, such as "By Mail," should be considered.

BY MAIL. Shareholders may redeem shares by sending a written request to Federated Services Company, P.O. Box 8600, Boston, Massachusetts 02266-8600. The written request should include the shareholder's name, the Fund name the account number, and the share or dollar amount requested. If

12

share certificates have been issued, they must be properly endorsed and should be sent by registered or certified mail to Federated Services Company, 500 Victory Road - 2nd Floor, Quincy, Massachusetts 02171 with the written request.

SIGNATURES. Shareholders requesting a redemption of \$50,000 or more, a redemption of any amount to be sent to an address other than that on record with the Fund, or a redemption payable other than to the shareholder of record must have signatures on written redemption requests guaranteed by:

- a trust company or commercial bank whose deposits are insured by the Bank Insurance Fund, which is administered by the Federal Deposit Insurance Corporation ("FDIC");
- a member of the New York, American, Boston, Midwest, or Pacific Stock Exchange;
- a savings bank or savings and loan association whose deposits are insured

by the Savings Association Insurance Fund, which is administered by the FDIC; or

- any other "eligible guarantor institution," as defined in the Securities Exchange Act of 1934.

The Fund does not accept signatures guaranteed by a notary public.

The Fund and its transfer agent have adopted standards for accepting signature guarantees from the above institutions. The Fund may elect in the future to limit eligible signature guarantors to institutions that are members of a signature guarantee program. The Fund and its transfer agent reserve the right to amend these standards at any time without notice.

Normally, a check for the proceeds is mailed to the shareholder within one business day, but in no event more than seven days, after receipt of a proper written redemption request provided the transfer agent has received payment for shares from the shareholder.

ACCOUNTS WITH LOW BALANCES

Due to the high cost of maintaining accounts with low balances, the Fund may redeem shares in any account and pay the proceeds to the shareholder of record if the account balance falls below the required minimum value of \$25,000 due to shareholder redemptions. This requirement does not apply, however, if the balance falls below \$25,000 because of changes in the Fund's net asset value. Before shares are redeemed to close an account, the shareholder is notified in writing and allowed 30 days to purchase additional shares to meet the minimum requirement.

SHAREHOLDER INFORMATION

VOTING RIGHTS

Each share of the Fund gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote. All shares of each portfolio in the Trust have equal voting rights except that in matters affecting only a particular fund, only shareholders of that fund are entitled to vote. As of July 3, 1995, Uninvest & Company, Souderton, Pennsylvania, owned 31.30% of the voting securities of the Fund and, therefore, may for certain purposes, be deemed to control the Fund and be able to affect the outcome of certain matters presented for a vote of shareholders.

13

As a Massachusetts business trust, the Trust is not required to hold annual shareholder meetings. Shareholder approval will be sought only for certain changes in the Trust's or the Fund's operation and for the election of Trustees under certain circumstances. Trustees may be removed by the Trustees or by shareholders at a special meeting.

A special meeting of shareholders for this purpose shall be called by the Trustees upon the written request of shareholders owning at least 10% of the outstanding shares of all series in the Trust entitled to vote.

MASSACHUSETTS PARTNERSHIP LAW

Under certain circumstances, shareholders may be held personally liable as partners under Massachusetts law for acts or obligations of the Trust. To protect shareholders of the Fund, the Trust has filed legal documents with Massachusetts that expressly disclaim the liability of shareholders for such acts or obligations of the Trust. These documents require notice of this disclaimer to be given in each agreement, obligation, or instrument that the Trust or its Trustees enter into or sign on behalf of the Fund.

In the unlikely event a shareholder of the Fund is held personally liable for the Trust's obligations, the Trust is required to use its property to protect or compensate the shareholder. On request, the Trust will defend any claim made and pay any judgment against a shareholder for any act or obligation of the Trust. Therefore, financial loss resulting from liability as a shareholder will occur only if the Trust cannot meet its obligations to indemnify shareholders and pay judgments against them from its assets.

TAX INFORMATION

FEDERAL INCOME TAX

The Fund will pay no federal income tax because it expects to meet requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. The Fund will be treated as a single, separate entity for

federal income tax purposes so that income (including capital gains) and losses realized by the Trust's other portfolios will not be combined for tax purposes with those realized by the Fund.

Shareholders are not required to pay federal regular income tax on any dividends received from the Fund that represent net interest on tax-exempt municipal bonds. However, dividends representing net interest income earned on some municipal bonds may be included in calculating the federal individual alternative minimum tax or the federal alternative minimum tax for corporations.

The alternative minimum tax, up to 28% of alternative minimum taxable income for individuals and 20% for corporations, applies when it exceeds the regular tax for the taxable year. Alternative minimum taxable income is equal to the regular taxable income of the taxpayer increased by certain "tax preference" items not included in regular taxable income and reduced by only a portion of the deductions allowed in the calculation of the regular tax.

14

Interest on certain "private activity" bonds issued after August 7, 1986, is treated as a tax preference item for both individuals and corporations. Unlike traditional governmental purpose municipal bonds, which finance roads, schools, libraries, prisons, and other public facilities, private activity bonds provide benefits to private parties. The Fund may purchase all types of municipal bonds, including private activity bonds. Thus, should it purchase any such bonds, a portion of the Fund's dividends may be treated as a tax preference item.

In addition, in the case of a corporate shareholder, dividends of the Fund which represent interest on municipal bonds will become subject to the 20% corporate alternative minimum tax because the dividends are included in a corporation's "adjusted current earnings." The corporate alternative minimum tax treats 75% of the excess of a taxpayer's pre-tax "adjusted current earnings" over the taxpayer's alternative minimum taxable income as a tax preference item. "Adjusted current earnings" is based upon the concept of a corporation's "earnings and profits." Since "earnings and profits" generally includes the full amount of any Fund dividend, and alternative minimum taxable income does not include the portion of the Fund's dividend attributable to municipal bonds which are not private activity bonds, the difference will be included in the calculation of the corporation's alternative minimum tax.

Dividends of the Fund representing net interest income earned on some temporary investments and any realized net short-term gains are taxed as ordinary income.

These tax consequences apply whether dividends are received in cash or as additional shares. Information on the tax status of dividends and distributions is provided annually.

PENNSYLVANIA TAXES

The Fund has received a ruling from the Commonwealth of Pennsylvania Department of Revenue that interest or gain derived by the Fund from obligations free from state taxation in Pennsylvania is not taxable on pass-through to Fund shareholders for purposes of Pennsylvania personal income taxes. This is based upon the existence of the Pennsylvania Investment Restrictions (see "Investment Limitations"). However, legislation enacted in December 1993, eliminates the necessity of the Pennsylvania Investment Restrictions. That legislation also generally repeals the Pennsylvania personal income tax exemption for gains from the sale of tax-exempt obligations, including the exemption for distributions from the Fund to the extent they are derived from gains from tax-exempt obligations.

In the opinion of Houston, Houston & Donnelly, counsel to the Trust:

- the Fund would not be liable to pay Pennsylvania corporate or personal property taxes; and
- Fund shares are exempt from personal property taxes imposed by counties in Pennsylvania to the extent that the Fund invests in obligations that are exempt from such taxes.

OTHER STATE AND LOCAL TAXES

Income from the Fund is not necessarily free from state income taxes in states other than Pennsylvania or from personal property taxes. State laws differ on this issue, and shareholders are

15

urged to consult their own tax advisers regarding the status of their accounts under state and local tax laws.

PERFORMANCE INFORMATION

From time to time, the Fund advertises its total return, yield, and tax-equivalent yield.

Total return represents the change, over a specific period of time, in the value of an investment in the Fund after reinvesting all income and capital gains distributions. It is calculated by dividing that change by the initial investment and is expressed as a percentage.

The yield of the Fund is calculated by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the maximum offering price per share of the Fund on the last day of the period. This number is then annualized using semi-annual compounding. The tax-equivalent yield of the Fund is calculated similarly to the yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a specific tax rate. The yield and the tax-equivalent yield do not necessarily reflect income actually earned by the Fund and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

From time to time, advertisements for the Fund may refer to ratings, rankings, and other information in certain financial publications and/or compare the Fund's performance to certain indices.

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)
PORTFOLIO OF INVESTMENTS
MAY 31, 1995

PRINCIPAL AMOUNT		CREDIT RATING:*	VALUE
<C>	<S>	<C>	<C>

SHORT-TERM MUNICIPAL SECURITIES--4.2%			

\$300,000	Government Development Bank of Puerto Rico, Weekly VRDNs, (Credit Suisse and Sumitomo Bank Ltd. LOCs)	VMIG1	\$ 300,000
50,000	Government Development Bank of Puerto Rico, Weekly VRDNs, (Credit Suisse and Sumitomo Bank Ltd. LOCs)	VMIG1	50,000
TOTAL SHORT-TERM MUNICIPAL SECURITIES AT AMORTIZED COST			350,000

INTERMEDIATE-TERM MUNICIPAL SECURITIES--94.2%			

PENNSYLVANIA--92.1%			
100,000	Allegheny County, PA, 5.40% UT GO Bonds, (Series C-43)/ (MBIA Insured), 9/15/2005	AAA	102,338
100,000	Allegheny County, PA, 6.00% UT GO Bonds, (Series C-39)/ (AMBAC Insured)/(Original Issue Yield: 6.098%), 5/1/2012	Aaa	102,560
350,000	Allegheny County, PA, Hospital Development Authority, 5.45% Revenue Bonds, (Allegheny General Hospital)/(MBIA Insured), 9/1/2004	AAA	358,652
600,000	Allegheny County, PA, Hospital Development Authority, (South Hills Health System), 5.90% - 6.00%, 5/1/2003 - 5/1/2004	A	615,456
100,000	Altoona Area School District, PA, 5.35% GO Bonds (Series 1994), (FGIC Insured) 1/15/2004	AAA	100,956
100,000	Altoona City Authority Water, Blair County, PA, 5.60% Revenue Bonds, (Series A)/(FGIC Insured), 11/1/2004	AAA	104,840
150,000	Berks County Municipal Authority Hospital, PA, 5.40% Revenue Bonds, (Series B-1994)/(Reading Hospital and Medical Center)/(MBIA Insured), 10/1/2004	AAA	153,185
100,000	Berks County Municipal Authority Hospital, PA,		

	5.60% Revenue Bonds, (Reading Hospital and Medical Center)/(MBIA Insured), 10/1/2006	AAA	102,609
150,000	Cambria County, PA, 5.40% GO Bonds, (Series 1994)/(FGIC Insured), 8/15/2004	AAA	154,482

</TABLE>

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

<TABLE>			
<CAPTION>			
PRINCIPAL AMOUNT		CREDIT RATING:*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

PENNSYLVANIA--CONTINUED			
\$100,000	Central Bucks School District, Bucks County, PA, 5.40% GO Bonds, (Series 1994)/(FGIC Insured), 5/15/2003	AAA	\$ 102,063
100,000	Central Bucks School District, Bucks County, PA, 6.00% GO Bonds, (Series 1994)/(FGIC Insured), 11/15/2003	AAA	107,968
150,000	Dauphin County, PA, General Authority, 6.00% Revenue Bonds, (Harrisburg International Airport)/(MBIA Insured), 6/1/2002	AAA	156,283
150,000	Dauphin County, PA, General Authority, 6.10% Revenue Bonds, (Harrisburg International Airport)/(MBIA Insured), 6/1/2003	AAA	156,330
125,000	Eastern York School District, PA, 5.55% GO Bonds, (MBIA Insured), 6/1/2003	AAA	129,487
100,000	Elizabethtown Area School District, Lancaster County, PA, 5.45% GO Bonds, (Series 1994), 2/15/2004	A	101,903
125,000	Franklin Park Boro, PA, 5.50% GO Bonds, 11/1/2004	AAA	129,738
500,000	Indiana County Hospital Authority, PA, 6.20% Revenue Bonds, (Indiana County Hospital)/(Series B)/(Connie Lee Insured), 7/1/2006	AAA	526,920
325,000	Lower Dauphin, PA, School District, 5.75%, UT GO Bonds, (AMBAC Insured), 9/15/2002	AAA	342,014
180,000	North Penn Water Authority, PA, 5.80% Revenue Bonds, (FGIC Insured), 11/1/2005	AAA	188,525
110,000	North Penn Water Authority, PA, 6.10% Revenue Bonds, (FGIC Insured), 11/1/2003	AAA	118,459
500,000	Northeastern, PA Hospital & Education Authority, 6.10% Revenue Bonds, (Series 1994A)/(Wyoming Valley Health Care)/ (AMBAC Insured), 1/1/2003	AAA	533,035
150,000	Penn-Trafford School District, PA, 5.55% GO Bonds, (Series 1994)/(MBIA Insured), 5/1/2006	AAA	154,997
100,000	Pennsylvania HFA, 5.30%, SFM Revenue Bonds, (Series 38), 4/1/2003	AA	99,297

</TABLE>

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

<TABLE>			
<CAPTION>			
PRINCIPAL AMOUNT		CREDIT RATING:*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

PENNSYLVANIA--CONTINUED

\$100,000	Pennsylvania HFA, 5.90%, SFM Revenue Bonds, 10/1/2004	AA	\$ 103,693
100,000	Pennsylvania HFA, 5.90%, SFM Revenue Bonds, 10/1/2005	AA	103,511
345,000	Pennsylvania HFA, 6.35%, SFM Revenue Bonds, (Series 43), 4/1/2001	AA	358,734
145,000	Pennsylvania State, 5.30% UT GO Bonds, 5/1/2004	AA-	148,302
100,000	Pennsylvania State, 6.30% UT GO Bonds, 11/1/2002	AA-	109,328
100,000	Pennsylvania State, 6.50% UT GO Bonds, (Series A), 11/15/2010	AA-	107,555
200,000	Pennsylvania Higher Education Facilities Authority, 5.50% (State System of Higher Education)/(Series L)/(AMBAC Insured), 6/15/2005	AAA	205,876
125,000	Pennsylvania Higher Education Facilities Authority, 6.00% Health Services Revenue Bonds, (University of Pennsylvania)/ (Series A- 1994), 1/1/2003	AA-	131,995
125,000	Pennsylvania State Turnpike Commission, 5.45% Revenue Bonds, (Series P), 12/1/2002	A1	129,034
100,000	Pennsylvania State University, 5.55% Revenue Bonds, (AMBAC Insured), 8/15/2006	AAA	102,599
125,000	Perkiomen Valley School District, Montgomery County, PA, 5.50% GO Bonds, (Series 1994), 2/1/2004	A1	128,035
300,000	Philadelphia, PA, Gas Works, 5.50% Revenue Bonds, (Series 14)/(FSA Insured), 7/1/2004	AAA	308,073
150,000	Philadelphia, PA, Water and Wastewater, 5.50% Revenue Bonds, (FGIC Insured), 6/15/2003	AAA	155,917
100,000	Philadelphia, PA, Hospital and Higher Education Facilities Authority, 5.25% Revenue Bonds, (Wills Eye Hospital)/ (Series 1994)/(Original Issue Yield: 5.40%), 7/1/2003	A	98,062
100,000	Richland School District, Cambria County, PA, 5.30% GO Bonds, (Series 1994)/(MBIA Insured), 11/1/2003	AAA	102,866
125,000	Solanco School District, Lancaster County, PA, 5.60% UT GO Bonds, (Series 1994)/(FGIC Insured), 2/15/2004	AAA	129,427

</TABLE>

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT

CREDIT RATING:*

VALUE

<C> <S> <C> <C>

INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED

PENNSYLVANIA--CONTINUED

\$100,000	Spring Ford School District, PA, 5.80% UT GO Refunding Bonds, (FGIC Insured), 8/1/2005	AAA	\$ 103,136
200,000	Swarthmore Borough Authority, PA, 6.00% Revenue Bonds, 9/15/2006	AA	210,746
185,000	Warren County School District, PA, 5.85% UT GO Bonds (FGIC Insured), 9/1/2001	AAA	193,094
110,000	Warren County School District, PA, 6.10% UT GO Bonds (FGIC Insured), 9/1/2003	AAA	114,998

-----		-----
	Total	7,687,078
-----		-----
VIRGIN ISLANDS--2.1%		
170,000	Virgin Islands HFA, 5.80%, SFM Revenue Refunding Bond, (GNMA Collateralized)/(Series A), 3/1/2005	AAA 173,407
-----		-----
	TOTAL INTERMEDIATE-TERM MUNICIPAL SECURITIES (IDENTIFIED COST 7,575,031)	7,860,485
-----		-----
	TOTAL INVESTMENTS (IDENTIFIED COST \$7,925,031) (a)	\$8,210,485
-----		-----

<FN>

* Please refer to the Appendix of the Statement of Additional Information for an explanation of the credit ratings. Current credit ratings are unaudited.

(a) The cost of investments for federal tax purposes amounts to \$7,925,031. The net unrealized appreciation on a federal tax basis amounts to \$285,454, and is comprised of \$289,681 appreciation and \$4,227 depreciation at May 31, 1995.

Note: The categories of investments are shown as a percentage of net assets (\$8,344,284) at May 31, 1995.

</TABLE>

20

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<S> <C>

The following abbreviations are used in this portfolio:

AMBAC	--American Municipal Bond Assurance Corporation
FGIC	--Financial Guaranty Insurance Company
FSA	--Financial Security Assurance
GO	--General Obligation
HFA	--Housing Finance Authority/Agency
LOC(s)	--Letter(s) of Credit
MBIA	--Municipal Bond Investors Assurance
SFM	--Single Family Mortgage
UT	--Unlimited Tax
VRDNs	--Variable Rate Demand Notes

</TABLE>

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

21

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1995

<TABLE>

<S> <C> <C>

ASSETS:

-----		-----
Investments in securities, at value (identified and tax cost \$7,925,031)		\$8,210,485
-----		-----
Cash		47,063
-----		-----
Income Receivable		124,945
-----		-----
Receivable for shares sold		143
-----		-----
Deferred expenses		10,007
-----		-----
Total assets		8,392,643
-----		-----

LIABILITIES:

-----		-----
Dividends payable	\$27,429	
-----		-----
Payable for shares redeemed	1,135	
-----		-----

Accrued expenses	19,795
Total liabilities	48,359
NET ASSETS for 829,764 shares outstanding	\$8,344,284
NET ASSETS CONSIST OF:	
Paid-in capital	\$8,220,977
Net unrealized appreciation (depreciation) of investments	285,454
Accumulated net realized gain (loss) on investments	(162,147)
Total Net Assets	\$8,344,284
NET ASSET VALUE, Offering Price, and Redemption Proceeds	
Per Share: (\$8,344,284 DIVIDED BY 829,764 shares outstanding)	\$ 10.06

</TABLE>

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

22

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF OPERATIONS
YEAR ENDED MAY 31, 1995

	<C>	<C>	<C>
<TABLE>			
<S>			
INVESTMENT INCOME:			
Interest			\$ 363,829
EXPENSES:			
Investment advisory fee	\$ 32,714		
Administrative personnel and services fees	125,000		
Custodian and portfolio accounting fees	63,301		
Shareholder services fee	4,504		
Transfer agent and dividend disbursing agent fees and expenses	15,710		
Share registration costs	7,614		
Directors'/Trustees' fees	3,108		
Auditing fees	11,990		
Legal fees	602		
Printing and postage	12,779		
Insurance premiums	4,196		
Taxes	68		
Miscellaneous	6,164		
Total expenses	287,750		
Deduct--			
Waiver of investment advisory fees	\$ 32,714		
Reimbursement of other operating expenses	225,621	258,335	
Net expenses			29,415
Net investment income			334,414

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized gain (loss) on investments	(124,072)
Net change in unrealized appreciation (depreciation) on investments	334,985
Net realized and unrealized gain (loss) on investments	210,913
Change in net assets resulting from operations	\$ 545,327

</TABLE>

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

23

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED MAY 31,	
	1995	1994*
	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS--		
Net investment income	\$ 334,414	\$ 35,828
Net realized gain (loss) on investments (\$74,731 net loss and \$0, respectively, as computed for federal tax purposes)	(124,072)	(38,075)
Net change in unrealized appreciation (depreciation) of investments	334,985	(49,531)
Change in net assets resulting from operations	545,327	(51,778)
DISTRIBUTIONS TO SHAREHOLDERS--		
Distributions from net investment income	(334,414)	(35,828)
SHARE TRANSACTIONS--		
Proceeds from sale of Shares	15,556,453	6,080,600
Net asset value of Shares issued to shareholders in payment of distributions declared	34,262	1,841
Cost of Shares redeemed	(10,337,938)	(3,114,241)
Change in net assets from Share transactions	5,252,777	2,968,200
Change in net assets	5,463,690	2,880,594
NET ASSETS:		
Beginning of period	2,880,594	--
End of period	\$ 8,344,284	\$ 2,880,594

<FN>

* For the period from December 5, 1993 (date of initial public investment) to May 31, 1994.

</TABLE>

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

24

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

NOTES TO FINANCIAL STATEMENTS
MAY 31, 1995

(1) ORGANIZATION

Intermediate Municipal Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as a open-end management investment company. The Trust consists of two non-diversified portfolios and one diversified portfolio. The financial statements included herein present only those of Federated Pennsylvania Intermediate Municipal Trust (the "Fund"), a non-diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

Effective December 19, 1994, the Board of Trustees (the "Trustees") changed the name of the Fund from Pennsylvania Intermediate Municipal Trust to Federated Pennsylvania Intermediate Municipal Trust.

(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. These policies are in conformity with generally accepted accounting principles.

INVESTMENT VALUATIONS--Municipal bonds are valued by an independent pricing service, taking into consideration yield, liquidity, risk, credit quality, coupon, maturity, type of issue, and any other factors or market data it deems relevant in determining valuations for normal institutional size trading units of debt securities. The independent pricing service does not rely exclusively on quoted prices. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be valued at amortized cost, which approximates fair market value.

INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code"). Distributions to shareholders are recorded on the ex-dividend date.

FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its tax-exempt income. Accordingly, no provisions for federal tax are necessary. At May 31, 1995, the Fund for federal tax purposes, had a capital loss carryforward of \$74,731 which will reduce the Fund's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal tax. Pursuant to the Code, such capital loss carryforward will expire in 2003 (\$74,731).

25

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

Additionally, net capital losses of \$87,417 attributable to security transactions incurred after October 31, 1994, are treated as arising on June 1, 1995, the first day of the Fund's next taxable year.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains 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.

DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering its shares have been deferred and are being amortized using the straight-line method not to exceed a period of five years from the Fund's commencement date.

CONCENTRATION OF RISK--Since the Fund invests a substantial portion of its assets in issuers located in one state, it will be more susceptible to factors adversely affecting issuers in that state than would be a comparable tax-exempt mutual fund that invests nationally. In order to reduce the credit risk associated with such factors, at May 31, 1995, 60.9% of the securities in the portfolio of investments are backed by letters of credit or bond insurance of various financial institutions and financial guaranty assurance agencies. The value of investments insured by or supported

(backed) by a letter of credit for any one institution or agency did not exceed 15.7% of total investments.

OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value). Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED MAY 31,	
	1995	1994*
<S>	<C>	<C>
Shares sold	1,596,301	603,068
Shares issued to shareholders in payment of distributions declared	3,517	183
Shares redeemed	(1,062,458)	(310,847)
Net change resulting from Fund share transactions	537,360	292,404

<FN>
* For the period from December 5, 1993 (date of initial public investment) to May 31, 1994.
</TABLE>

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The Adviser waived a portion of its fee to comply with certain state expense limitations. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS"), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. The FAS fee is based on the level of average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors for the period. The administrative fee received during the period of the Administrative Services Agreement shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares.

SHAREHOLDER SERVICES FEE--Under the terms of a Shareholder Services Agreement with Federated Shareholders Services ("FSS"), the Fund will pay FSS up to .25 of 1% of average daily net assets of the Fund for the period. The fee is to obtain certain services for shareholders and to maintain shareholder accounts.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT FEES AND EXPENSES--Federated Services Company ("FServ") serves as transfer and dividend disbursing agent for the Fund. The fee is based on the size, type, and number of accounts and transactions made by shareholders.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$24,690) and start-up administrative service expenses (\$31,506) were borne initially by the Adviser. The Fund has agreed to reimburse the Adviser for the organizational expenses and start-up administrative expenses during the five year period following November 15, 1993 (date the Fund first became effective). For the year ended May 31, 1995, the Fund paid \$2,606 and \$3,326, respectively, pursuant to this agreement.

INTERFUND TRANSACTIONS--During the year ended May 31, 1995, the Fund engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees, and/or common Officers. These transactions were made at current market value pursuant to Rule 17a-7 under the Act amounting to \$7,682,312 and \$7,450,000, respectively.

GENERAL--Certain of the Officers and Trustees of the Trust are Officers and Directors or Trustees of the above companies.

27

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

(FORMERLY, PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST)

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the year ended May 31, 1995, were as follows:

<S>	<C>
PURCHASES	\$ 7,526,341
SALES	\$ 2,669,038

28

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Trustees of
INTERMEDIATE MUNICIPAL TRUST
(Federated Pennsylvania Intermediate Municipal Trust)
(formerly, Pennsylvania Intermediate Municipal Trust):

We have audited the accompanying statement of assets and liabilities of Federated Pennsylvania Intermediate Municipal Trust (an investment portfolio of Intermediate Municipal Trust, a Massachusetts business trust), including the schedule of portfolio of investments, as of May 31, 1995, and the related statement of operations for the year then ended, the statement of changes in net assets and financial highlights (see page 2 of the prospectus) for the periods presented. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of the securities owned as of May 31, 1995, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Federated Pennsylvania Intermediate Municipal Trust, an investment portfolio of Intermediate Municipal Trust as of May 31, 1995, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the periods presented, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Pittsburgh, Pennsylvania
June 30, 1995

29

ADDRESSES

<TABLE>
<S> Fund
Federated Pennsylvania Intermediate
Municipal Trust
<C> Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Distributor
Federated Securities Corp.
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Investment Adviser
Federated Management
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Custodian
State Street Bank and Trust Company
P.O. Box 8600
Boston, Massachusetts 02266-8600

Transfer Agent and Dividend Disbursing Agent
Federated Services Company
P.O. Box 8600
Boston, Massachusetts 02266-8600

Independent Public Accountants
Arthur Andersen LLP
2100 One PPG Place
Pittsburgh, Pennsylvania 15222

</TABLE>

30

FEDERATED PENNSYLVANIA
INTERMEDIATE MUNICIPAL
TRUST
PROSPECTUS

A Non-Diversified Portfolio of Federated
Intermediate Municipal Trust,
An Open-End, Management
Investment Company

Prospectus dated July 31, 1995

[LOGO] FEDERATED SECURITIES CORP.
Distributor
A subsidiary of FEDERATED INVESTORS
FEDERATED INVESTORS TOWER
PITTSBURGH, PA 15222-3779
CUSIP 458810306
3081603A (7/95)

[RECYCLED PAPER LOGO]

Federated Pennsylvania Intermediate Municipal Trust

(A Portfolio of Intermediate Municipal Trust)
Statement of Additional Information

This Statement of Additional Information should be read with the prospectus of Federated Pennsylvania Intermediate Municipal Trust (formerly, "Pennsylvania Intermediate Municipal Trust") (the "Fund") dated July 31, 1995. This Statement is not a prospectus itself. To receive a copy of the prospectus, write or call the Fund.

Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779
Statement dated July 31, 1995

Federated Securities Corp.
Distributor
A subsidiary of
Federated Investors
General Information About the

Fund	1
Investment Objective and Policies	1
Acceptable Investments	1
When-Issued and Delayed	
Delivery Transactions	2
Temporary Investments	2
Portfolio Turnover	3
Investment Limitations	3
Investment Risks	4
Management of Intermediate	
Municipal Trust	5
Officers and Trustees	5
Fund Ownership	9
Trustees' Compensation	10
Trustee Liability	10
Investment Advisory Services	11
Adviser to the Fund	11
Advisory Fees	11
Administrative Services	11
Shareholder Services Agreement	11
Transfer Agent and Dividend	
Disbursing Agent	12
Brokerage Transactions	12
Conversion to Federal Funds	12
Determining Net Asset Value	12
Valuing Municipal Bonds	12
Use of Amortized Cost	13
Redeeming Shares	13
Redemption in Kind	13
Tax Status	13
The Fund's Tax Status	13
Shareholders' Tax Status	13
Total Return	14
Yield	14
Tax-Equivalent Yield	14
Tax-Equivalency Table	14
Performance Comparisons	15
About Federated Investors	16
Mutual Fund Market	16
Appendix	18

General Information About the Fund

The Fund is a portfolio in Intermediate Municipal Trust (the "Trust"). The Trust was established as a Massachusetts business trust under a Declaration of Trust dated May 31, 1985.

Investment Objective and Policies

The Fund's investment objective is to provide current income which is exempt from federal regular income tax and the personal income taxes imposed by the Commonwealth of Pennsylvania. The investment objective cannot be changed without approval of shareholders.

Acceptable Investments

The Fund invests primarily in a portfolio of municipal securities which are exempt from federal regular income tax and Pennsylvania state personal income taxes. These securities include those issued by or on behalf of the Commonwealth of Pennsylvania and Pennsylvania municipalities, and those issued by states, territories and possessions of the United States which are exempt from federal regular income tax and the Pennsylvania state personal income taxes.

Characteristics

The Pennsylvania municipal securities in which the Fund invests have the characteristics set forth in the prospectus.

A Pennsylvania municipal security will be determined by the Fund's adviser to meet the quality standards established by the Trust's Board of Trustees (the "Trustees") if it is of comparable quality to municipal securities within the Fund's rating requirements. The Trustees consider the creditworthiness of the issuer of a municipal security, the issuer of a participation interest if the Fund has the right to demand payment from the issuer of the interest, or the guarantor of payment by either of those issuers. The Fund is not required to sell a municipal security if the security's rating is reduced below the required minimum subsequent to its purchase by the Fund. The investment adviser considers this event, however, in its determination of whether the Fund should continue to hold the security in its portfolio. If Moody's Investors Service, Inc., Standard & Poor's Ratings Group or Fitch Investors Services, Inc. ratings change because of changes in those organizations or in their rating systems, the Fund will try to use comparable ratings as standards in accordance with the investment policies described in the Fund's prospectus.

Types of Acceptable Investments

Examples of Pennsylvania municipal securities are:

- municipal notes and municipal commercial paper;
- serial bonds sold with differing maturity dates;
- tax anticipation notes sold to finance working capital needs of

- municipalities;
- bond anticipation notes sold prior to the issuance of longer-term bonds;
- pre-refunded municipal bonds; and
- general obligation bonds secured by a municipality pledge of taxation.

Participation Interests

The financial institutions from which the Fund purchases participation interests frequently provide or secure from another financial institution irrevocable letters of credit or guarantees and give the Fund the right to demand payment of the principal amounts of the participation interests plus accrued interest on short notice (usually within seven days).

Variable Rate Municipal Securities

Variable interest rates generally reduce changes in the market value of municipal securities from their original purchase prices. Accordingly, as interest rates decrease or increase, the potential for capital appreciation or depreciation is less for variable rate municipal securities than for fixed income obligations. Many municipal securities with variable interest rates purchased by the Fund are subject to repayment of principal (usually within seven days) on the Fund's demand. The terms of these variable rate demand instruments require payment of principal and accrued interest from the issuer of the municipal obligations, the issuer of the participation interests, or a guarantor of either issuer.

Municipal Leases

The Fund may purchase municipal securities in the form of participation interests which represent undivided proportional interests in lease payments by a governmental or non-profit entity. The lease payments and other rights under the lease provide for and secure the payments on the certificates. Lease obligations may be limited by municipal charter or the nature of the appropriation for the lease. In particular, lease obligations may be subject to periodic appropriation. If the entity does not appropriate funds for future lease payments, the entity cannot be compelled to make such payments. Furthermore, a lease may provide that the certificate trustee cannot accelerate lease obligations upon default. The trustee would only be able to enforce lease payments as they became due. In the event of default or failure of appropriation, it is unlikely that the trustee would be able to obtain an acceptable substitute source of payment.

In determining the liquidity of municipal lease securities, the Fund's investment adviser, under the authority delegated by the Trustees, will base its determination on the following factors:

- whether the lease can be terminated by the lessee;
- the potential recovery, if any, from a sale of the leased property upon termination of the lease;
- the lessee's general credit strength (e.g., its debt, administrative, economic and financial characteristics and prospects);
- the likelihood that the lessee will discontinue appropriating funding for the leased property because the property is no longer deemed essential to its operations (e.g., the potential for an "event of non-appropriation"); and
- any credit enhancement or legal recourse provided upon an event of non-appropriation or other termination of the lease.

When-Issued and Delayed Delivery Transactions

These transactions are made to secure what is considered to be an advantageous price or yield for the Fund. No fees or other expenses, other than normal transaction costs, are incurred. However, liquid assets of the Fund sufficient to make payment for the securities to be purchased are segregated on the Fund's records at the trade date. These assets are marked to market daily and are maintained until the transaction has been settled. The Fund may engage in when-issued and delayed delivery transactions to an extent that would cause the segregation of an amount up to 20% of the total value of its assets.

Temporary Investments

The Fund may also invest in temporary investments during times of unusual market conditions for defensive purposes.

Repurchase Agreements

Repurchase agreements are arrangements in which banks, broker/dealers, and other recognized financial institutions sell U.S. government securities or certificates of deposit to the Fund and agree at the time of sale to repurchase them at a mutually agreed upon time and price within one year from the date of acquisition. The Fund or its custodian will take possession of the securities subject to repurchase agreements. To the extent that the original seller does not repurchase the securities from the Fund, the Fund could receive less than the repurchase price on any sale of such securities. In the event that such a defaulting seller filed for bankruptcy or became insolvent, disposition of such securities by the Fund might be delayed pending court action. The Fund believes that under the regular procedures normally in

effect for custody of the Fund's portfolio securities subject to repurchase agreements, a court of competent jurisdiction would rule in favor of the Fund and allow retention or disposition of such securities. 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 pursuant to guidelines established by the Trustees.

Reverse Repurchase Agreements

The Fund may also enter into reverse repurchase agreements. These transactions are similar to borrowing cash. In a reverse repurchase agreement, the Fund transfers possession of a portfolio instrument to another person, such as a financial institution, broker, or dealer in return for a percentage of the instrument's market value in cash and agrees that on a stipulated date in the future the Fund will repurchase the portfolio instrument by remitting the original consideration plus interest at an agreed upon rate. The use of reverse repurchase agreements may enable the Fund to avoid selling portfolio instruments at a time when a sale may be deemed to be disadvantageous, but the ability to enter into reverse repurchase agreements does not ensure that the Fund will be able to avoid selling portfolio instruments at a disadvantageous time.

When effecting reverse repurchase agreements, liquid assets of the Fund, in a dollar amount sufficient to make payment for the obligations to be purchased, are segregated at the trade date. These securities are marked to market daily and maintained until the transaction is settled.

Portfolio Turnover

The Fund may trade or dispose of portfolio securities as considered necessary to meet its investment objective. For the year ended May 31, 1995 and for the period from December 5, 1993 (date of initial public investment) to May 31, 1994, the portfolio turnover rates for the Fund were 41% and 39%, respectively.

Investment Limitations

Selling Short and Buying on Margin

The Fund will not sell any securities short or purchase any securities on margin, but may obtain such short-term credits as may be necessary for clearance of purchases and sales of securities.

Issuing Senior Securities and Borrowing Money

The Fund will not issue senior securities except that the Fund may borrow money and engage in reverse repurchase agreements in amounts up to one-third of the value of its total assets, including the amounts borrowed.

The Fund will not borrow money or engage in reverse repurchase agreements for investment leverage, but rather as a temporary, extraordinary, or emergency measure or to facilitate management of the portfolio by enabling the Fund to meet redemption requests when the liquidation of portfolio securities is deemed to be inconvenient or disadvantageous. The Fund will not purchase any securities while borrowings in excess of 5% of its total assets are outstanding.

Pledging Assets

The Fund will not mortgage, pledge, or hypothecate its assets except to secure permitted borrowings. In those cases, it may mortgage, pledge, or hypothecate assets having a market value not exceeding 10% of the value of its total assets at the time of the pledge.

Underwriting

The Fund will not underwrite any issue of securities except as it may be deemed to be an underwriter under the Securities Act of 1933 in connection with the sale of securities in accordance with its investment objective, policies, and limitations.

Investing in Real Estate

The Fund will not purchase or sell real estate or invest in real estate limited partnerships, although it may invest in municipal bonds secured by real estate or interests in real estate.

Investing in Commodities

The Fund will not buy or sell commodities, commodity contracts, or commodities futures contracts.

Lending Cash or Securities

The Fund will not lend any of its assets except that it may acquire publicly or non-publicly issued municipal bonds or temporary investments or enter into repurchase agreements in accordance with its investment objective, policies, and limitations or its Declaration of Trust.

Concentration of Investments

The Fund will not purchase securities if, as a result of such purchase, 25% or more of the value of its total assets would be invested in any one industry or in industrial development bonds or other securities, the interest upon which is paid from revenues of similar types of projects. However, the Fund may invest as

temporary investments more than 25% of the value of its assets in cash or cash items, securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities, or instruments secured by these money market instruments, i.e., repurchase agreements.

The above investment limitations cannot be changed without shareholder approval. The following limitations, however, may be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change in these limitations becomes effective.

Investing in Securities of Other Investment Companies

The Fund will not purchase securities of other investment companies except as part of a merger, consolidation, or other acquisition.

Investing in Issuers Whose Securities are Owned by Officers and Trustees of the Trust

The Fund will not purchase or retain the securities of any issuer if the Officers and Trustees of the Trust or its investment adviser, owning individually more than 1/2 of 1% of the issuer's securities, together own more than 5% of the issuer's securities.

Investing in Illiquid Securities

The Fund will not invest more than 15% of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, and certain restricted securities not determined by the Trustees to be liquid.

Investing in New Issuers

The Fund will not invest more than 5% of the value of its total assets in industrial development bonds where the principal and interest are the responsibility of companies (or guarantors, where applicable) with less than three years of continuous operations, including the operation of any predecessor.

Investing in Minerals

The Fund will not purchase interests in oil, gas, or other mineral exploration or development programs or leases, although it may invest in the securities of issuers which invest in or sponsor such programs.

In addition, to comply with investment restrictions of a certain state, the Fund will not invest in real estate limited partnerships.

Except with respect to borrowing money, if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value or net assets will not result in a violation of such restriction.

For purposes of its policies and limitations, the Fund considers certificates of deposit and demand and time deposits issued by a U.S. branch of a domestic bank or savings and loan having capital, surplus, and undivided profits in excess of \$100,000,000 at the time of investment to be "cash items."

Investment Risks

Yields on Pennsylvania municipal securities depend on a variety of factors, including: the general conditions of the municipal bond market; the size of the particular offering; the maturity of the obligations; and the rating of the issue. Further, any adverse economic conditions or developments affecting the Commonwealth of Pennsylvania or its county and local governments could impact the Fund's portfolio. The Fund's concentration in securities issued by the Commonwealth of Pennsylvania and its political subdivisions provides a greater level of risk than a fund which is diversified across numerous states and municipal entities. The ability of the Commonwealth or its municipalities to meet their obligations will depend on the availability of tax and other revenues; economic, political and demographic conditions within Pennsylvania; and their underlying fiscal condition.

The Commonwealth of Pennsylvania's budget stability depends largely upon expenditure controls which keep spending in line with what is considered a relatively limited revenue base. The Commonwealth maintains reasonable debt levels and has a sound economic position which has shifted over time from very heavy reliance on manufacturing and mining industries to a more stable employment base. The Commonwealth restored structural balance to its budget in fiscal year 1993 through tax increases, spending controls and conservative debt management. Recurring budgetary pressures which will exist into fiscal year 1994 and beyond include rapid growth in Medicaid spending and social service programs, and expenditures for additional correctional facilities. Spending was increased by 5.8% for fiscal year 1994 based on continued modest improvement in the economy, adherence to debt control policies and spendable reserves from the prior year. The 1995 budget includes an estimated \$267 million surplus from fiscal year 1994, reductions in the corporate net income tax, and continued growth in Medicaid expenditures of approximately 13%. The Commonwealth has restored the Tax Stabilization Reserve Fund to approximately \$30 million and general fund receipts were on target through fiscal year 1994, reflecting an improving regional economy and reasonable revenue projections. Reductions in state assistance and increased social service demands have made it more difficult for local governments (counties, cities, towns)

to operate with balanced budgets. School districts in the Commonwealth are provided additional credit support through Pennsylvania's Act 150 which provides subsidized debt service for qualified projects and an intercept mechanism of state aid payments which would be used to pay bondholders in the case of a missed debt service payment.

Concerning the constitutional provisions pertaining to debt, the Commonwealth may issue tax anticipation notes for its General Fund and/or Motor License Fund. However, the aggregate amount of newly issued and outstanding tax anticipation notes is limited to a maximum of 20% of the estimated revenues of the appropriate fund for the fiscal year in which the notes are issued. The notes must mature within the fiscal year of issuance. The Commonwealth of Pennsylvania may also issue bond anticipation notes with a term not to exceed three years. The bond anticipation notes are subject to applicable statutory limitations pertaining to the issuance of bonds. The ability of the Fund to achieve its investment objective depends on the continuing ability of the issuers of Pennsylvania Municipal Securities and participation interests, or the guarantors of either, to meet their obligations for the payment of interest and principal when due. Investing in Pennsylvania Municipal Securities which meet the Fund's quality standards may not be possible if the Commonwealth of Pennsylvania and its municipalities do not maintain their current credit rating.

Management of Intermediate Municipal Trust
Officers and Trustees

Officers and Trustees are listed with their addresses, principal occupations during the past five years, birthdates and present positions, including any affiliation with Federated Management, Federated Investors, Federated Securities Corp., Federated Services Company, Federated Administrative Services, Federated Shareholder Services, and the Funds (as defined below).

John F. Donahue@*

Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: July 28, 1924
Chairman and Trustee

Chairman and Trustee, Federated Investors, Federated Advisers, Federated Management, and Federated Research; Chairman and Director, Federated Research Corp.; Chairman, Passport Research, Ltd.; Chief Executive Officer and Director, Trustee, or Managing General Partner of the Funds. Mr. Donahue is the father of J. Christopher Donahue, Executive Vice President of the Company.

Glen R. Johnson *

Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: May 2, 1929
President and Trustee
Administrat
Administrative Services.

Thomas G. Bigley

28th Floor, One Oxford Centre
Pittsburgh, Pennsylvania
Birthdate: February 3, 1934
Trustee

Director, Oberg Manufacturing Co.; Chairman of the Board, Children's Hospital of Pittsburgh; Director, Trustee, or Managing General Partner of the Funds; formerly, Senior Partner, Ernst & Young LLP.

John T. Conroy, Jr.

Wood/IPC Commercial Department
John R. Wood and Associates, Inc., Realtors
3255 Tamiami Trail North
Naples, Florida
Birthdate: June 23, 1937
Trustee

President, Investment Properties Corporation; Senior Vice-President, John R. Wood and Associates, Inc., Realtors; President, Northgate Village Development Corporation; Partner or Trustee in private real estate ventures in Southwest Florida; Director, Trustee, or Managing General Partner of the Funds; formerly, President, Naples Property Management, Inc.

William J. Copeland

One PNC Plaza - 23rd Floor
Pittsburgh, Pennsylvania
Birthdate: July 4, 1918
Trustee

Director and Member of the Executive Committee, Michael Baker, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Vice Chairman and Director, PNC Bank, N.A., and PNC Bank Corp. and Director, Ryan Homes, Inc.

James E. Dowd
571 Hayward Mill Road
Concord, Massachusetts
Birthdate: May 18, 1922
Trustee
Attorney-at-law; Director, The Emerging Germany Fund, Inc.; Director,
Trustee, or Managing General Partner of the Funds.

Lawrence D. Ellis, M.D.*
3471 Fifth Avenue, Suite 1111
Pittsburgh, Pennsylvania
Birthdate: October 11, 1932
Trustee
Ce
Center; formerly, Hematologist, Oncologist, and Internist, Presbyterian
and Montefiore Hospitals; Director, Trustee, or Managing General Partner
of the Funds.

Edward L. Flaherty, Jr.@
Henny, Kochuba, Meyer and Flaherty
Two Gateway Center - Suite 674
Pittsburgh, Pennsylvania
Birthdate: June 18, 1924
Trustee
Attorney-at-law; Shareholder, Henny, Kochuba, Meyer and Flaherty;
Director, Eat'N Park Restaurants, Inc., and Statewide Settlement Agency,
Inc.; Director, Trustee, or Managing General Partner of the Funds;
formerly, Counsel, Horizon Financial, F.A., Western Region.

Peter E. Madden
70 Westcliff Road
Westin, Massachusetts
Birthdate: March 16, 1942
Trustee
Consultant; State Representative, Commonwealth of Massachusetts;
Director, Trustee, or Managing General Partner of the Funds; formerly,
President, State Street Bank and Trust Company and State Street Boston
Corporation.

Gregor F. Meyer
Henny, Kochuba, Meyer and Flaherty
Two Gateway Center - Suite 674
Pittsburgh, Pennsylvania
Birthdate: October 6, 1926
Trustee
Attorney-at-law; Partner, Henny, Kochuba, Meyer and Flaherty; Chairman,
Meritcare, Inc.; Director, Eat'N Park Restaurants, Inc.; Director,
Trustee, or Managing General Partner of the Funds.

John E. Murray, Jr., J.D., S.J.D.
President, Duquesne University
Pittsburgh, Pennsylvania
Birthdate: December 20, 1932
Trustee
President, Law Professor, Duquesne University; Consulting Partner,
Mollica, Murray and Hogue; Director, Trustee or Managing General Partner
of the Funds.

Wesley W. Posvar
1202 Cathedral of Learning
University of Pittsburgh
Pittsburgh, Pennsylvania
Birthdate: September 14, 1925
Trustee
Professor, International Politics and Management Consultant; Trustee,
Carnegie Endowment for International Peace, RAND Corporation, Online
Computer Library Center, Inc., and U.S. Space Foundation; Chairman,
Czecho Management Center; Director, Trustee, or Managing General Partner
of the Funds; President Emeritus, University of Pittsburgh; founding
Chairman, National Advisory Council for Environmental Policy and
Technology and Federal Emergency Management Advisory Board.

Marjorie P. Smuts
4905 Bayard Street
Pittsburgh, Pennsylvania
Birthdate: June 21, 1935
Trustee
Public relations/marketing consultant; Conference Coordinator, Non-
profit entities; Director, Trustee, or Managing General Partner of the
Funds.

J. Christopher Donahue

Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: April 11, 1949
Executive Vice President
President and Trustee, Federated Investors, Federated Advisers,
Federated Management, and Federated Research; President and Director,
Federated Research Corp.; President, Passport Research, Ltd.; Trustee,
Federated Administrative Services, Federated Services Company, and
Federated Shareholder Services; President or Vice President of the
Funds; Director, Trustee, or Managing General Partner of some of the
Funds. Mr. Donahue is the son of John F. Donahue, Chairman and Trustee
of the Company.

Edward C. Gonzales *
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: October 22, 1930
Executive Vice President
Vice President, Treasurer, and Trustee, Federated Investors; Vice
President and Treasurer, Federated Advisers, Federated Management,
Federated Research, Federated Research Corp., and Passport Research,
Ltd.; Executive Vice President, Treasurer, and Director, Federated
Securities Corp.; Trustee, Federated Services Company and Federated
Shareholder Services; Chairman, Treasurer, and Trustee, Federated
Administrative Services; Trustee or Director of some of the Funds;
Executive Vice President or President of the Funds.

John W. McGonigle
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: October 26, 1938
Executive Vice President and Secretary
Secretary
Secretary, Federated Research Corp. and Passport Research, Ltd.;
Trustee, Federated Services Company; Executive Vice President,
Secretary, and Trustee, Federated Administrative Services; Secretary and
Trustee, Federated Shareholder Services; Executive Vice President and
Director, Federated Securities Corp.; Vice President and Secretary of
the Funds.

Richard B. Fisher
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: May 17, 1923
Vice President
Executive Vice President and Trustee, Federated Investors; Director,
Federated Research Corp.; Chairman and Director, Federated Securities
Corp.; President or Vice President of some of the Funds; Director or
Trustee of some of the Funds.

David M. Taylor *
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: January 13, 1947
Treasurer
Senior Vice President, Controller, and Trustee, Federated Investors;
Controller, Federated Advisers, Federated Management, Federated
Research, Federated Research Corp., and Passport Research, Ltd.; Senior
Vice President, Federated Shareholder Services; Senior Vice President,
Federated Administrative Services; Treasurer of the Funds.

* This Trustee is deemed to be an "interested person" as defined
in the Investment Company Act of 1940, as amended.

@ Member of the Executive Committee. The Executive Committee of
the Board of Trustee handles the responsibilities of the Board
of Trustee between meetings of the Board.

As used in the table above, "The Funds" and "Funds" mean the following
investment companies: American Leaders Fund, Inc.; Annuity Management
Series; Arrow Funds; Automated Cash Management Trust; Automated
Government Money Trust; California Municipal Cash Trust; Cash Trust
Series II; Cash Trust Series, Inc.; DG Investor Series; Edward D. Jones
& Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange
Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated
Growth Trust; Federated High Yield Trust; Federated Income Securities
Trust; Federated Income Trust; Federated Index Trust; Federated
Institutional Trust; Federated Master Trust; Federated Municipal Trust;
Federated Short-Term Municipal Trust; Federated Short-Term U.S.
Government Trust; Federated Stock Trust; Federated Tax-Free Trust;
Federated Total Return Series, Inc.; Federated U.S. Government Bond
Fund; Federated U.S. Government Securities Fund: 1-3 Years; Federated
U.S. Government Securities Fund: 3-5 Years; First Priority Funds; Fixed
Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund,
Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.;

Fund for U.S. Government Securities, Inc.; Government Income Securities, Inc.; High Yield Cash Trust; Insurance Management Series; Intermediate Municipal Trust; International Series, Inc.; Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty U.S. Government Money Market Trust; Liberty Term Trust, Inc. - 1999; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series Trust; Money Market Management, Inc.; Money Market Obligations Trust; Money Market Trust; Municipal Securities Income Trust; Newpoint Funds; New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; RIMCO Monument Funds; The Shawmut Funds; Star Funds; The Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust; Trademark Funds; Trust for Financial Institutions; Trust For Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; The Virtus Funds; and World Investment Series, Inc.

Fund Ownership

Officers and Trustees own less than 1% of the outstanding shares of the Fund.

As of July 6, 1995 the following shareholders of record owned 5% or more of the outstanding shares of the Fund: Firstnat Co., West Chester, PA, owned approximately 70,168 shares 8.86%; Uninvest & Company, Souderton, PA, owned approximately 247,906 shares 31.30%; Harmony Co., Carlisle, PA, owned approximately 44,087 shares 5.57%; Charles Schwab & Co., Inc, San Francisco, CA owned approximately 90,879 shares 11.47%; Keystone Financial, Inc., Altoona, PA, owned approximately 40,326 shares 5.09%.

Trustees' Compensation

NAME , POSITION WITH TRUST	AGGREGATE COMPENSATION		TOTAL COMPENSATION PAID FROM FUND COMPLEX +
	FROM TRUST *#		
John F. Donahue Trustee Complex	\$0		\$ 0 for the Trust and 68 other investment companies in the Fund
Thomas G. Bigley Trustee Complex	\$958		\$ 20,688 for the Trust and 49 other investment companies of the Fund
John T. Conroy, Jr. Trustee Complex	\$ 2,371		\$ 117,202 for the Trust and 64 other investment companies in the Fund
William J. Copeland Trustee Complex	\$ 2,371		\$ 117,202 for the Trust and 64 other investment companies in the Fund
James E. Dowd Trustee Complex	\$ 2,371		\$ 117,202 for the Trust and 64 other investment companies in the Fund
Lawrence D. Ellis, M.D. Trustee Complex		\$ 1,286	\$ 106,460 for the Trust and 64 other investment companies in the Fund
Edward L. Flaherty, Jr. Trustee Complex		\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
Glen R. Johnson Trustee	\$ 0		\$ 0 for the Trust and 8 other investment companies in the Fund Complex
Peter E. Madden Trustee Complex	\$ 1,091		\$ 90,563 for the Trust and 64 other investment companies in the Fund
Gregor F. Meyer Trustee Complex	\$ 1,286		\$ 106,460 for the Trust and 64 other investment companies in the Fund
John E. Murray, Jr. Trustee Complex	\$ 632		\$ 0 for the Trust and 69 other investment companies in the Fund
Wesley W. Posvar Trustee Complex	\$ 1,286		\$ 106,460 for the Trust and 64 other investment companies in the Fund
Marjorie P. Smuts Trustee Complex	\$ 1,286		\$ 106,460 for the Trust and 64 other investment companies in the Fund

*Information is furnished for the fiscal year ended May 31, 1995.

#The aggregate compensation is provided for the Trust which is comprised of three portfolios.

+The information is provided for the last calendar year.

Trustee Liability

The Trust's Declaration of Trust provides that the Trustees will not be liable for errors of judgment or mistakes of fact or law. However, they

are not protected against any liability to which they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

Investment Advisory Services

Adviser to the Fund

The Fund's investment adviser is Federated Management (the "Adviser"). It is a subsidiary of Federated Investors. All the voting securities of Federated Investors are owned by a trust, the trustees of which are John F. Donahue, his wife, and his son, J. Christopher Donahue.

The Adviser shall not be liable to the Trust, the Fund, or any shareholder of the Fund for any losses that may be sustained in the purchase, holding, or sale of any security or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties imposed upon it by its contract with the Fund.

Advisory Fees

For its advisory services, Federated Management receives an annual investment advisory fee as described in the prospectus.

For the year ended May 31, 1995, and during the period from December 5, 1993 (date of initial public investment) to May 31, 1994 the Adviser earned \$32,714 and 3,767, all of which was voluntarily waived. In addition, the Adviser reimbursed other operating expenses of \$225,621 and \$34,400, respectively.

State Expense Limitations

The Adviser has undertaken to comply with the expense limitations established by certain states for investment companies whose shares are registered for sale in those states. If the Fund's normal operating expenses (including the investment advisory fee, but not including brokerage commissions, interest, taxes, and extraordinary expenses) exceed 2.5% per year of the first \$30 million of average net assets, 2% per year of the next \$70 million of average net assets, and 1.5% per year of the remaining average net assets, the Adviser will reimburse the Fund for its expenses over the limitation.

If the Fund's monthly projected operating expenses exceed this expense limitation, the investment advisory fee paid will be reduced by the amount of the excess, subject to an annual adjustment. If the expense limitation is exceeded, the amount to be reimbursed by the Adviser will be limited, in any single fiscal year, by the amount of the investment advisory fee.

This arrangement is not part of the advisory contract and may be amended or rescinded in the future.

Administrative Services

Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services to the Fund for a fee as described in the prospectus. Prior to March 1, 1994, Federated Administrative Services, Inc., also a subsidiary of Federated Investors, served as the Fund's administrator. (For purposes of this Statement of Additional Information, Federated Administrative Services and Federated Administrative Services, Inc. may, hereinafter, collectively be referred to as the "Administrators.") For the fiscal year ended May 31, 1995, Federated Administrative Services earned \$125,000, none of which was waived. For the period from December 5, 1993 (date of initial public investment) to May 31, 1994, the Administrators earned \$1,225, none of which was waived. Dr. Henry Gailliot, an officer of Federated Management, the Adviser to the Fund, holds approximately 20% of the outstanding common stock and serves as a director of Commercial Data Services, Inc., a company which provides computer processing services to Federated Administrative Services.

Shareholder Services Agreement

This arrangement permits the payment of fees to Federated Shareholder Services and, indirectly, to financial institutions, to cause services to be provided to shareholders by a representative who has knowledge of the shareholder's particular circumstances and goals. These activities and services may include, but are not limited to: providing office space, equipment, telephone facilities, and various clerical, supervisory, computer, and other personnel as necessary or beneficial to establish and maintain shareholder accounts and records; processing purchase and redemption transactions and automatic investments of client account cash balances; answering routine client inquiries; and assisting clients in changing dividend options, account designations, and addresses.

For the fiscal periods ending May 31, 1995 and 1994, the Fund paid shareholder service fees in the amounts of \$4,504 and \$230, respectively, all of which were paid to financial institutions.

Transfer Agent and Dividend Disbursing Agent

Federated Services Company serves as transfer agent and dividend disbursing agent for the Fund. The fee paid to the transfer agent is based upon the size, type and number of accounts and transactions made by shareholders.

Federated Services Company also maintains the Trust's accounting records. The fee paid for this service is based upon the level of the

Fund's average net assets for the period plus out-of-pocket expenses.

Brokerage Transactions

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the Adviser looks for prompt execution of the order at a favorable price. In working with dealers, the Adviser will generally use those that are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. In selecting among firms believed to meet these criteria, the Adviser may give consideration to those firms which have sold or are selling shares of the Fund and other Federated Funds. The Adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Trustees. The Adviser may select brokers and dealers who offer brokerage and research services. These services may be furnished directly to the Fund or to the Adviser and may include:

- advice as to the advisability of investing in securities;
- security analysis and reports;
- economic studies;
- industry studies;
- receipt of quotations for portfolio evaluations; and
- similar services.

The Adviser and its affiliates exercise reasonable business judgment in selecting brokers who offer brokerage and research services to execute securities transactions. They determine in good faith that commissions charged by such persons are reasonable in relationship to the value of the brokerage and research services provided.

Research services provided by brokers may be used by the Adviser or by affiliates of Federated Investors in advising other accounts. To the extent that receipt of these services may supplant services for which the Adviser or its affiliates might otherwise have paid, it would tend to reduce their expenses.

Purchasing Shares

Except under certain circumstances described in the prospectus, shares are sold at their net asset value on days the New York Stock Exchange is open for business. The procedure for purchasing shares is explained in the prospectus under "Investing in the Fund. "

Conversion to Federal Funds

It is the Fund's policy to be as fully invested as possible so that the maximum interest may be earned. Federated Services Company acts as the shareholder's agent in depositing checks and converting them into federal funds.

Determining Net Asset Value

Net asset value generally changes each day. The days on which net asset value is calculated by the Fund are described in the prospectus.

Valuing Municipal Bonds

The Trustees use an independent pricing service to value municipal bonds. The independent pricing service takes into consideration yield, stability, risk, quality, coupon rate, maturity, type of issue, trading characteristics, special circumstances of a security or trading market, and any other factors or market data it considers relevant in determining valuations for normal institutional size trading units of debt securities, and does not rely exclusively on quoted prices.

Use of Amortized Cost

The Trustees have decided that the fair value of debt securities authorized to be purchased by the Fund with remaining maturities of 60 days or less at the time of purchase, shall be their amortized cost value, unless the particular circumstances of the security indicate otherwise. Under this method, portfolio instruments and assets are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. The Executive Committee continually assesses this method of valuation and recommends changes where necessary to assure that the Fund's portfolio instruments are valued at their fair value as determined in good faith by the Trustees.

Redeeming Shares

The Fund redeems shares at the next computed net asset value after the Fund receives the redemption request. Redemption procedures are explained in the prospectus under "Redeeming Shares." Although State Street Bank does not charge for telephone redemptions, it reserves the right to charge a fee for the cost of wire-transferred redemptions of less than \$5,000.

Redemption in Kind

The Trust is obligated to redeem shares solely in cash up to \$250,000 or 1% of the net asset value of the Fund, whichever is less, for any one shareholder within a 90-day period.

Any redemption beyond this amount will also be in cash unless the Trustees determine that further cash payments will have a material adverse effect on remaining shareholders. In such a case, the Fund will pay all or a portion of the remainder of the redemption in portfolio instruments, valued in the same way that net asset value is determined. The portfolio instruments will be selected in a manner that the Trustees deem fair and equitable. Such securities will be readily marketable, to the extent available.

Redemption in kind is not as liquid as a cash redemption. If redemption is made in kind, shareholders receiving their securities and selling them before their maturity could receive less than the redemption value of their securities and could incur certain transactions costs.

Tax Status

The Fund's Tax Status

The Fund will pay no federal income tax because it expects to meet the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. To qualify for this treatment, the Fund must, among other requirements:

- derive at least 90% of its gross income from dividends, interest, and gains from the sale of securities;
- derive less than 30% of its gross income from the sale of securities held less than three months;
- invest in securities within certain statutory limits; and
- distribute to its shareholders at least 90% of its net income earned during the year.

Shareholders' Tax Status

Capital Gains

Capital gains or losses may be realized by the Fund on the sale of portfolio securities and as a result of discounts from par value on securities held to maturity. Sales would generally be made because of:

- the availability of higher relative yields;
- differentials in market values;
- new investment opportunities;
- changes in creditworthiness of an issuer; or
- an attempt to preserve gains or limit losses.

Distributions of long-term capital gains are taxed as such, whether they are taken in cash or reinvested, and regardless of the length of time the shareholder has owned the shares. Any loss by a shareholder on Fund shares held for less than six months and sold after a capital gains distribution will be treated as a long-term capital loss to the extent of the capital gains distribution.

Total Return

The Fund's average annual total return for the year ended May 31, 1995 and for the period from December 5, 1993 (date of initial public investment) to May 31, 1995 were 7.35% and 5.42%, respectively.

The Fund's cumulative total return for the period from December 5, 1993 (date of initial public investment) to May 31, 1994 was 5.42%.

Cumulative average annual total return reflects the Fund's total performance over a specific period of time. The Fund's total return is representative of only five months of investment activity since the Fund's effective date.

The average annual total return for the Fund is the average compounded rate of return for a given period that would equate a \$1,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of shares owned at the end of the period by the net asset value per share at the end of the period. The number of shares owned at the end of the period is based on the number of shares purchased at the beginning of the period with \$1,000, adjusted over the period by any additional shares assuming the monthly reinvestment of all dividends and distributions.

Yield

The Fund's yield for the thirty-day period ended May 31, 1995, was 5.21%.

The yield for shares of the Fund is determined by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the maximum offering price per share on the last day of the period. This value is then annualized using semi-annual compounding. This means that the amount of income generated during the thirty-day period is assumed to be generated each month over a twelve-month period and is reinvested every six months. The yield does not necessarily reflect income actually earned by the Fund because of certain adjustments required by the Securities and Exchange Commission and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

To the extent that financial institutions and broker/dealers charge fees in connection with services provided in conjunction with an investment in the Fund, performance will be reduced for those shareholders paying those fees.

Tax-Equivalent Yield

The Fund's tax-equivalent yield for the thirty-day period ended May 31, 1995, was 9.05%.

The tax-equivalent yield for the Fund is calculated similarly to the yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a 39.60% federal tax rate and assuming that income is 100% tax-exempt.

Tax-Equivalency Table

The Fund may also use a tax-equivalency table in advertising and sales literature. The interest earned by the municipal bonds in the Fund's portfolio generally remains free from federal regular income tax,*

Pennsylvania personal income tax and certain local taxes. (Some portion of the Fund's income may be subject to the federal alternative minimum tax and state and local taxes.) As the table below indicates, a "tax-free" investment is an attractive choice for investors, particularly in times of narrow spreads between tax-free and taxable yields.

TAXABLE YIELD EQUIVALENT FOR 1995

State of Pennsylvania					
COMBINED FEDERAL AND STATE INCOME TAX BRACKET:					
	17.80%	30.80%	33.80%	38.80%	42.40%
JOINT RETURN	\$1- 39,000	\$39,001- 94,250	\$94,251- 143,600	\$143,601- 256,500	OVER 256,500
SINGLE RETURN	\$1- 23,350	\$23,351- 56,550	\$56,551- 117,950	\$117,951- 256,500	OVER 256,500

Tax-Exempt Yield	Taxable Yield Equivalent				
1.50%	1.82%	2.17%	2.27%	2.45%	
2.60%					
2.00%	2.43%	2.89%	3.02%	3.27%	
3.47%					
2.50%	3.04%	3.61%	3.78%	4.08%	
4.34%					
3.00%	3.65%	4.34%	4.53%	4.90%	
5.21%					
3.50%	4.26%	5.06%	5.29%	5.72%	
6.08%					
4.00%	4.87%	5.78%	6.04%	6.54%	
6.94%					
4.50%	5.47%	6.50%	6.80%	7.35%	
7.81%					
5.00%	6.08%	7.23%	7.55%	8.17%	
8.68%					
5.50%	6.69%	7.95%	8.31%	8.99%	
9.55%					
6.00%	7.30%	8.67%	9.06%	9.80%	
10.42%					

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions.

The chart above is for illustrative purposes only. It is not an indicator of past or future performance of Fund shares.

* Some portion of the Fund's income may be subject to the federal alternative minimum tax and state and local income taxes.

Performance Comparisons

The performance of the Fund depends upon such variables as:

- portfolio quality;
- average portfolio maturity;
- type of instruments in which the portfolio is invested;
- changes in interest rates and market value of portfolio securities;
- changes in the Fund's expenses; and
- various other factors.

The Fund's performance fluctuates on a daily basis largely because net earnings and offering price per share fluctuate daily. Both net earnings and offering price per share are factors in the computation of yield and total return as described above.

Investors may use financial publications and/or indices to obtain a more complete view of the Fund's performance. When comparing performance, investors should consider all relevant factors such as the composition of any index used, prevailing market conditions, portfolio composition of other funds, and methods used to value portfolio securities and compute offering price. The financial publications and/or indices which the Fund uses in advertising may include:

- Lipper Analytical Services, Inc. ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all capital gains distributions and income dividends and takes into account any change in net asset value over a specific period of time. From time to time, the Fund will quote its Lipper ranking in the "other states intermediate municipal debt funds" category in advertising and sales literature.
- Morningstar, Inc., an independent rating service, is the publisher of the bi-weekly Mutual Fund Values. Mutual Fund Values rates more than 1,000 NASDAQ-listed mutual funds of all types, according to their risk-adjusted returns. The maximum rating is five stars,

and ratings are effective for two weeks.

- Lehman Brothers Five-Year State General Obligation Bonds is an index comprised of all state general obligation debt issues with maturities between four and six years. These bonds are rated A or better and represent a variety of coupon ranges. Index figures are total returns calculated for one, three and twelve month periods as well as year-to-date. Total returns are also calculated as of the index inception December 31, 1979.
- Lehman Brothers Ten-Year State General Obligation Bonds is an index comprised of the same issues noted above except that the maturities range between nine and eleven years. Index figures are total returns calculated for the same periods as listed above.

Advertisements and other sales literature for the Fund may quote total returns which are calculated on non-standardized base periods. The total returns represent the historic change in the value of an investment in the Fund based on monthly reinvestment of dividends over a specific period of time.

About Federated Investors

Federated is dedicated to meeting investor needs which is reflected in its investment decision making structured, straightforward, and consistent. This has resulted in a history of competitive performance with a range of competitive investment products that have gained the confidence of thousands of clients and their customers. The company's disciplined security selection process is firmly rooted in sound methodologies backed by fundamental and technical research. Investment decisions are made and executed by teams of portfolio managers, analysts, and traders dedicated to specific market sectors. In the municipal sector, as of December 31, 1994, Federated managed 18 bond funds with approximately \$1.9 billion in assets and 18 money market funds with approximately \$6.6 billion in total assets. In 1976, Federated introduced one of the first municipal bond mutual funds in the industry and is now one of the largest institutional buyers of municipal securities.

J. Thomas Madden, Executive Vice President, oversees Federated's equity and high yield corporate bond management while William D. Dawson, Executive Vice President, oversees Federated's domestic fixed income management. Henry A. Frantzen, Executive Vice President, oversees the management of Federated's international portfolios.

Mutual Fund Market

Twenty-seven percent of American households are pursuing their financial goals through mutual funds. These investors, as well as businesses and institutions, have entrusted over \$2 trillion to the more than 5,500 funds available.*

Federated Investors, through its subsidiaries, distributes mutual funds for a variety of investment applications. Specific markets include:

Institutional

Federated meets the needs of more than 4,000 institutional clients nationwide by managing and servicing separate accounts and mutual funds for a variety of applications, including defined benefit and defined contribution programs, cash management, and asset/liability management. Institutional clients include corporations, pension funds, tax-exempt entities, foundations/endowments, insurance companies, and investment and financial advisors. The marketing effort to these institutional clients is headed by John B. Fisher, President, Institutional Sales Division.

Trust Organizations

Other institutional clients include close relationships with more than 1,500 banks and trust organizations. Virtually all of the trust divisions of the top 100 bank holding companies use Federated funds in their clients' portfolios. The marketing effort to trust clients is headed by Mark R. Gensheimer, Executive Vice President, Bank Marketing & Sales.

Broker/Dealers and Bank Broker/Dealer Subsidiaries

Federated mutual funds are available to consumers through major brokerage firms nationwide including 200 New York Stock Exchange firms supported by more wholesalers than any other mutual fund distributor. The marketing effort to these firms is headed by James F. Getz, President, Broker/Dealer Division.

* SOURCE: Investment Company Institute

Appendix

Standard and Poor's Ratings Group ("S&P") Municipal Bond Ratings

AAA--Debt rated "AAA" has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA--Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degree.

A--Debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

NR--Indicates that no public rating has been requested, that there is

insufficient information on which to base a rating, or that S&P does not rate a particular type of obligation as a matter of policy.

Plus (+) or minus (-): The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Moody's Investors Service, Inc. Municipal Bond Ratings

Aaa--Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa--Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A--Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

NR--Not rated by Moody's.

Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate or municipal bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Fitch Investors Service, Inc. Investment Grade Bond Ratings

AAA--Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA--Bonds considered to be investment grade and of very high credit quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated "AAA." Because bonds rated in the "AAA" and "AA" categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated "F-1+."

A--Bonds considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

NR--NR indicates that Fitch does not rate the specific issue.

Plus (+) or Minus (-): Plus and minus signs are used with a rating symbol to indicate the relative position of a credit within the rating category. Plus and minus signs, however, are not used in the "AAA" category.

Standard and Poor's Ratings Group Municipal Note Ratings

SP-1--Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus sign (+) designation.

SP-2--Satisfactory capacity to pay principal and interest.

Moody's Investors Service, Inc. Short-Term Loan Ratings

MIG1/VMIG1--This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad based access to the market for refinancing.

MIG2/VMIG2--This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

Standard and Poor's Ratings Group Commercial Paper Ratings

A-1--This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

A-2--Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high for issues designated A-1.

Moody's Investors Service, Inc. Commercial Paper Ratings

PRIME-1--Issuers rated PRIME-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations. PRIME-1 repayment capacity will normally be evidenced by the following characteristics:

- leading market positions in well-established industries;
- high rates of return on funds employed;
- conservative capitalization structure with moderate reliance on debt and ample asset protection;
- broad margins in earning coverage of fixed financial charges and high internal cash generation; and
- well-established access to a range of financial markets and

assured sources of alternative liquidity.
PRIME-2--Issuers rated PRIME-2 (or related supporting institutions) have a strong capacity for repayment of short-term promissory obligations. This will normally be evidenced by many of the characteristics cited above, but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.
Cusip 458810306
3081603B (7/95)

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(formerly, Pennsylvania Intermediate Municipal Trust)

ANNUAL REPORT FOR FISCAL YEAR ENDED MAY 31, 1995

INVESTMENT REVIEW

The U.S. economy displayed considerable momentum over the 12-month period ended May 31, 1995. The Federal Reserve continued to mount its aggressive pre-emptive strike against inflation by raising the Federal Funds rate to 6%, which is a considerable amount of tightening for the economy to absorb. However, by the end of the 12-month period from June 1994 to May 1995, the U.S. economy was still showing significant signs of strength.

As of May 31, 1995, the nation's capacity utilization rate remained strong at 83.7% while unemployment continued to track well into the full employment range, declining to 5.7%. Inflation stayed surprisingly benign during this period of continued growth as the Producer Price Index showed an increase of only 0.3% for the entire month of May 1995. Also, the downturn in industrial commodity prices should lead to a drop in prices at the crude materials stage of production. Yield curves in both the municipal and treasury bond markets flattened significantly during the 12-month period. The basis point spread between the one-year and 30-year maturities narrowed by 83.9 basis points and 81 basis points in both the treasury bond and municipal bond markets, respectively. The municipal yield curve has remained steeper than the treasury yield curve due to the segmentation of demand along the curve. The bulk of new municipal bond issuance in the market is concentrated in the long end of the curve (20 years and longer) while demand has been concentrated on the shorter end of the municipal yield curve (ten years and under).

During the 12-month period ended May 31, 1995, yields in the municipal bond market, as measured by the Bond Buyer Revenue Index, rose consistently to a high of 7.37% on November 17, 1994.* Municipal bond yields then began to decline from their November high as a result of market supply and demand technicals, the attractiveness of yields available in the marketplace, and the continued hawkish stance of the Federal Reserve. The Bond Buyer Revenue Index ended the twelve month period at 6.02% at the end of May 1995.* The municipal bond market continues to lag the rally in the treasury market as a result of the debate over a flat tax, the low yields available in the marketplace, investors memory of the difficult bond market in 1994, and the continuing saga of the Orange County default in the press. The U.S. Treasury bond market also reached its high for market yields in November. The long (30 year) treasury reached a high of 8.23% on November 7, 1994, and finished the 12-month period at its low of 6.65% on May 31, 1995.

From June 1, 1994, to May 31, 1995, net assets of the Fund grew from \$2.9 million to \$8.3 million. Reflecting market activity, the net asset value of the Fund increased from \$9.86 on June 1, 1994, to \$10.06 on May 31, 1995. On that date, the credit breakdown of the holdings of the Fund was: 65.9% in "AAA" issues; 16.7% in "AA" issues; 13.1% in "A" issues; 0% in "non-rated" issues; and 4.2% in municipal cash equivalents within the highest rating category. Management continues to favor high quality securities due to the narrow credit spreads available in the marketplace. The basis point spread between an "AAA" rated general obligation bond and a single "A" rated general obligation bond is currently 26 basis points. Credit spreads in the municipal market have not widened to the extent they have historically at this stage of the business cycle. The narrow credit spreads are a result of the limited amount of new municipal bond issuance relative to prior years, the low level of absolute yields available which encourages investors to reach for yield, and the penetration of the municipal bond insurers (approximately 40% of the new issue market).

Federated Pennsylvania Intermediate Municipal Trust was established in December 1993 to provide investors the ability to invest in a non-diversified portfolio of intermediate maturity (three to ten year)

Pennsylvania municipal issues which have a credit rating of "A" or better by a nationally recognized statistical rating agency. The investment objective of the Fund is to provide current income which is exempt from the Federal regular income tax and the personal income taxes imposed by the Commonwealth of Pennsylvania.

The Fund's management is currently maintaining a neutral average maturity target as a result of our outlook on interest rates and the economy. The best strategy at this point is to maintain a market neutral duration until the economy provides a clear signal as to its direction. Economic indicators have not yet allowed the market to determine, with any conviction, whether the economy is moving in the direction of a hard landing (recession), re-acceleration and a continuation of the bear market, or a growth slow down. The portfolio's income objective involved booking attractive income streams for distribution to shareholders. Management continues to focus on "essential service" revenue bonds of stable established projects which generate strong cash flow. Examples of such projects would include electric power authorities and water and sewer utilities. Management is currently reducing exposure to the healthcare sector which has become fairly valued as a result of the death of healthcare reform. Management has avoided debt backed by municipal leases, such as certificates of participation (COPs). These debt instruments are subject to annual appropriation and present risks which are not present in bonds backed by a general obligation, full faith and credit pledge. Insured municipal bonds have also been purchased in the fund. However, the use of bond insurance is limited to monoline bond insurers who indemnify municipal obligations only. General obligation issues are also being stressed as the economy's strength translates into improved revenues and larger reserves at the state and local government level. The emphasis has been on issues that are considered upgrade candidates. Management continues to avoid market discount securities, priced beyond the de minimus rule, so as to avoid distributing ordinary income to shareholders.

When determining the credit quality of issues for potential investment by the Fund, the investment adviser focuses upon a variety of economic and financial parameters. For general obligations issues, analysis is directed towards demographic data, income distribution, property value levels and growth, provision of governmental services, and debt authorization. For revenue issues, the investment adviser also examines issuer cash flow generation, sensitivity to product/ service pricing, competition and industry/sector make-up, debt structure, debt service coverage, financial flexibility, and contingent liabilities.

Securities bought by the Fund during the past six months consisted largely of: public and private colleges and universities--both insured and uninsured; water and sewer issues; single-family mortgage revenue issues; and state and local general obligation issues. The average purchase yield for new investments by the Fund was 5.66%.**

For the 12-month period ended May 31, 1995, an investor in the Fund experienced a "total return" of 7.35%.** This performance was comprised of 5.32% income and reinvestment return (net of expenses) and of 2.03% appreciation in the net asset value per share.

*INDICES, UNLIKE MUTUAL FUNDS, ARE UNMANAGED.

**PERFORMANCE QUOTED REPRESENTS PAST PERFORMANCE. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, SO THAT AN INVESTOR'S SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

GROWTH OF \$25,000 INVESTED IN FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

The graph below illustrates the hypothetical investment of \$25,000 in the Federated Pennsylvania Intermediate Municipal Trust (the "Fund") from December 5, 1993, (start of performance) to May 31, 1995, compared to the Lehman Brothers Ten-Year General Obligation Municipal Bond Index (LB10YRGOMBI)+ and the Lipper Intermediate Municipal Debt Funds Average (LIMDFA).++

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

<TABLE>
<CAPTION>

Graphic Representation Omitted. See Appendix B
AVERAGE ANNUAL TOTAL RETURN** FOR THE PERIOD ENDED MAY 31, 1995

1 Year..... 7.35%

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE PERFORMANCE. YOUR INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO WHEN SHARES ARE REDEEMED, THEY MAY BE WORTH MORE OR LESS THAN ORIGINAL COST. MUTUAL FUNDS ARE NOT OBLIGATIONS OF OR GUARANTEED BY ANY BANK AND ARE NOT FEDERALLY INSURED.

THIS REPORT MUST BE PRECEDED OR ACCOMPANIED BY THE FUND'S PROSPECTUS DATED JULY 31, 1995, WHICH, TOGETHER WITH FINANCIAL STATEMENTS CONTAINED THEREIN, CONSTITUTES THE FUND'S ANNUAL REPORT.

*The Fund's performance assumes the reinvestment of all dividends and distributions. The LB10YRGOMBI and the LIMDFA have been adjusted to reflect reinvestment of dividends on securities in the indices.

**Total return quoted reflects all applicable sales loads and contingent deferred sales charges.

+The LB10YRGOMBI is not adjusted to reflect sales loads, expenses, or other fees that the SEC requires to be reflected in the Fund's performance. The index is unmanaged.

++The LIMDFA represents the average of the total returns reported by all of the mutual funds designated by Lipper Analytical Services, Inc. as falling into the category, and is not adjusted to reflect any sales loads. However, these total returns are reported net of expenses or other fees that the SEC requires to be reflected in a fund's performance.

[LOGO] FEDERATED SECURITIES CORP.

-----		[LOGO]
Distributor		
CUSIP 458810306		RECYCLED
G00967-02 (7/95)		PAPER

APPENDIX B

A1. The graphic presentation here displayed consists of a line graph titled "Growth of \$25,000 Invested in Federated Pennsylvania Intermediate Municipal Trust" The corresponding components of the line graph are listed underneath. The Federated Pennsylvania Intermediate Municipal Trust (the "Fund") is represented by a broken line. The Lehman Brothers 10-Year General Obligation Municipal Bond Index (the "LB10YRGOMBI") is represented by a solid line. The Lipper Intermediate Municipal Debt Funds (the "LIMDFA") is represented by a dottedline. The line graph is a visual representation of a comparison of change in value of a hypothetical \$25,000 investment in the Fund and the LB10YRGOMBI and the LIMDFA. The "x" axis reflects computation periods from the start of performance (December 5, 1993) to May 31, 1995. The "y" axis reflects the cost of the investment, ranging from \$23,000 to \$28,000. The right margin reflects the ending value of the hypothetical investment in the Fund as compared to the LB10YRGOMBI and the LIMDFA.. The ending values are \$27,041, \$26,788 and \$26,448, respectively.

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)
(A PORTFOLIO OF INTERMEDIATE MUNICIPAL TRUST)
PROSPECTUS

The shares of Federated Ohio Intermediate Municipal Trust (formerly, "Ohio Intermediate Municipal Trust") (the "Fund") offered by this prospectus represent interests in a non-diversified portfolio of securities of Intermediate Municipal Trust (the "Trust"), an open-end management investment company (a mutual fund).

The investment objective of the Fund is to provide current income which is exempt from federal regular income tax and the personal income taxes imposed by the State of Ohio. The Fund invests primarily in a portfolio of Ohio municipal securities, including securities of states, territories, and possessions of the United States which are not issued by or on behalf of the State of Ohio or its political subdivisions, but which are exempt from federal regular income tax and Ohio state personal income taxes.

THE SHARES OFFERED BY THIS PROSPECTUS ARE NOT DEPOSITS OR OBLIGATIONS OF ANY BANK, ARE NOT ENDORSED OR GUARANTEED BY ANY BANK, AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THESE SHARES INVOLVES INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF

PRINCIPAL

This prospectus contains the information you should read and know before you invest in the Fund. Keep this prospectus for future reference.

The Fund has also filed a Statement of Additional Information, dated July 31, 1995, with the Securities and Exchange Commission. The information contained in the Statement of Additional Information is incorporated by reference into this prospectus. You may request a copy of the Statement of Additional Information which is in paper form only, or a paper copy of this prospectus, if you have received your prospectus electronically, free of charge by calling 1-800-235-4669. To obtain other information or to make inquiries about the Fund, contact the Fund at the address listed in the back of this prospectus.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus dated July 31, 1995

TABLE OF CONTENTS

SUMMARY OF FUND EXPENSES	1

FINANCIAL HIGHLIGHTS	2

GENERAL INFORMATION	3

INVESTMENT INFORMATION	3

Investment Objective	3
Investment Policies	3
Ohio Municipal Securities	6
Investment Risks	6
Non-Diversification	7
Investment Limitations	7
INTERMEDIATE MUNICIPAL TRUST	
INFORMATION	7

Management of the Trust	7
Distribution of Fund Shares	9
Administration of the Fund	9
NET ASSET VALUE	10

INVESTING IN THE FUND	10

Share Purchases	10
Subaccounting Services	10
Minimum Investment Required	11
What Shares Cost	11
Exchanging Securities for Fund Shares	11
Certificates and Confirmations	11
Dividends and Distributions	11
Capital Gains	12
REDEEMING SHARES	12

Accounts with Low Balances	13
SHAREHOLDER INFORMATION	13

Voting Rights	13
Massachusetts Partnership Law	14
TAX INFORMATION	14

Federal Income Tax	14
Ohio Taxes	15
Other State and Local Taxes	15
PERFORMANCE INFORMATION	16

FINANCIAL STATEMENTS	17

REPORT OF INDEPENDENT PUBLIC	
ACCOUNTANTS	28

I

SUMMARY OF FUND EXPENSES

SHAREHOLDER TRANSACTION EXPENSES

Maximum Sales Load Imposed on Purchases (as a percentage of offering price).....	None
Maximum Sales Load Imposed on Reinvested Dividends (as a percentage of offering price).....	None
Contingent Deferred Sales Charge (as a percentage of original purchase price or redemption proceeds, as applicable).....	None
Redemption Fee (as a percentage of amount redeemed, if applicable).....	None
Exchange Fee.....	None

ANNUAL FUND OPERATING EXPENSES

(As a percentage of average net assets)

<S>	<C>	<C>
Management Fee (after waiver) (1).....		0.00%
12b-1 Fee.....		None
Total Other Expenses (after expense reimbursement).....		0.45%
Shareholder Services Fee (after waiver) (2).....	0.05%	
Total Fund Operating Expenses (3).....		0.45%

- <FN>
- (1) The management fee has been reduced to reflect the waiver of the management fee. The maximum management fee is 0.50%
- (2) The maximum shareholder services fee is 0.25%
- (3) The total Fund operating expenses in the table above are based on expenses expected during the fiscal year ending May 31, 1996. The total Fund operating expenses were 0.45% for the fiscal years ended May 31, 1995 and would have been 5.25% absent the voluntary waiver of the management fee and the voluntary reimbursement of certain other operating expenses and reductions to meet state limitations.

</TABLE>

The purpose of this table is to assist an investor in understanding the various costs and expenses that a shareholder of the Fund will bear, either directly or indirectly. For more complete descriptions of the various costs and expenses, see "Investing in the Fund" and "Intermediate Municipal Trust Information." Wire-transferred redemptions of less than \$5,000 may be subject to additional fees.

<TABLE>

<CAPTION>

EXAMPLE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>	<C>
You would pay the following expenses on a \$1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period.....	\$5	\$14	\$25	\$57

</TABLE>

THE ABOVE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

1

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)

FINANCIAL HIGHLIGHTS

(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

Reference is made to the Report of Independent Public Accountants on page 28.

<TABLE>

<CAPTION>

	YEAR ENDED MAY 31,	
	1995	1994 (a)
<S>	<C>	<C>

NET ASSET VALUE, BEGINNING OF PERIOD	\$9.53	\$10.00

INCOME FROM INVESTMENT OPERATIONS		

Net investment income	0.47	0.22

Net realized and unrealized gain (loss) on investments	0.26	(0.47)

Total from investment operations	0.73	(0.25)

LESS DISTRIBUTIONS		

Distributions from net investment income	(0.47)	(0.22)

NET ASSET VALUE, END OF PERIOD	\$9.79	\$9.53

TOTAL RETURN (b)	7.98%	(2.52%)

RATIOS TO AVERAGE NET ASSETS		

Expenses	0.45%	0.24% (c)

Net investment income	5.05%	4.69% (c)

Expense waiver/reimbursement	4.80% (d)	3.07% (c) (e)

SUPPLEMENTAL DATA		

Net assets, end of period (000 omitted)	\$6,607	\$3,379

Portfolio turnover	56%	48%

<FN>

(a) Reflects operations for the period from December 2, 1993 (date of initial public investment) to May 31, 1994.

(b) Based on net asset value, which does not reflect the sales load or contingent deferred sales charge, if applicable.

(c) Computed on an annualized basis.

(d) The Adviser waived \$26,346 of the investment advisory fee and reimbursed \$115,674 of other expenses, which represent 0.50% and 2.20% of average net assets, respectively, to comply with certain state expense limitations. The remainder of the waiver/reimbursement was voluntary. This expense decrease is reflected in both the expense and net investment income ratios shown above.

(e) This voluntary expense decrease is reflected in both the expense and net investment income ratios shown above.

</TABLE>

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

Further information about the Fund's performance is contained in the Fund's Annual report for the fiscal year ended May 31, 1995, which can be obtained free of charge.

2

GENERAL INFORMATION

The Trust was established as a Massachusetts business trust under a Declaration of Trust dated May 31, 1985. The Declaration of Trust permits the Trust to offer separate series of shares of beneficial interest representing interests in separate portfolios of securities. The shares in any one portfolio may be offered in separate classes.

Shares of the Fund are designed for the investment of moneys generally held by financial institutions in a fiduciary capacity. A minimum initial investment of \$25,000 over a 90-day period is required. The Fund may not be a suitable investment for non-Ohio taxpayers or retirement plans since it intends to invest primarily in Ohio municipal securities which are not likely to produce competitive after-tax yields for such persons and entities compared to other investments.

Shares are sold and redeemed at net asset value without a sales load imposed by the Fund.

INVESTMENT INFORMATION

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide current income exempt from federal regular income tax and the personal income taxes imposed by the State of Ohio. Interest income of the Fund that is exempt from federal regular income tax and Ohio state personal income tax retains its tax-free status when distributed to the Fund's shareholders. The Fund pursues its investment objective by investing at least 80% of its net assets in a non-diversified portfolio of Ohio municipal securities. The portfolio has a dollar-weighted average maturity of not less than three or more than ten years. While there is no assurance that the Fund will achieve its investment objective, it endeavors to do so by following the investment policies described in this prospectus. The investment objective and the policy stated above cannot be changed without approval of shareholders.

INVESTMENT POLICIES

The investment policies described below may be changed by the Board of Trustees (the "Trustees") without shareholder approval. Shareholders will be notified before any material change in these policies becomes effective.

ACCEPTABLE INVESTMENTS. The Ohio municipal securities in which the Fund invests are:

- obligations issued by or on behalf of the state of Ohio, its political subdivisions, or agencies;
- debt obligations of any state, territory, or possession of the United States, including the District of Columbia, or any political subdivision of any of these; and
- participation interests, as described below, in any of the above obligations,

the interest from which is, in the opinion of bond counsel for the issuers or in the opinion of officers of the Fund and/or the investment adviser to the Fund, exempt from both federal regular income tax and the personal income taxes imposed by the State of Ohio.

3

The prices of fixed income securities fluctuate inversely to the direction of interest rates.

AVERAGE MATURITY. The dollar-weighted average maturity of the Fund's portfolio of Ohio municipal securities will not be less than three years or more than ten years. For purposes of determining the dollar-weighted average portfolio maturity of the Fund's portfolio, the maturity of a municipal security will be its ultimate maturity, unless it is probable that the issuer of the security will take advantage of maturity-shortening devices such as a call, refunding, or redemption provision, in which case the maturity date will be the date on which it is probable that the security will be called, refunded, or redeemed. If the municipal security includes the right to demand payment, the maturity of the security for purposes of determining the Fund's dollar-weighted average portfolio maturity will be the period remaining until the principal amount of the security can be recovered by exercising the right to demand payment.

CHARACTERISTICS. The municipal securities in which the Fund invests are:

- rated within the three highest ratings for municipal securities by Moody's Investors Service, Inc. ("Moody's") (Aaa, Aa, or A), Standard & Poor's Rating Group ("S&P") (AAA, AA, or A), or Fitch Investors Service, Inc. ("Fitch") (AAA, AA, or A);
- guaranteed at the time of purchase by the U.S. government as to the payment of principal and interest;
- fully collateralized by an escrow of U.S. government securities or other securities acceptable to the Fund's adviser;
- rated at the time of purchase within Moody's highest short-term municipal obligation rating (MIG1/VMIG1) or Moody's highest municipal commercial paper rating (PRIME-1) or S&P's highest municipal commercial paper rating (SP-1);
- unrated if, at the time of purchase, other municipal securities of that issuer are rated A or better by Moody's, S&P or Fitch; or
- unrated if determined to be of equivalent quality to one of the foregoing rating categories by the Fund's investment adviser.

If a security is subsequently downgraded, the adviser will determine whether it

continues to be an acceptable investment; if not, the security will be sold. A description of the rating categories is contained in the Appendix to the Statement of Additional Information.

PARTICIPATION INTERESTS. The Fund may purchase participation interests from financial institutions such as commercial banks, savings associations, and insurance companies. These participation interests give the Fund an undivided interest in Ohio municipal securities. The financial institutions from which the Fund purchases participation interests frequently provide or secure irrevocable letters of credit or guarantees to assure that the participation interests are of high quality. The Trustees will determine whether participation interests meet the prescribed quality standards for the Fund.

VARIABLE RATE MUNICIPAL SECURITIES. Some of the Ohio municipal securities which the Fund purchases may have variable interest rates. Variable interest rates are ordinarily stated as a percentage of a published interest rate, interest rate index, or a similar standard, such as the 91-day U.S. Treasury

4

bill rate. Many variable rate municipal securities are subject to payment of principal on demand by the Fund in not more than seven days. All variable rate municipal securities will meet the quality standards for the Fund. The Fund's investment adviser has been instructed by the Trustees to monitor the pricing, quality, and liquidity of the variable rate municipal securities, including participation interests held by the Fund on the basis of published financial information and reports of the rating agencies and other analytical services.

MUNICIPAL LEASES. Also included within the general category of municipal securities are certain lease obligations or installment purchase contract obligations and participations therein (hereinafter collectively referred to as "lease obligations") of municipal authorities or entities. Although lease obligations do not constitute general obligations of the municipality for which the municipality's taxing power is pledged, a lease obligation is ordinarily backed by the municipality's covenant to budget for, appropriate, and make the payments due under the lease obligation. Interest on lease obligations is tax-exempt to the same extent as if the municipality had issued debt obligations to finance the underlying project or purchase. However, certain lease obligations contain "non-appropriation" clauses which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis. In addition to the "non-appropriation" risk, these securities represent a relatively new type of financing that has not yet developed the depth of marketability associated with more conventional bonds and some lease obligations may be illiquid. Although "non-appropriation" lease obligations are generally secured by the leased property, disposition of the property in the event of foreclosure might prove difficult. In addition, the tax treatment of such obligations in the event of "non-appropriation" is unclear. The Fund does not invest more than 10% of its total assets in lease obligations that contain "non-appropriation" clauses.

If the Fund purchases unrated municipal leases, the Trustees will be responsible for determining, on an ongoing basis, the credit quality of such leases and the likelihood that such leases will not be cancelled.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS. The Fund may purchase Ohio municipal securities on a when-issued or delayed delivery basis. These transactions are arrangements in which the Fund purchases securities with payment and delivery scheduled for a future time. The seller's failure to complete these transactions may cause the Fund to miss a price or yield considered to be advantageous. Settlement dates may be a month or more after entering into these transactions, and the market values of the securities purchased may vary from the purchase prices. Accordingly, the Fund may pay more or less than the market value of the securities on the settlement date.

The Fund may dispose of a commitment prior to settlement if the adviser deems it appropriate to do so. In addition, the Fund may enter into transactions to sell its purchase commitments to third parties at current market values and simultaneously acquire other commitments to purchase similar securities at later dates. The Fund may realize short-term profits or losses upon the sale of such commitments.

TEMPORARY INVESTMENTS. The Fund normally invests in Ohio municipal securities, as described above. However, from time to time, when the investment adviser determines that market conditions call for a temporary defensive posture, the Fund may invest in short-term non-Ohio municipal tax-

5

exempt obligations or taxable temporary investments. These temporary investments include: notes issued by or on behalf of municipal or corporate issuers; obligations issued or guaranteed by the U.S. government, its agencies, or instrumentalities; other debt securities; commercial paper; certificates of

deposit of banks; and repurchase agreements (arrangements in which the organization selling the Fund a bond or temporary investment agrees at the time of sale to repurchase it at a mutually agreed upon time and price).

There are no rating requirements applicable to temporary investments with the exception of temporary municipal securities, which are subject to the same rating requirements as all other municipal securities in which the Fund invests. However, the investment adviser will limit temporary investments to those it considers to be of comparable quality to the acceptable investments of the Fund.

Although the Fund is permitted to make taxable, temporary investments, there is no current intention of generating income subject to federal regular income tax or Ohio state personal income tax.

OHIO MUNICIPAL SECURITIES

Ohio municipal securities are generally issued to finance public works, such as airports, bridges, highways, housing, hospitals, mass transportation projects, schools, streets, and water and sewer works. They are also issued to repay outstanding obligations, to raise funds for general operating expenses, and to make loans to other public institutions and facilities.

Ohio municipal securities include industrial development bonds issued by or on behalf of public authorities to provide financing aid to acquire sites or construct and equip facilities for privately or publicly owned corporations. The availability of this financing encourages these corporations to locate within the sponsoring communities and thereby increases local employment.

The two principal classifications of municipal securities are "general obligation" and "revenue" bonds. General obligation bonds are secured by the issuer's pledge of its full faith and credit and taxing power for the payment of principal and interest. However, interest on and principal of revenue bonds are payable only from the revenue generated by the facility financed by the bond or other specified sources of revenue. Revenue bonds do not represent a pledge of credit or create any debt of or charge against the general revenues of a municipality or public authority. Industrial development bonds are typically classified as revenue bonds.

INVESTMENT RISKS

Yields on Ohio municipal securities depend on a variety of factors, including: the general conditions of the municipal bond market; the size of the particular offering; the maturity of the obligations; and the rating of the issue. Further, any adverse economic conditions or developments affecting the state of Ohio or its municipalities could impact the Fund's portfolio. The State of Ohio and certain underlying municipalities face potential economic problems over the longer term. The state economy has grown more slowly than that of the nation as a whole, resulting in a gradual erosion of its relative economic affluence. The causes of this relative decline are varied and complex, involving in many cases national and international demographic and economic trends beyond the influence of the state. The ability of the Fund to achieve its investment objective also depends on the continuing

6

ability of the issuers of Ohio municipal securities and participation interests, or the guarantors of either, to meet their obligations for the payment of interest and principal when due. Investing in Ohio municipal securities which meet the Fund's quality standards may not be possible if the State of Ohio or its municipalities do not maintain their current credit ratings. In addition, certain Ohio constitutional amendments, legislative measures, executive orders, administrative regulations, or voter initiatives could result in adverse consequences affecting Ohio municipal securities.

NON-DIVERSIFICATION

The Fund is a non-diversified investment portfolio. As such, there is no limit on the percentage of assets which can be invested in any single issuer. An investment in the Fund, therefore, will entail greater risk than would exist in a diversified portfolio of securities because the higher percentage of investments among fewer issuers may result in greater fluctuation in the total market value of the Fund's portfolio. Any economic, political, or regulatory developments affecting the value of the securities in the Fund's portfolio will have a greater impact on the total value of the portfolio than would be the case if the portfolio was diversified among more issuers.

The Fund intends to comply with Subchapter M of the Internal Revenue Code, as amended. This undertaking requires that at the end of each quarter of the taxable year, with regard to at least 50% of the Fund's total assets, no more than 5% of its total assets are invested in the securities of a single issuer; beyond that no more than 25% of its total assets are invested in the securities of a single issuer.

INVESTMENT LIMITATIONS

The Fund will not borrow money directly or through reverse repurchase agreements (arrangements in which the Fund sells a portfolio instrument for a percentage of its cash value with an agreement to buy it back on a set date) or pledge securities except, under certain circumstances, the Fund may borrow up to one-third of the value of its total assets and pledge up to 10% of the value of those assets to secure such borrowings. The Fund does not intend to engage in any borrowings during the coming fiscal year.

The above investment limitation cannot be changed without shareholder approval. The following limitation, however, can be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change in this limitation becomes effective.

The Fund will not invest more than 15% of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, and restricted securities determined by the Trustees not to be liquid.

INTERMEDIATE MUNICIPAL TRUST INFORMATION

MANAGEMENT OF THE TRUST

BOARD OF TRUSTEES. The Trust is managed by a Board of Trustees. The Trustees are responsible for managing the business affairs of the Trust and for exercising all of the powers of the Trust, except those reserved for the shareholders. An Executive Committee of the Board of Trustees handles the Board's responsibilities between meetings of the Board.

7

INVESTMENT ADVISER. Investment decisions for the Fund are made by Federated Management, the Fund's investment adviser (the "Adviser"), subject to direction by the Trustees. The Adviser continually conducts investment research and supervision for the Fund and is responsible for the purchase or sale of portfolio instruments, for which it receives an annual fee from the Fund.

ADVISORY FEES. The Adviser receives an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. Under the investment advisory contract, the Adviser may reimburse the Fund the amount, limited to the amount of the advisory fee, by which the Fund's aggregate annual operating expenses, including its investment advisory fee but excluding interest, taxes, brokerage commissions, insurance premiums, expenses of registering and qualifying the Fund and its shares under federal and state laws, expenses of withholding taxes, and extraordinary expenses, exceed a certain percentage of its average daily net assets. This does not include reimbursement to the Fund of any expenses incurred by shareholders who use the transfer agent's subaccounting facilities. The Adviser can terminate this voluntary reimbursement of expenses at any time at its sole discretion. The Adviser has also undertaken to reimburse the Fund for operating expenses in excess of limitations established by certain states.

ADVISER'S BACKGROUND. Federated Management, a Delaware business trust organized on April 11, 1989, is a registered investment adviser under the Investment Advisers Act of 1940, as amended. It is a subsidiary of Federated Investors. All of the Class A (voting) shares of Federated Investors are owned by a trust, the Trustees of which are John F. Donahue, Chairman and Trustee of Federated Investors, Mr. Donahue's wife, and Mr. Donahue's son, J. Christopher Donahue, who is President and Trustee of Federated Investors.

J. Scott Albrecht has been the Fund's portfolio manager since the Fund's inception. Mr. Albrecht joined Federated Investors in 1989 and has been an Assistant Vice President of the Adviser since 1992. From 1989 until 1991, Mr. Albrecht acted as an investment analyst. Mr. Albrecht was a municipal credit analyst at Mellon Bank, N.A. from 1985 until 1989. Mr. Albrecht is a Chartered Financial Analyst and received his M.S. in Management from Carnegie Mellon University.

Federated Management and other subsidiaries of Federated Investors serve as investment advisers to a number of investment companies and private accounts. Certain other subsidiaries also provide administrative services to a number of investment companies. With over \$72 billion invested across more than 260 funds under management and/or administration by its subsidiaries, as of December 31, 1994, Federated Investors is one of the largest mutual fund investment managers in the United States. With more than 1,750 employees, Federated continues to be led by the management who founded the company in 1955. Federated funds are presently at work in and through 4,000 financial institutions nationwide. More than 100,000 investment professionals have selected Federated funds for their clients.

Both the Trust and the Adviser have adopted strict codes of ethics governing the

conduct of all employees who manage the Fund and its portfolio securities. These codes recognize that such persons owe a fiduciary duty to the Fund's shareholders and must place the interests of shareholders ahead of the employees' own interest. Among other things, the codes: require preclearance and periodic reporting of personal securities transactions; prohibit personal transactions in securities being purchased or sold, or being considered for purchase or sale, by the Fund; prohibit purchasing

8

securities in initial public offerings; and prohibit taking profits on securities held for less than sixty days. Violations of the codes are subject to review by the Trustees, and could result in severe penalties.

DISTRIBUTION OF FUND SHARES

Federated Securities Corp. is the principal distributor for shares of the Fund. It is a Pennsylvania corporation organized on November 14, 1969, and is the principal distributor for a number of investment companies. Federated Securities Corp. is a subsidiary of Federated Investors.

ADMINISTRATION OF THE FUND

ADMINISTRATIVE SERVICES. Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services (including certain legal and financial reporting services) necessary to operate the Fund. Federated Administrative Services provides these at an annual rate, which relates to the average aggregate daily net assets of all funds advised by subsidiaries of Federated Investors (the "Federated Funds") as specified below:

<TABLE>

<CAPTION>

MAXIMUM FEE	AVERAGE AGGREGATE DAILY NET ASSETS
0.15 of 1%	on the first \$250 million
0.125 of 1%	on the next \$250 million
0.10 of 1%	on the next \$250 million
0.075 of 1%	on assets in excess of \$750 million

</TABLE>

The administrative fee received during any fiscal year shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares. Federated Administrative Services may choose voluntarily to waive a portion of its fee.

SHAREHOLDER SERVICES. The Fund has entered into a Shareholder Services Agreement with Federated Shareholder Services, a subsidiary of Federated Investors, under which the Fund may make payments up to 0.25 of 1% of the average daily net asset value of the Fund to obtain certain personal services for shareholders and for the maintenance of shareholder accounts ("shareholder services"). Under the Shareholder Services Agreement, Federated Shareholder Services will either perform shareholder services directly or will select financial institutions to perform shareholder services. Financial institutions will receive fees based upon shares owned by their clients or customers. The schedules of such fees and the basis upon which such fees will be paid will be determined, from time to time, by the Fund and Federated Shareholder Services.

OTHER PAYMENTS TO FINANCIAL INSTITUTIONS. In addition to periodic payments to financial institutions for shareholder services, certain financial institutions may be compensated by the Adviser or its affiliates for the continuing investment of customers' assets in certain funds, including the Fund, advised by those entities. These payments will be made directly by the distributor or Adviser from their assets, and will not be made from the assets of the Fund or by the assessment of a sales load on shares.

CUSTODIAN. State Street Bank and Trust Company ("State Street Bank"), Boston, Massachusetts, is custodian for the securities and cash of the Fund.

9

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT. Federated Services Company, Boston, Massachusetts, is transfer agent for the shares of the Fund, and dividend disbursing agent for the Fund.

INDEPENDENT PUBLIC ACCOUNTANTS. The independent public accountants for the Fund are Arthur Andersen LLP, Pittsburgh, Pennsylvania.

NET ASSET VALUE

The Fund's net asset value per share fluctuates. It is determined by dividing the sum of all securities and other assets, less liabilities, by the total

number of shares outstanding.

INVESTING IN THE FUND

SHARE PURCHASES

Shares of the Fund are sold on days on which the New York Stock Exchange is open for business. Shares may be purchased either by wire or mail. The Fund reserves the right to reject any purchase request.

To purchase shares of the Fund, open an account by calling Federated Securities Corp. Information needed to establish the account will be taken over the telephone.

BY WIRE. To purchase shares of the Fund by Federal Reserve wire, call the Fund before 1:00 p.m. (Eastern time) to place an order. The order is considered received immediately. Payment by federal funds must be received before 3:00 p.m. (Eastern time) that day. Federal funds should be wired as follows: Federated Services Company, c/o State Street Bank and Trust Company, Boston, Massachusetts; Attention: EDGEWIRE; For Credit to: Federated Ohio Intermediate Municipal Trust; Fund Number (this number can be found on the Account Statement or by contacting the Fund); Group Number or Order Number; Nominee or Institution Name; and ABA Number 011000028.

BY MAIL. To purchase shares of the Fund by mail, send a check made payable to Federated Ohio Intermediate Municipal Trust to: Federated Services Company, P.O. Box 8600, Boston, Massachusetts 02266-8600. Orders by mail are considered received when payment by check is converted into federal funds. This is normally the next business day after the check is received.

SUBACCOUNTING SERVICES

Financial institutions are encouraged to open single master accounts. However, certain financial institutions may wish to use the transfer agent's subaccounting system to minimize their internal recordkeeping requirements. The transfer agent may charge a fee based on the level of subaccounting services rendered. Financial institutions holding shares in a fiduciary, agency, custodial, or similar capacity may charge or pass through subaccounting fees as part of or in addition to normal trust or agency account fees. They may also charge fees for other services provided which may be related to the ownership of shares of the Fund. This prospectus should, therefore, be read together with any

10

agreement between the customer and the institution with regard to the services provided, the fees charged for those services, and any restrictions and limitations imposed.

MINIMUM INVESTMENT REQUIRED

The minimum initial investment in the Fund is \$25,000, plus any non-affiliated bank or broker's fee, if applicable. However, an account may be opened with a smaller amount as long as the \$25,000 minimum is reached within 90 days. An institutional investor's minimum investment will be calculated by combining all accounts it maintains with the Fund.

Individual accounts established through a bank or broker may be subject to a different minimum investment requirement.

WHAT SHARES COST

Shares are sold at their net asset value next determined after an order is received. There is no sales load imposed by the Fund. Investors who purchase shares through a non-affiliated bank or broker may be charged an additional service fee by that bank or broker.

The net asset value is determined as of the close of trading (normally 4:00 p.m., Eastern time) on the New York Stock Exchange, Monday through Friday, except on: (i) days on which there are not sufficient changes in the value of the Fund's portfolio securities that its net asset value might be materially affected; (ii) days during which no Shares are tendered for redemption and no orders to purchase shares are received; or (iii) the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

EXCHANGING SECURITIES FOR FUND SHARES

Investors may exchange certain municipal securities or a combination of securities and cash for Fund shares. The securities and cash must have a market value of at least \$25,000. The Fund reserves the right to determine the acceptability of the securities to be exchanged. Securities accepted by the Fund are valued in the same manner as the Fund values its assets. Shareholders

wishing to exchange securities should first contact Federated Securities Corp.

CERTIFICATES AND CONFIRMATIONS

As transfer agent for the Fund, Federated Services Company maintains a share account for each shareholder. Share certificates are not issued unless requested in writing.

Detailed confirmations of each purchase and redemption are sent to each shareholder. Monthly confirmations are sent to report dividends paid during that month.

DIVIDENDS AND DISTRIBUTIONS

Dividends are declared daily and paid monthly to all shareholders invested in the Fund on the record date. Dividends and distributions are automatically reinvested in additional shares of the Fund on payment dates at the ex-dividend date net asset value, unless shareholders request cash payments on the new account form or by writing to Federated Services Company. All shareholders on the record date are entitled to the dividend.

11

CAPITAL GAINS

Distributions of net realized long-term capital gains realized by the Fund, if any, will be made at least once every twelve months.

REDEEMING SHARES

The Fund redeems shares at their net asset value next determined after the Fund receives the redemption request. Redemptions will be made on days on which the Fund computes its net asset value. Redemption requests must be received in proper form and can be made by telephone request or by written request.

BY TELEPHONE. Shareholders may redeem their shares by telephoning the Fund before 4:00 p.m. (Eastern time). All proceeds will normally be wire transferred the following business day, but in no event more than seven days, to the shareholder's account at a domestic commercial bank that is a member of the Federal Reserve System. If at any time, the Fund shall determine it necessary to terminate or modify this method of redemption, shareholders would be promptly notified. Telephone redemption instructions may be recorded.

An authorization form permitting the Fund to accept telephone redemption requests must first be completed. It is recommended that investors request this privilege at the time of their initial application. If not completed at the time of initial application, authorization forms and information on this service can be obtained through Federated Securities Corp. If reasonable procedures are not followed by the Fund, it may be liable for losses due to unauthorized or fraudulent telephone instructions.

In the event of drastic economic or market changes, a shareholder may experience difficulty in redeeming by telephone. If such a case should occur, another method of redemption, such as "By Mail," should be considered.

BY MAIL. Shareholders may redeem shares by sending a written request to Federated Services Company, P.O. Box 8600, Boston, Massachusetts 02266-8600. The written request should include the shareholder's name, the Fund name, the account number, and the share or dollar amount requested. If share certificates have been issued, they must be properly endorsed and should be sent by registered or certified mail to Federated Services Company, 500 Victory Road - 2nd Floor, Quincy, Massachusetts 02171 with the written request.

SIGNATURES. Shareholders requesting a redemption of \$50,000 or more, a redemption of any amount to be sent to an address other than that on record with the Fund, or a redemption payable other than to the shareholder of record must have signatures on written redemption requests guaranteed by:

- a trust company or commercial bank whose deposits are insured by the Bank Insurance Fund, which is administered by the Federal Deposit Insurance Corporation ("FDIC");
- a member of the New York, American, Boston, Midwest, or Pacific Stock Exchanges;

12

- a savings bank or savings and loan association whose deposits are insured by the Savings Association Insurance Fund, which is administered by the FDIC; or
- any other "eligible guarantor institution," as defined in the Securities

The Fund does not accept signatures guaranteed by a notary public.

The Fund and its transfer agent have adopted standards for accepting signature guarantees from the above institutions. The Fund may elect in the future to limit eligible signature guarantors to institutions that are members of a signature guarantee program. The Fund and its transfer agent reserve the right to amend these standards at any time without notice.

Normally, a check for the proceeds is mailed to the shareholder within one business day, but in no event more than seven days, after receipt of a proper written redemption request provided the transfer agent has received payment for shares from the shareholder.

ACCOUNTS WITH LOW BALANCES

Due to the high cost of maintaining accounts with low balances, the Fund may redeem shares in any account and pay the proceeds to the shareholder of record if the account balance falls below the required minimum value of \$25,000 due to shareholder redemptions. This requirement does not apply, however, if the balance falls below \$25,000 because of changes in the Fund's net asset value. Before shares are redeemed to close an account, the shareholder is notified in writing and allowed 30 days to purchase additional shares to meet the minimum requirement.

SHAREHOLDER INFORMATION

VOTING RIGHTS

Each share of the Fund gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote. All shares of each portfolio in the Trust have equal voting rights except that in matters affecting only a particular fund, only shareholders of that fund are entitled to vote. As of July 3, 1995, Defco Company, Defiance, Ohio, owned 27.28% of the voting securities of the Fund and, therefore, may for certain purposes be deemed to control the Fund and be able to affect the outcome of certain matters presented for a vote of shareholders.

As a Massachusetts business trust, the Trust is not required to hold annual shareholder meetings. Shareholder approval will be sought only for certain changes in the Trust's or the Fund's operation and for the election of Trustees under certain circumstances. Trustees may be removed by the Trustees or by shareholders at a special meeting.

A special meeting of the shareholders for this purpose shall be called by the Trustees upon the written request of shareholders owning at least 10% of the outstanding shares of all series in the Trust entitled to vote.

MASSACHUSETTS PARTNERSHIP LAW

Under certain circumstances, shareholders may be held personally liable as partners under Massachusetts law for acts or obligations of the Trust on behalf of the Fund. To protect shareholders of the Fund, the Trust has filed legal documents with Massachusetts that expressly disclaim the liability of shareholders of the Fund for such acts or obligations of the Trust. These documents require notice of this disclaimer to be given in each agreement, obligation, or instrument that the Trust or its Trustees enter into or sign on behalf of the Fund.

In the unlikely event a shareholder of the Fund is held personally liable for the Trust's obligations on behalf of the Fund, the Trust is required to use the property of the Fund to protect or compensate the shareholder. On request, the Trust will defend any claim made and pay any judgment against a shareholder of the Fund for any act or obligation of the Trust on behalf of the Fund. Therefore, financial loss resulting from liability as a shareholder of the Fund will occur only if the Trust cannot meet its obligations to indemnify shareholders and pay judgments against them from the assets of the Fund.

TAX INFORMATION

FEDERAL INCOME TAX

The Fund will pay no federal income tax because it expects to meet requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. The Fund will be treated as a single, separate entity for federal income tax purposes so that income (including capital gains) and losses realized by the Trust's other portfolios will not be combined for tax purposes

with those realized by the Fund.

Shareholders are not required to pay federal regular income tax on any dividends received from the Fund that represent net interest on tax-exempt municipal bonds. However, dividends representing net interest income earned on some municipal bonds may be included in calculating the federal individual alternative minimum tax or the federal alternative minimum tax for corporations.

The alternative minimum tax, up to 28% of alternative minimum taxable income for individuals and 20% for corporations, applies when it exceeds the regular tax for the taxable year. Alternative minimum taxable income is equal to the regular taxable income of the taxpayer increased by certain "tax preference" items not included in regular taxable income and reduced by only a portion of the deductions allowed in the calculation of the regular tax.

Interest on certain "private activity" bonds issued after August 7, 1986, is treated as a tax preference item for both individuals and corporations. Unlike traditional governmental purpose municipal bonds, which finance roads, schools, libraries, prisons, and other public facilities, private activity bonds provide benefits to private parties. The Fund may purchase all types of municipal bonds, including private activity bonds. Thus, should it purchase any such bonds, a portion of the Fund's dividends may be treated as a tax preference item.

14

In addition, in the case of a corporate shareholder, dividends of the Fund which represent interest on municipal bonds will become subject to the 20% corporate alternative minimum tax because the dividends are included in a corporation's "adjusted current earnings." The corporate alternative minimum tax treats 75% of the excess of a taxpayer's pre-tax "adjusted current earnings" over the taxpayer's alternative minimum taxable income as a tax preference item. "Adjusted current earnings" is based upon the concept of a corporation's "earnings and profits." Since "earnings and profits" generally includes the full amount of any Fund dividend, and alternative minimum taxable income does not include the portion of the Fund's dividend attributable to municipal bonds which are not private activity bonds, the difference will be included in the calculation of the corporation's alternative minimum tax.

Dividends of the Fund representing net interest income earned on some temporary investments and any realized net short-term gains are taxed as ordinary income.

These tax consequences apply whether dividends are received in cash or as additional shares. Information on the tax status of dividends and distributions is provided annually.

OHIO TAXES

Under existing Ohio laws, distributions made by the Fund will not be subject to Ohio individual income tax if such distributions qualify as "exempt-interest dividends" under the Code, and represent (i) interest from obligations of Ohio or its subdivisions which is exempt from federal income tax; or (ii) interest or dividends from obligations issued by the United States and its territories or possessions or by any authority, commission or instrumentality of the United States which are exempt from state income tax under federal laws. Conversely, to the extent that distributions made by the Fund are derived from other types of obligations, such dividends will be subject to Ohio individual income tax.

Distributions made by the Fund will not be subject to Ohio corporation franchise tax if such distributions qualify as "exempt-interest dividends" under the Code, and represent (i) interest from obligations of Ohio or its subdivisions which is exempt from federal income tax; or (ii) net interest income from obligations issued by the United States and its territories or possessions or by any authority, commission or instrumentality of the United States, which is included in federal taxable income and which the exempt from state income tax under federal laws.

Exempt-interest dividends that represent interest from obligations held by the Fund which are issued by the State of Ohio or its political subdivisions will be exempt from any Ohio municipal income tax (even if the municipality is permitted under Ohio law to levy a tax on intangible income).

OTHER STATE AND LOCAL TAXES

Income from the Fund is not necessarily free from state income taxes in states other than Ohio or from personal property taxes. State laws differ on this issue, and shareholders are urged to consult their own tax advisers regarding the status of their accounts under state and local tax laws.

15

PERFORMANCE INFORMATION

From time to time, the Fund advertises its total return, yield, and tax-equivalent yield.

Total return represents the change, over a specific period of time, in the value of an investment in the Fund after reinvesting all income and capital gains distributions. It is calculated by dividing that change by the initial investment and is expressed as a percentage.

The yield of the Fund is calculated by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the shares of the Fund over a thirty-day period by the offering price per share of the shares of the Fund on the last day of the period. This number is then annualized using semi-annual compounding. The tax-equivalent yield of the Fund is calculated similarly to the yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a specific tax rate. The yield and the tax-equivalent yield do not necessarily reflect income actually earned by the Fund and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

From time to time, advertisements for the Fund may refer to ratings, rankings, and other information in certain financial publications and/or compare the Fund's performance to certain indices.

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
 (FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)
 PORTFOLIO OF INVESTMENTS
 MAY 31, 1995

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--98.0%			

OHIO--94.9%			
\$200,000	Akron, OH, Waterworks System, 5.50% Mortgage Revenue Bonds (FGIC Insured), 12/1/2005	AAA	\$ 207,264
100,000	Avon Lake, OH, 5.35% LT GO Bonds (Series 1994), 12/1/2003	A	102,260
200,000	Cleveland, OH, 5.40% Airport System Improvement Revenue Bonds (Series 1994A)/(FGIC Insured)/(Original Issue Yield: 5.55%)/(Subject to AMT), 1/1/2004	AAA	204,258
250,000	Cleveland, OH, 6.00% Various Purpose LT GO Bonds (Series 1994)/(MBIA Insured)/(Original Issue Yield: 6.10%), 11/15/2004	AAA	266,513
150,000	Columbus, OH, 5.50% Various Purpose LT GO Bonds (Series 1994-1)/(Original Issue Yield: 5.583%), 5/15/2004	AA+	157,455
500,000	Columbus, OH, Municipal Airport Authority, 5.55% Improvement Revenue Bonds (Series 1994A)/(Port Columbus International Airport)/(MBIA Insured)/(Original Issue Yield: 5.65%)/(Subject to AMT), 1/1/2004	AAA	514,580
100,000	Columbus, OH, Water System, 6.375% Refunding Revenue Bonds (Series 1991)/(Original Issue Yield: 6.65%), 11/1/2010	A1	104,933
400,000	Cuyahoga County, OH, 5.00% Hospital Revenue Bonds (Fairview General Hospital)/(Original Issue Yield: 5.10%), 8/15/2004	A	382,052
250,000	Franklin County, OH, 5.875% Revenue Bonds (Seton Square North)/(FHA Insured)/(Original Issue Yield: 6.00%), 10/1/2004	Aa	258,780
100,000	Kings Local School District, OH, 6.25% UT GO Bonds, 12/1/2001	NR	107,668
100,000	Kings Local School District, OH, 6.50% UT GO Bonds, 12/1/2003	NR	109,920

250,000	Lakewood, OH, 5.35% UT GO Bonds (Series A), 12/1/2004	Aa	258,848
250,000	Lorain County, OH, 5.10% Hospital Facilities Refunding Revenue Bonds (EMH Regional Medical Center)/(AMBAC Insured)/ (Original Issue Yield: 5.30%), 11/1/2004	AAA	247,595

</TABLE>

17

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL AMOUNT		CREDIT RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			
OHIO--CONTINUED			
\$200,000	Mahoning County, OH, 5.70% LT GO Various Purpose Capital Bonds (Series 1994)/(MBIA Insured), 12/1/2004	AAA	\$ 210,638
150,000	Maumee, OH, 5.35% Hospital Facilities Revenue Bonds (Series 1994)/(St. Luke's Hospital)/(AMBAC Insured), 12/1/2004	AAA	154,159
150,000	Miami Valley Regional Transit Authority, OH, 5.40% LT GO Bonds (Series 1994), 12/2/2004	A	153,241
150,000	North Canton, OH, City School District, 5.50% LT GO Bonds, 12/1/2003	A	153,784
100,000	North Royalton City School District, OH, 5.50% UT GO School Improvement Bonds (Series 1994)/(MBIA Insured), 12/1/2004	AAA	103,821
150,000	Ohio State HFA, 5.40% Revenue Bonds (Series 1994A-1)/(GNMA Collateralized), 3/1/2004	AAA	151,026
610,000	Ohio State HFA, 5.80% Revenue Bonds (Series 1994B-1)/(GNMA Collateralized), 9/1/2005	AAA	630,892
250,000	Ohio State, 5.60% Infrastructure Improvement GO Bonds (Series 1995)/(Original Issue Yield: 5.65%), 8/1/2002	AA	264,005
250,000	Olentangy Local School District, OH, 5.60% UT GO Bonds (Series 1995A)/(Original Issue Yield: 5.70%), 12/1/2004	AA-	260,658
200,000	Portage County, OH, 5.40% LT GO Bonds (AMBAC Insured), 12/1/2003	AAA	207,164
195,000	Stow, OH, 7.75% LT GO Bonds (Safety Center Construction Bonds), 12/1/2003	A1	230,726
260,000	Summit County, OH, 5.75% LT GO Various Purpose Bonds (AMBAC Insured), 12/1/2005	AAA	273,824
200,000	Toledo, OH, Sewer System, 5.75% Revenue Bonds (Original Issue Yield: 5.85%)/(AMBAC Insured), 11/15/2005	AAA	211,258
230,000	Tuscarawas Valley Local School District, OH, 5.45% UT GO Bonds (Series 1995)/(AMBAC Insured), 12/1/2004	AAA	239,872

</TABLE>

18

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST

<TABLE>

<CAPTION>

PRINCIPAL	CREDIT
-----------	--------

AMOUNT		RATING*	VALUE
<C>	<S>	<C>	<C>
INTERMEDIATE-TERM MUNICIPAL SECURITIES--CONTINUED			

OHIO--CONTINUED			
\$100,000	Warren County, OH, 5.35% Waterworks System Revenue Bonds (Series 1994)/(Original Issue Yield: 5.45%)/(MBIA Insured), 12/1/2005	AAA	\$ 102,176
	Total		6,269,370

VIRGIN ISLANDS--3.1%			
200,000	Virgin Islands, HFA Single Family Mortgage, 5.70% Refunding Revenue Bonds (GNMA collateralized)/(Subject to AMT), 3/1/2004	AAA	203,144
	TOTAL INTERMEDIATE-TERM MUNICIPAL SECURITIES (IDENTIFIED COST, \$6,263,138)		6,472,514

SHORT-TERM MUNICIPAL SECURITIES--3.8%			

PUERTO RICO--3.8%			
250,000	Puerto Rico Government Development Bank, Weekly VRDNs (Credit Suisse and Sumitomo Bank Ltd. LOCs)	A-1	250,000
	TOTAL SHORT-TERM MUNICIPAL SECURITIES, AT AMORTIZED COST		250,000
	TOTAL INTERMEDIATE-TERM MUNICIPAL SECURITIES (IDENTIFIED COST, \$6,513,138) (a)		\$6,722,514

<FN>
* Please refer to the Appendix of the Statement of Additional Information for an explanation of the credit ratings. Current credit ratings are unaudited.
(a) The cost of investments for federal tax purposes amounts to \$6,513,138. The net appreciation on a federal tax basis amounts to \$209,376, which is comprised of \$225,693 appreciation and \$16,317 depreciation at May 31, 1995.
Note: The categories of investments are shown as a percentage of net assets (\$6,607,090) at May 31, 1995.
</TABLE>

19

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST

<TABLE>
<S> <C>
The following abbreviations are used in this portfolio:

AMBAC --American Municipal Bond Assurance Corporation
AMT --Alternative Minimum Tax
FGIC --Financial Guaranty Insurance Company
FHA --Federal Housing Administration
GNMA --Government National Mortgage Association
GO --General Obligation
HFA --Housing Finance Authority/Agency
LOCs --Letters of Credit
LT --Limited Tax
MBIA --Municipal Bond Investors Assurance
UT --Unlimited Tax
VRDNs --Variable Rate Demand Notes
</TABLE>

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

20

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1995

<TABLE>

<S>	<C>
ASSETS:	

Investments in securities, at value (identified and tax cost \$6,513,138)	\$6,722,514

Cash	41,817

Income Receivable	119,971

Deferred Expenses	13,001

Total assets	6,897,303

LIABILITIES:

</TABLE>

<TABLE>

<S>	<C>	<C>
Payable for investments purchased	\$247,812	

Income distributions payable	22,265	

Accrued expenses	20,136	

</TABLE>

<TABLE>

<S>	<C>
Total liabilities	290,213

NET ASSETS for 675,044 shares outstanding	\$6,607,090

NET ASSETS CONSIST OF:

Paid-in capital	\$6,650,742

Net unrealized appreciation (depreciation) of investments	209,376

Accumulated net realized gain (loss) on investments	(253,028)

Total Net Assets	\$6,607,090

NET ASSET VALUE, Offering Price, and Redemption Proceeds Per Share: (\$6,607,090 DIVIDED BY 675,044 shares outstanding)	\$ 9.79

</TABLE>

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

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF OPERATIONS
YEAR ENDED MAY 31, 1995

<TABLE>

<S>	<C>	<C>	<C>
INVESTMENT INCOME:			

Interest			\$ 289,793

EXPENSES:			

Investment advisory fee	\$ 26,346		

Administrative personnel and services fees	125,000		

Custodian and portfolio accounting fees	59,367		

Shareholder services fee	2,635		

Transfer agent and dividend disbursing agent fees and expenses	16,293		

Share registration costs	6,713		

Directors'/Trustees' fees		3,560	
Auditing fees		11,990	
Legal fees		840	
Printing and postage		12,239	
Insurance premiums		3,987	
Taxes		200	
Miscellaneous		7,416	
Total expenses		276,586	
Deduct--			
Waiver of investment advisory fees	\$ 26,346		
Reimbursement of other operating expenses	226,561	252,907	
Net expenses			23,679
Net investment income			266,114
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investments		(196,543)	
Net change in unrealized appreciation (depreciation) on investments			376,266
Net realized and unrealized gain (loss) on investments		179,723	
Change in net assets resulting from operations			\$ 445,837

</TABLE>

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

22

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)

STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED MAY 31,	
	1995	1994*
INCREASE (DECREASE) IN NET ASSETS:	<C>	<C>
OPERATIONS--		
Net investment income	\$ 266,114	\$ 64,956
Net realized gain (loss) on investments, (\$179,063 net loss and \$0, respectively, as computed for federal tax purposes)	(196,543)	(56,485)
Net change in unrealized appreciation/(depreciation) of investments	376,266	(166,890)
Change in net assets resulting from operations	445,837	(158,419)
DISTRIBUTIONS TO SHAREHOLDERS--		
Distributions from net investment income	(266,114)	(64,956)
SHARE TRANSACTIONS--		
Proceeds from sale of Shares	8,891,447	6,891,738

Net asset value of Shares issued to shareholders in payment of distributions declared	39,693	11,620

Cost of Shares redeemed	(5,882,314)	(3,301,442)

Change in net assets from Share transactions	3,048,826	3,601,916

Change in net assets	3,228,549	3,378,541

NET ASSETS:		

Beginning of period	3,378,541	--

End of period	\$ 6,607,090	\$ 3,378,541

	-----	-----

<FN>

* For the period from December 2, 1993 (date of initial public investment) to May 31, 1994.

</TABLE>

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

23

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST

(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1995

(1) ORGANIZATION

Intermediate Municipal Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of two non-diversified portfolios and one diversified portfolio. The financial statements included herein present only those of Federated Ohio Intermediate Municipal Trust (the "Fund"), a non-diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held.

Effective December 19, 1994, the Board of Trustees (the "Trustees") changed the name of the Fund from Ohio Intermediate Municipal Trust to Federated Ohio Intermediate Municipal Trust.

(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. These policies are in conformity with generally accepted accounting principles.

INVESTMENT VALUATIONS--Municipal bonds are valued by an independent pricing service, taking into consideration yield, liquidity, risk, credit quality, coupon, maturity, type of issue, and any other factors or market data it deems relevant in determining valuations for normal institutional size trading units of debt securities. The independent pricing service does not rely exclusively on quoted prices. Short-term securities with remaining maturities of sixty days or less at the time of purchase may be valued at amortized cost, which approximates fair market value.

INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS--Interest income and expenses are accrued daily. Bond premium and discount, if applicable, are amortized as required by the Internal Revenue Code, as amended (the "Code"). Distributions to shareholders are recorded on the ex-dividend date.

FEDERAL TAXES--It is the Fund's policy to comply with the provisions of the Code applicable to regulated investment companies and to distribute to shareholders each year substantially all of its tax-exempt income. Accordingly, no provisions for federal tax are necessary. At May 31, 1995, the Fund for federal tax purposes, had a capital loss carryforward of \$179,063 which will reduce the Fund's taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal tax. Pursuant to the Code, such capital loss carryforward will expire in 2003 (\$179,063).

24

Additionally, net capital losses of \$73,965 attributable to security transactions incurred after October 31, 1994, are treated as arising on June 1, 1995, the first day of the Fund's next taxable year.

WHEN-ISSUED AND DELAYED DELIVERY TRANSACTIONS--The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains 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.

DEFERRED EXPENSES--The costs incurred by the Fund with respect to registration of its shares in its first fiscal year, excluding the initial expense of registering its shares have been deferred and are being amortized using the straight-line method not to exceed a period of five years from the Fund's commencement date.

CONCENTRATION OF RISK--Since the Fund invests a substantial portion of its assets in issuers located in one state, it will be more susceptible to factors adversely affecting issuers in that state than would be a comparable tax-exempt mutual fund that invests nationally. In order to reduce the credit risk associated with such factors, at May 31, 1995, 51.3% of the securities in the portfolio of investments are backed by letters of credit or bond insurance of various financial institutions and financial guaranty assurance agencies. The value of investments insured by or supported (backed) by a letter of credit for any one institution or agency did not exceed 19.8% of total investments.

OTHER--Investment transactions are accounted for on the trade date.

(3) SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest (without par value). Transactions in Fund shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED MAY 31,	
	1995	1994*
<S>	<C>	<C>
Shares sold	941,647	690,481
Shares issued to shareholders in payment of distributions declared	4,237	1,203
Shares redeemed	(625,521)	(337,003)
Net change resulting from Fund share transactions	320,363	354,681

<FN>
* For the period from December 2, 1993 (date of initial public investment) to May 31, 1994.
</TABLE>

(4) INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY FEE--Federated Management, the Fund's investment adviser (the "Adviser"), receives for its services an annual investment advisory fee equal to .50 of 1% of the Fund's average daily net assets. The Adviser waived a portion of its fee to comply with certain state expense limitations. The Adviser may voluntarily choose to waive a portion of its fee and reimburse certain operating expenses of the Fund. The Adviser can modify or terminate this voluntary waiver and reimbursement at any time at its sole discretion.

ADMINISTRATIVE FEE--Federated Administrative Services ("FAS"), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. The FAS fee is based on the level of average aggregate

daily net assets of all funds advised by subsidiaries of Federated Investors for the period. The administrative fee received during the period of the Administrative Services Agreement shall be at least \$125,000 per portfolio and \$30,000 per each additional class of shares.

SHAREHOLDER SERVICES FEE--Under the terms of a Shareholder Services Agreement with Federated Shareholders Services ("FSS"), the Fund will pay FSS up to .25 of 1% of average daily net assets of the Fund for the period. The fee is to obtain certain services for shareholders and to maintain shareholder accounts.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT FEES AND EXPENSES--Federated Services Company ("FServ") serves as transfer and dividend disbursing agent for the Fund. The fee is based on the size, type, and number of accounts and transactions made by shareholders.

ORGANIZATIONAL EXPENSES--Organizational expenses (\$23,676) and start-up administrative service expenses (\$31,506) were borne initially by the Adviser. The Fund has agreed to reimburse the Adviser for the organizational expenses and start-up administrative expenses during the five year period following November 15, 1993 (date the Fund first became effective). For the year ended May 31, 1995, the Fund paid \$2,499 and \$3,326, respectively, pursuant to this agreement.

INTERFUND TRANSACTIONS--During the year ended May 31, 1995, the Fund engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees, and/or common Officers. These transactions were made at current market value pursuant to Rule 17a-7 under the Act amounting to \$6,100,000 and \$5,850,000, respectively.

GENERAL--Certain of the Officers and Trustees of the Trust are Officers and Directors or Trustees of the above companies.

26

FEDERATED OHIO INTERMEDIATE MUNICIPAL TRUST
(FORMERLY, OHIO INTERMEDIATE MUNICIPAL TRUST)

(5) INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding short-term securities, for the year ended May 31, 1995, were as follows:

<TABLE>	<C>
<S>	
-----	-----
PURCHASES	\$5,909,485
-----	-----
SALES	\$2,960,611
-----	-----

27

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Trustees of
INTERMEDIATE MUNICIPAL TRUST
(Federated Ohio Intermediate Municipal Trust)
(formerly, Ohio Intermediate Municipal Trust):

We have audited the accompanying statement of assets and liabilities of Federated Ohio Intermediate Municipal Trust (an investment portfolio of Intermediate Municipal Trust, a Massachusetts business trust), including the schedule of portfolio investments, as of May 31, 1995, and the related statement of operations for the year then ended, the statement of changes in net assets, and financial highlights (see page 2 of the prospectus) for the periods presented. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of the securities owned as of May 31, 1995, by correspondence with the custodian and brokers. As to the securities purchased but not received, we requested confirmation from brokers and, when replies were not received, we carried out other alternative auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall

financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Federated Ohio Intermediate Municipal Trust, an investment portfolio of Intermediate Municipal Trust as of May 31, 1995, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the periods presented, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Pittsburgh, Pennsylvania
June 30, 1995

28

ADDRESSES

<TABLE>
<S> <C>
Fund
Federated Ohio Intermediate
Municipal Trust
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Distributor
Federated Securities Corp.
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Investment Adviser
Federated Management
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779

Custodian
State Street Bank and Trust Company
P.O. Box 8600
Boston, Massachusetts 02266-8600

Transfer Agent and Dividend Disbursing Agent
Federated Services Company
P.O. Box 8600
Boston, Massachusetts 02266-8600

Independent Public Accountants
Arthur Andersen LLP
2100 One PPG Place
Pittsburgh, Pennsylvania 15222
</TABLE>

29

FEDERATED OHIO
INTERMEDIATE

MUNICIPAL TRUST
PROSPECTUS

A Non-Diversified Portfolio of
Intermediate Municipal Trust
An Open-End, Management
Investment Company

July 31, 1995

[LOGO] FEDERATED SECURITIES CORP.
Distributor

A subsidiary of FEDERATED INVESTORS
FEDERATED INVESTORS TOWER
PITTSBURGH, PA 15222-3779
CUSIP 458810405
3081602A (7/95)

[RECYCLED PAPER LOGO]

Federated Ohio Intermediate Municipal Trust

(A Portfolio of Intermediate Municipal Trust)
Statement of Additional Information

This Statement of Additional Information should be read with the prospectus of Federated Ohio Intermediate Municipal Trust (formerly, "Ohio Intermediate Municipal Trust") (the "Fund") dated July 31, 1995. This Statement is not a prospectus itself. To receive a copy of the prospectus write or call the Fund.
Federated Investors Tower
Pittsburgh, Pennsylvania 15222-3779
Statement dated July 31, 1995

Federated Securities Corp.	
Distributor	
A subsidiary of	
Federated Investors	
General Information About the	
Fund	1
Investment Objective and Policies	1
Acceptable Investments	1
When-Issued and Delayed	
Delivery Transactions	2
Temporary Investments	2
Portfolio Turnover	3
Investment Limitations	3
Investment Risks	4
Management of Intermediate	
Municipal Trust	5
Officers and Trustees	5
Fund Ownership	9
Trustees' Compensation	10
Trustee Liability	10
Investment Advisory Services	11
Adviser to the Fund	11
Advisory Fees	11
Administrative Services	11
Shareholder Services Agreement	11
Transfer Agent and Dividend	
Disbursing Agent	12
Purchasing Shares	12
Conversion to Federal Funds	12
Determining Net Asset Value	12
Valuing Municipal Bonds	12
Use of Amortized Cost	13
Redeeming Shares	13
Redemption in Kind	13
Tax Status	13
The Fund's Tax Status	13
Shareholders' Tax Status	13
Total Return	14
Yield	14
Tax-Equivalent Yield	14
Tax-Equivalency Table	14
Performance Comparisons	15
About Federated Investors	16
Mutual Fund Market	16
Appendix	18

General Information About the Fund

The Fund is a portfolio of Intermediate Municipal Trust (the "Trust"). The Trust was established as a Massachusetts business trust under a Declaration of Trust dated May 31, 1985.

Investment Objective and Policies

The Fund's investment objective is to provide current income which is exempt from federal regular income tax and personal income taxes imposed by the State of Ohio. The investment objective cannot be changed without approval of shareholders.

Acceptable Investments

The Fund invests primarily in a portfolio of municipal securities which are exempt from federal regular income tax and Ohio state personal income taxes. These securities include those issued by or on behalf of

the State of Ohio and Ohio municipalities, and those issued by states, territories, and possessions of the United States which are exempt from both federal regular income tax and Ohio state personal income taxes.

Characteristics

The Ohio municipal securities in which the Fund invests have the characteristics set forth in the prospectus.

An Ohio municipal security will be determined by the Fund's adviser to meet the quality standards established by the Trust's Board of Trustees (the "Trustees") if it is of comparable quality to municipal securities within the Fund's rating requirements. The Trustees consider the creditworthiness of the issuer of a municipal security, the issuer of a participation interest if the Fund has the right to demand payment from the issuer of the interest, or the guarantor of payment by either of those issuers. The Fund is not required to sell a municipal security if the security's rating is reduced below the required minimum subsequent to its purchase by the Fund. The investment adviser considers this event, however, in its determination of whether the Fund should continue to hold the security in its portfolio. If Moody's Investors Service, Inc., Standard & Poor's Ratings Group or Fitch Investor Services, Inc. ratings change because of changes in those organizations or in their rating systems, the Fund will try to use comparable ratings as standards in accordance with the investment policies described in the Fund's prospectus.

Types of Acceptable Investments

Examples of Ohio municipal securities are:

- municipal notes and municipal commercial paper;
- serial bonds sold with differing maturity dates;
- tax anticipation notes sold to finance working capital needs of municipalities;
- bond anticipation notes sold prior to the issuance of long-term bonds;
- pre-refunded municipal bonds; and
- general obligation bonds secured by a municipality pledge of taxation.

Participation Interests

The financial institutions from which the Fund purchases participation interests frequently provide or secure from another financial institution irrevocable letters of credit or guarantees and give the Fund the right to demand payment of the principal amounts of the participation interests plus accrued interest on short notice (usually within seven days).

Variable Rate Municipal Securities

Variable interest rates generally reduce changes in the market value of municipal securities from their original purchase prices. Accordingly, as interest rates decrease or increase, the potential for capital appreciation or depreciation is less for variable rate municipal securities than for fixed income obligations. Many municipal securities with variable interest rates purchased by the Fund are subject to repayment of principal (usually within seven days) on the Fund's demand. The terms of these variable rate demand instruments require payment of principal and accrued interest from the issuer of the municipal obligations, the issuer of the participation interests, or a guarantor of either issuer.

Municipal Leases

The Fund may purchase municipal securities in the form of participation interests which represent undivided proportional interests in lease payments by a governmental or non-profit entity. The lease payments and other rights under the lease provide for and secure the payments on the certificates. Lease obligations may be limited by municipal charter or the nature of the appropriation for the lease. In particular, lease obligations may be subject to periodic appropriation. If the entity does not appropriate funds for future lease payments, the entity cannot be compelled to make such payments. Furthermore, a lease may provide that the certificate trustee cannot accelerate lease obligations upon default. The trustee would only be able to enforce lease payments as they became due. In the event of a default or failure of appropriation, it is unlikely that the trustee would be able to obtain an acceptable substitute source of payment.

In determining the liquidity of municipal lease securities, the Fund's investment adviser, under the authority delegated by the Trustees, will base its determination on the following factors;

- whether the lease can be terminated by the lessee;
- the potential recovery, if any, from a sale of the leased property upon termination of the lease;
- the lessee's general credit strength (e.g., its debt, administrative, economic and financial characteristics and prospects);
- the likelihood that the lessee will discontinue appropriating funding for the leased property because the property is no longer deemed essential to its operations (e.g., the potential for an "event of non-appropriation"); and

- any credit enhancement or legal recourse provided upon an event of non-appropriation or other termination of the lease.

When-Issued and Delayed Delivery Transactions

These transactions are made to secure what is considered to be an advantageous price or yield for the Fund. No fees or other expenses, other than normal transaction costs, are incurred. However, liquid assets of the Fund sufficient to make payment for the securities to be purchased are segregated on the Fund's records at the trade date. These assets are marked to market daily and are maintained until the transaction has been settled. The Fund may engage in when-issued and delayed delivery transactions to an extent that would cause the segregation of an amount up to 20% of the total value of its assets.

Temporary Investments

The Fund may also invest in temporary investments during times of unusual market conditions for defensive purposes.

Repurchase Agreements

Repurchase agreements are arrangements in which banks, broker/dealers, and other recognized financial institutions sell U.S. government securities or certificates of deposit to the Fund and agree at the time of sale to repurchase them at a mutually agreed upon time and price within one year from the date of acquisition. The Fund or its custodian will take possession of the securities subject to repurchase agreements. To the extent that the original seller does not repurchase the securities from the Fund, the Fund could receive less than the repurchase price on any sale of such securities. In the event that such a defaulting seller filed for bankruptcy or became insolvent, disposition of such securities by the Fund might be delayed pending court action. The Fund believes that under the regular procedures normally in effect for custody of the Fund's portfolio securities subject to repurchase agreements, a court of competent jurisdiction would rule in favor of the Fund and allow retention or disposition of such securities. The Fund may only enter into repurchase agreements with banks and other recognized financial institutions such as broker/dealers which are found by the Fund's adviser to be creditworthy pursuant to guidelines established by the Trustees.

Reverse Repurchase Agreements

The Fund may also enter into reverse repurchase agreements. These transactions are similar to borrowing cash. In a reverse repurchase agreement, the Fund transfers possession of a portfolio instrument to another person, such as a financial institution, broker, or dealer, in return for a percentage of the instrument's market value in cash, and agrees that on a stipulated date in the future, the Fund will repurchase the portfolio instrument by remitting the original consideration plus interest at an agreed upon rate. The use of reverse repurchase agreements may enable the Fund to avoid selling portfolio instruments at a time when a sale may be deemed to be disadvantageous, but the ability to enter into reverse repurchase agreements does not ensure that the Fund will be able to avoid selling portfolio instruments at a disadvantageous time.

When effecting reverse repurchase agreements, liquid assets of the Fund, in a dollar amount sufficient to make payment for the obligations to be purchased, are segregated on the Fund's records at the trade date. These assets are marked to market daily and are maintained until the transaction is settled.

Portfolio Turnover

The Fund may trade or dispose of portfolio securities as considered necessary to meet its investment objective. For the year ended May 31, 1995 and for the period from December 2, 1993 (date of initial public investment) to May 31, 1994, the portfolio turnover rates for the Fund were 56% and 48%, respectively.

Investment Limitations

Selling Short and Buying on Margin

The Fund will not sell any securities short or purchase any securities on margin, but may obtain such short-term credits as may be necessary for clearance of purchases and sales of securities.

Issuing Senior Securities and Borrowing Money

The Fund will not issue senior securities except that the Fund may borrow money and engage in reverse repurchase agreements in amounts up to one-third of the value of its total assets, including the amounts borrowed.

The Fund will not borrow money or engage in reverse repurchase agreements for investment leverage, but rather as a temporary, extraordinary, or emergency measure or to facilitate management of the portfolio by enabling the Fund to meet redemption requests when the liquidation of portfolio securities is deemed to be inconvenient or disadvantageous. The Fund will not purchase any securities while borrowings in excess of 5% of its total assets are outstanding.

Pledging Assets

The Fund will not mortgage, pledge, or hypothecate its assets

except to secure permitted borrowings. In those cases, it may mortgage, pledge, or hypothecate assets having a market value not exceeding 10% of the value of its total assets at the time of the pledge.

Underwriting

The Fund will not underwrite any issue of securities except as it may be deemed to be an underwriter under the Securities Act of 1933 in connection with the sale of securities in accordance with its investment objective, policies, and limitations.

Investing in Real Estate

The Fund will not purchase or sell real estate or invest in real estate limited partnerships, although it may invest in municipal bonds secured by real estate or interests in real estate.

Investing in Commodities

The Fund will not buy or sell commodities, commodity contracts, or commodities futures contracts.

Lending Cash or Securities

The Fund will not lend any of its assets except that it may acquire publicly or non-publicly issued municipal bonds or temporary investments or enter into repurchase agreements in accordance with its investment objective, policies, and limitations or its Declaration of Trust.

Concentration of Investments

The Fund will not purchase securities if, as a result of such purchase, 25% or more of the value of its total assets would be invested in any one industry or in industrial development bonds or other securities, the interest upon which is paid from revenues of similar types of projects. However, the Fund may invest as temporary investments more than 25% of the value of its assets in cash or cash items, securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, or instruments secured by these money market instruments, i.e., repurchase agreements.

The above investment limitations cannot be changed without shareholder approval. The following limitations, however, may be changed by the Trustees without shareholder approval. Shareholders will be notified before any material change in these limitations becomes effective.

Investing in Securities of Other Investment Companies

The Fund will not purchase securities of other investment companies except as part of a merger, consolidation, or other acquisition.

Investing in Issuers Whose Securities Are Owned by Officers and Trustees of the Trust

The Fund will not purchase or retain the securities of any issuer if the officers and Trustees of the Trust or its investment adviser, owning individually more than 1/2 of 1% of the issuer's securities, together own more than 5% of the issuer's securities.

Investing in Illiquid Securities

The Fund will not invest more than 15% of its net assets in securities which are illiquid, including repurchase agreements providing for settlement in more than seven days after notice, and certain restricted securities not determined by the Trustees to be liquid.

Investing in New Issuers

The Fund will not invest more than 5% of the value of its total assets in industrial development bonds where the principal and interest are the responsibility of companies (or guarantors, where applicable) with less than three years of continuous operations, including the operation of any predecessor.

Investing in Minerals

The Fund will not purchase interests in oil, gas, or other mineral exploration or development programs or leases, although it may invest in securities of issuers which invest in or sponsor such programs.

In addition, to comply with investment restrictions of a certain state, the Fund will not invest in real estate limited partnerships.

Except with respect to borrowing money, if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value or net assets will not result in a violation of such restriction.

For purposes of its policies and limitations, the Fund considers certificates of deposit and demand and time deposits issued by a U.S. branch of a domestic bank or savings and loan having capital, surplus, and undivided profits in excess of \$100,000,000 at the time of investment to be "cash items."

Investment Risks

The economy of the State of Ohio is reliant in part on durable goods manufacturing, largely concentrated in motor vehicles and equipment, steel, rubber products and household appliances. During the past decade, competition in various industries in the State of Ohio has changed from being domestic to international in nature. In addition, these industries may be characterized as having excess capacity in particular product segments. The steel industry, in particular, and the automobile

industry, to a lesser extent, share these characteristics. Because the State of Ohio and certain underlying municipalities have large exposure to these industries and their respective aftermarkets, trends in these industries may, over the long term, impact the demographic and financial position of the State of Ohio and its municipalities. To the degree that domestic manufacturers in industries to which Ohio municipalities have exposure fail to make competitive adjustments, employment statistics and disposable income of residents in Ohio may deteriorate, possibly leading to population declines and erosion of municipality tax bases.

Both the economic trends above and the political climate in various municipalities may have contributed to the decisions of various businesses and individuals to relocate outside the State. A municipality's political climate in particular may affect its own credit standing. For both the State of Ohio and underlying Ohio municipalities, adjustment of credit ratings by the rating agencies may affect the ability to issue securities and thereby affect the supply of obligations meeting the quality standards for investment by the Fund.

The State ended fiscal year 1993 with a positive budgetary fund balance of over \$100 million. The 1994-1995 biennial budget was formulated with reasonable revenue assumptions. The State implemented a revenue enhancement package in January of 1993 that increased the cigarette tax and the income tax bracket for incomes over \$200,000, broadened the sales tax base and capped tax distributions to local governments. These and other minor revenue enhancements are budgeted to add \$912 million of additional revenue to the 1994-1995 biennial budget. The State's fund balance reserve levels continue to be minimal but the State has demonstrated its ability to manage with limited financial flexibility. The State has established procedures for municipal fiscal emergencies under which joint state/local commissions are established to monitor the fiscal affairs of a financially troubled municipality. When these procedures are invoked, the municipality must develop a financial plan to eliminate deficits and cure any defaults. Since their adoption in 1979, these procedures have been applied to approximately twenty-one cities and villages, including the City of Cleveland; in sixteen of these communities, the fiscal situation has been resolved and the procedures terminated.

The foregoing discussion only highlights some of the significant financial trends and problems affecting the State of Ohio and underlying municipalities.

Management of Intermediate Municipal Trust Officers and Trustees

Officers and Trustees are listed with their addresses, principal occupations during the past five years, birthdates and present positions, including any affiliation with Federated Management, Federated Investors, Federated Securities Corp., Federated Services Company, Federated Administrative Services, Federated Shareholder Services, and the Funds (as defined below).

John F. Donahue@*
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: July 28, 1924
Chairman and Trustee

M
Mr. Donahue is the father of J. Christopher Donahue, Executive Vice President of the Company.

Glen R. Johnson *
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: May 2, 1929
President and Trustee
Trustee, Federated Investors; President and/or Trustee of some of the Funds; staff member, Federated Securities Corp. and Federated Administrative Services.

Thomas G. Bigley
28th Floor, One Oxford Centre
Pittsburgh, Pennsylvania
Birthdate: February 3, 1934
Trustee
Director, Oberg Manufacturing Co.; Chairman of the Board, Children's Hospital of Pittsburgh; Director, Trustee, or Managing General Partner of the Funds; formerly, Senior Partner, Ernst & Young LLP.

John T. Conroy, Jr.
Wood/IPC Commercial Department
John R. Wood and Associates, Inc., Realtors
3255 Tamiami Trail North
Naples, Florida
Birthdate: June 23, 1937
Trustee
President, Investment Properties Corporation; Senior Vice-President,

John R. Wood and Associates, Inc., Realtors; President, Northgate Village Development Corporation; Partner or Trustee in private real estate ventures in Southwest Florida; Director, Trustee, or Managing General Partner of the Funds; formerly, President, Naples Property Management, Inc.

William J. Copeland
One PNC Plaza - 23rd Floor
Pittsburgh, Pennsylvania
Birthdate: July 4, 1918
Trustee
Director and Member of the Executive Committee, Michael Baker, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Vice Chairman and Director, PNC Bank, N.A., and PNC Bank Corp. and Director, Ryan Homes, Inc.

James E. Dowd
571 Hayward Mill Road
Concord, Massachusetts
Birthdate: May 18, 1922
Trustee
Attorney-at-law; Director, The Emerging Germany Fund, Inc.; Director, Trustee, or Managing General Partner of the Funds.

Lawrence D. Ellis, M.D.*
3471 Fifth Avenue, Suite 1111
Pittsburgh, Pennsylvania
Birthdate: October 11, 1932
Trustee
Professor of Medicine and Member, Board of Trustees, University of Pittsburgh; Medical Director, University of Pittsburgh Medical Center - Downtown; Member, Board of Directors, University of Pittsburgh Medical Center; formerly, Hematologist, Oncologist, and Internist, Presbyterian and Montefiore Hospitals; Director, Trustee, or Managing General Partner of the Funds.

Edward L. Flaherty, Jr.@
Henny, Kochuba, Meyer and Flaherty
Two Gateway Center - Suite 674
Pittsburgh, Pennsylvania
Birthdate: June 18, 1924
Trustee
Attorney-at-law; Shareholder, Henny, Kochuba, Meyer and Flaherty; Director, Eat'N Park Restaurants, Inc., and Statewide Settlement Agency, Inc.; Director, Trustee, or Managing General Partner of the Funds; formerly, Counsel, Horizon Financial, F.A., Western Region.

Peter E. Madden
70 Westcliff Road
Westin, Massachusetts
Birthdate: March 16, 1942
Trustee
Consultant; State Representative, Commonwealth of Massachusetts; Director, Trustee, or Managing General Partner of the Funds; formerly, President, State Street Bank and Trust Company and State Street Boston Corporation.

Gregor F. Meyer
Henny, Kochuba, Meyer and Flaherty
Two Gateway Center - Suite 674
Pittsburgh, Pennsylvania
Birthdate: October 6, 1926
Trustee
Attorney-at-law; Partner, Henny, Kochuba, Meyer and Flaherty; Chairman, Meritcare, Inc.; Director, Eat'N Park Restaurants, Inc.; Director, Trustee, or Managing General Partner of the Funds.

John E. Murray, Jr., J.D., S.J.D.
President, Duquesne University
Pittsburgh, Pennsylvania
Birthdate: December 20, 1932
Trustee
Mollic
Mollica, Murray and Hogue; Director, Trustee or Managing General Partner of the Funds.

Wesley W. Posvar
1202 Cathedral of Learning
University of Pittsburgh
Pittsburgh, Pennsylvania
Birthdate: September 14, 1925
Trustee
Professor, International Politics and Management Consultant; Trustee,

Carnegie Endowment for International Peace, RAND Corporation, Online Computer Library Center, Inc., and U.S. Space Foundation; Chairman, Czecho Management Center; Director, Trustee, or Managing General Partner of the Funds; President Emeritus, University of Pittsburgh; founding Chairman, National Advisory Council for Environmental Policy and Technology and Federal Emergency Management Advisory Board.

Marjorie P. Smuts
4905 Bayard Street
Pittsburgh, Pennsylvania
Birthdate: June 21, 1935
Trustee

Public relations/marketing consultant; Conference Coordinator, Non-profit entities; Director, Trustee, or Managing General Partner of the Funds.

J. Christopher Donahue
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: April 11, 1949
Executive Vice President
President and Trustee, Federated Investors, Federated Advisers, Federated Management, and Federated Research; President and Director, Federated Research Corp.; President, Passport Research, Ltd.; Trustee, Federated Administrative Services, Federated Services Company, and Federated Shareholder Services; President or Vice President of the Funds; Director, Trustee, or Managing General Partner of some of the Funds. Mr. Donahue is the son of John F. Donahue, Chairman and Trustee of the Company.

Edward C. Gonzales *
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: October 22, 1930
Executive Vice President
Execut
Executive Vice President or President of the Funds.

John W. McGonigle
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: October 26, 1938
Executive Vice President and Secretary
Vice President, Secretary, General Counsel, and Trustee, Federated Investors; Vice President, Secretary, and Trustee, Federated Advisers, Federated Management, and Federated Research; Vice President and Secretary, Federated Research Corp. and Passport Research, Ltd.; Trustee, Federated Services Company; Executive Vice President, Secretary, and Trustee, Federated Administrative Services; Secretary and Trustee, Federated Shareholder Services; Executive Vice President and Director, Federated Securities Corp.; Vice President and Secretary of the Funds.

Richard B. Fisher
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: May 17, 1923
Vice President
Executive Vice President and Trustee, Federated Investors; Director, Federated Research Corp.; Chairman and Director, Federated Securities Corp.; President or Vice President of some of the Funds; Director or Trustee of some of the Funds.

David M. Taylor *
Federated Investors Tower
Pittsburgh, Pennsylvania
Birthdate: January 13, 1947
Treasurer
Senior Vice President, Contoller, and Trustee, Federated Investors; Contoller, Federated Advisers, Federated Management, Federated Research, Federated Research Corp., and Passport Research, Ltd.; Senior Vice President, Federated Shareholder Services; Senior Vice President, Federated Administrative Services; Treasurer of the Funds.

* This Trustee is deemed to be an "interested person" as defined in the Investment Company Act of 1940, as amended.

@ Member of the Executive Committee. The Executive Committee of the Board of Trustee handles the responsibilities of the Board of Trustee between meetings of the Board.

As used in the table above, "The Funds" and "Funds" mean the following investment companies: American Leaders Fund, Inc.; Annuity Management Series; Arrow Funds; Automated Cash Management Trust; Automated Government Money Trust; California Municipal Cash Trust; Cash Trust

Series II; Cash Trust Series, Inc.; DG Investor Series; Edward D. Jones & Co. Daily Passport Cash Trust; Federated ARMs Fund; Federated Exchange Fund, Ltd.; Federated GNMA Trust; Federated Government Trust; Federated Growth Trust; Federated High Yield Trust; Federated Income Securities Trust; Federated Income Trust; Federated Index Trust; Federated Institutional Trust; Federated Master Trust; Federated Municipal Trust; Federated Short-Term Municipal Trust; Federated Short-Term U.S. Government Trust; Federated Stock Trust; Federated Tax-Free Trust; Federated Total Return Series, Inc.; Federated U.S. Government Bond Fund; Federated U.S. Government Securities Fund: 1-3 Years; Federated U.S. Government Securities Fund: 3-5 Years; First Priority Funds; Fixed Income Securities, Inc.; Fortress Adjustable Rate U.S. Government Fund, Inc.; Fortress Municipal Income Fund, Inc.; Fortress Utility Fund, Inc.; Fund for U.S. Government Securities, Inc.; Government Income Securities, Inc.; High Yield Cash Trust; Insurance Management Series; Intermediate Municipal Trust; International Series, Inc.; Investment Series Funds, Inc.; Investment Series Trust; Liberty Equity Income Fund, Inc.; Liberty High Income Bond Fund, Inc.; Liberty Municipal Securities Fund, Inc.; Liberty U.S. Government Money Market Trust; Liberty Term Trust, Inc. - 1999; Liberty Utility Fund, Inc.; Liquid Cash Trust; Managed Series Trust; Money Market Management, Inc.; Money Market Obligations Trust; Money Market Trust; Municipal Securities Income Trust; Newpoint Funds; New York Municipal Cash Trust; 111 Corcoran Funds; Peachtree Funds; The Planters Funds; RIMCO Monument Funds; The Shawmut Funds; Star Funds; The Starburst Funds; The Starburst Funds II; Stock and Bond Fund, Inc.; Sunburst Funds; Targeted Duration Trust; Tax-Free Instruments Trust; Trademark Funds; Trust for Financial Institutions; Trust For Government Cash Reserves; Trust for Short-Term U.S. Government Securities; Trust for U.S. Treasury Obligations; The Virtus Funds; and World Investment Series, Inc.

Fund Ownership

Officers and Trustees own less than 1% of the outstanding shares of the Fund.

As of July 6, 1995 the following shareholders of record owned 5% or more of the outstanding shares of the Fund: SNBSO & Co., Springfield, OH, owned approximately 43,348 shares 6.34%; Parcol & Co., Akron, OH, owned approximately 60,750 shares 8.88%; Grand Old Company, Zanesville, OH, owned approximately 41,085 shares 6%; Lorban & Company, Elvira, OH, owned approximately 35,652 shares 5.21%; MAHCO, Youngstown, OH, owned approximately 36,645 shares 5.36%; Federated Disbursing Corp., Pittsburgh, PA, owned approximately 110,698 shares 16.18%; Holdon, Findlay, OH, owned approximately 55,484 shares 8.11%; DEFECO, Defiance, OH, owned approximately 186,611 shares 27.28%

Trustees' Compensation

NAME , POSITION WITH TRUST	AGGREGATE COMPENSATION	
	FROM TRUST *#	TOTAL COMPENSATION PAID FROM FUND COMPLEX +
John F. Donahue Trustee Complex	\$0	\$ 0 for the Trust and 68 other investment companies in the Fund
Thomas G. Bigley Trustee Complex	\$958	\$ 20,688 for the Trust and 49 other investment companies of the Fund
John T. Conroy, Jr. Trustee Complex	\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
William J. Copeland Trustee Complex	\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
James E. Dowd Trustee Complex	\$ 2,371	\$ 117,202 for the Trust and 64 other investment companies in the Fund
Lawrence D. Ellis, M.D. Trustee Complex		\$ 1,286 \$ 106,460 for the Trust and 64 other investment companies in the Fund
Edward L. Flaherty, Jr. Trustee Complex		\$ 2,371 \$ 117,202 for the Trust and 64 other investment companies in the Fund
Glen R. Johnson Trustee	\$ 0	\$ 0for the Trust and 8 other investment companies in the Fund Complex
Peter E. Madden Trustee Complex	\$ 1,091	\$ 90,563 for the Trust and 64 other investment companies in the Fund
Gregor F. Meyer Trustee Complex	\$ 1,286	\$ 106,460 for the Trust and 64 other investment companies in the Fund
John E. Murray, Jr. Trustee	\$ 632	\$ 0 for the Trust and 69 other investment companies in the Fund

Complex		
Wesley W. Posvar	\$ 1,286	\$ 106,460 for the Trust and
Trustee		64 other investment companies in the Fund
Complex		
Marjorie P. Smuts	\$ 1,286	\$ 106,460 for the Trust and
Trustee		64 other investment companies in the Fund
Complex		

*Information is furnished for the fiscal year ended May 31, 1995.

#The aggregate compensation is provided for the Trust which is comprised of three portfolios.

+The information is provided for the last calendar year.

Trustee Liability

The Trust's Declaration of Trust provides that the Trustees will not be liable for errors of judgement or mistakes of fact or law. However, they are not protected against any liability to which they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

Investment Advisory Services

Adviser to the Fund

The Fund's investment adviser is Federated Management (the "Adviser").

It is a subsidiary of Federated Investors. All of the voting securities of Federated Investors are owned by a trust, the Trustees of which are John F. Donahue, his wife, and his son, J. Christopher Donahue.

The Adviser shall not be liable to the Trust, the Fund, or any shareholder of the Fund for any losses that may be sustained in the purchase, holding, or sale of any security, or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties imposed upon it by its contract with the Fund.

Advisory Fees

For its advisory services, Federated Management receives an annual investment advisory fee as described in the prospectus.

For the year ended May 31, 1995, and for the period from December 2, 1993 (date of initial public investment) to May 31, 1994, the Adviser earned advisory fees of \$26,346 and \$6,929, respectively, all of which was voluntarily waived. In addition, the Adviser reimbursed other operating expenses of \$226,561 and \$35,630, respectively.

State Expense Limitations

The Adviser has undertaken to comply with the expense limitations established by certain states for investment companies whose shares are registered for sale in those states. If the Fund's normal operating expenses (including the investment advisory fee, but not including brokerage commissions, interest, taxes, and extraordinary expenses) exceed 2.5% per year of the first \$30 million of average net assets, 2% per year of the next \$70 million of average net assets, and 1.5% per year of the remaining average net assets, the Adviser will reimburse the Trust for its expenses over the limitation.

If the Fund's monthly projected operating expenses exceed this expense limitation, the investment advisory fee paid will be reduced by the amount of the excess, subject to an annual adjustment. If the expense limitation is exceeded, the amount to be reimbursed by the Adviser will be limited, in any single fiscal year, by the amount of the investment advisory fee.

This arrangement is not part of the advisory contract and may be amended or rescinded in the future.

Administrative Services

Federated Administrative Services, a subsidiary of Federated Investors, provides administrative personnel and services to the Fund for a fee as described in the prospectus. Prior to March 1, 1994, Federated Administrative Services, Inc., also a subsidiary of Federated Investors, served as the Fund's administrator. (For purposes of this Statement of Additional Information, Federated Administrative Services and Federated Administrative Services, Inc. may, hereinafter, collectively be referred to as the "Administrators.") For the fiscal year ended May 31, 1995, Federated Administrative Services earned \$125,000, none of which was waived. For the period from December 2, 1993 (date of initial public investment) to May 31, 1994, the Administrators earned \$1,225, none of which was waived. Dr. Henry Gailliot, an officer of Federated Management, the Adviser to the Fund, holds approximately 20% of the outstanding common stock and serves as director of Commercial Data Services, Inc., a company which provides computer processing services to Federated Administrative Services.

Shareholder Services Agreement

This arrangement permits the payment of fees to Federated Shareholder Services and, indirectly, to financial institutions to cause services to be provided to shareholders by a representative who has knowledge of the shareholder's particular circumstances and goals. These activities and services may include, but are not limited to: providing office space, equipment, telephone facilities, and various clerical, supervisory, computer, and other personnel as necessary or beneficial to establish

and maintain shareholder accounts and records; processing purchase and redemption transactions and automatic investments of client account cash balances; answering routine client inquiries; and assisting clients changing dividend options, account designations, and addresses.

For the fiscal period ending May 31, 1995, and 1994, the Fund paid shareholder service fees in the amounts of \$2,635 and \$437, all of which were paid to financial institutions.

Transfer Agent and Dividend Disbursing Agent

Federated Services Company serves as transfer agent and dividend disbursing agent for the Fund. The fee paid to the transfer agent is based upon the size, type and number of accounts and transactions made by shareholders.

Federated Services Company also maintains the Trust's accounting records. The fee paid for this service is based upon the level of the Fund's average net assets for the period plus out-of-pocket expenses.

Brokerage Transactions

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the Adviser looks for prompt execution of the order at a favorable price. In working with dealers, the Adviser will generally use those who are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. In selecting among firms believed to meet these criteria, the Adviser may give consideration to those firms which have sold or are selling shares of the Fund and other Federated Funds. The Adviser makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Trustees. The Adviser may select brokers and dealers who offer brokerage and research services. These services may be furnished directly to the Fund or to the Adviser and may include:

- advice as to the advisability of investing in securities;
- security analysis and reports;
- economic studies;
- industry studies;
- receipt of quotations for portfolio evaluations; and
- similar services.

The Adviser and its affiliates exercise reasonable business judgment in selecting brokers who offer brokerage and research services to execute securities transactions. They determine in good faith that commissions charged by such persons are reasonable in relationship to the value of the brokerage and research services provided.

Research services provided by brokers may be used by the Adviser or by affiliates of Federated Investors in advising Federated Funds and other accounts. To the extent that receipt of these services may supplant services for which the Adviser or its affiliates might otherwise have paid, it would tend to reduce their expenses.

Purchasing Shares

Except under certain circumstances described in the prospectus, shares are sold at their net asset value on days the New York Stock Exchange is open for business. The procedure for purchasing shares is explained in the prospectus under "Investing in the Fund."

Conversion to Federal Funds

It is the Fund's policy to be as fully invested as possible so that maximum interest may be earned. Federated Services Company acts as the shareholder's agent in depositing checks and converting them to federal funds.

Determining Net Asset Value

Net asset value generally changes each day. The days on which net asset value is calculated by the Fund are described in the prospectus.

Valuing Municipal Bonds

The Trustees use an independent pricing service to value municipal bonds. The independent pricing service takes into consideration yield, stability, risk, quality, coupon rate, maturity, type of issue, trading characteristics, special circumstances of a security or trading market, and any other factors or market data it considers relevant in determining valuations for normal institutional size trading units of debt securities, and does not rely exclusively on quoted prices.

Use of Amortized Cost

The Trustees have decided that the fair value of debt securities authorized to be purchased by the Fund with remaining maturities of 60 days or less at the time of purchase, shall be their amortized cost value, unless the particular circumstances of the security indicate otherwise. Under this method, portfolio instruments and assets are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. The Executive Committee continually assesses this method of valuation and recommends changes where necessary to assure that the Fund's portfolio instruments are valued at their fair value as determined in good faith by the Trustees.

Redeeming Shares

The Fund redeems shares at the next computed net asset value after the Fund receives the redemption request. Redemption procedures are explained in the prospectus under "Redeeming Shares." Although State Street Bank does not charge for telephone redemptions, it reserves the

right to charge a fee for the cost of wire-transferred redemptions of less than \$5,000.

Redemption in Kind

The Trust is obligated to redeem shares solely in cash up to \$250,000 or 1% of the net asset value of the Fund, whichever is less, for any one shareholder within a 90-day period.

Any redemption beyond this amount will also be in cash unless the Trustees determine that further cash payments will have a material adverse effect on remaining shareholders. In such a case, the Trust will pay all or a portion of the remainder of the redemption in portfolio instruments, valued in the same way that net asset value is determined. The portfolio instruments will be selected in a manner that the Trustees deem fair and equitable. Such securities will be readily marketable, to the extent available.

Redemption in kind is not as liquid as a cash redemption. If redemption is made in kind, shareholders receiving their securities and selling them before their maturity could receive less than the redemption value of their securities and could incur certain transaction costs.

Tax Status

The Fund's Tax Status

The Fund will pay no federal income tax because it expects to meet the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to receive the special tax treatment afforded to such companies. To qualify for this treatment, the Fund must, among other requirements:

- derive at least 90% of its gross income from dividends, interest, and gains from the sale of securities;
- derive less than 30% of its gross income from the sale of securities held less than three months;
- invest in securities within certain statutory limits; and
- distribute to its shareholders at least 90% of its net income earned during the year.

Shareholders' Tax Status

Capital Gains

Capital gains or losses may be realized by the Fund on the sale of portfolio securities and as a result of discounts from par value on securities held to maturity. Sales would generally be made because of:

- the availability of higher relative yields;
- differentials in market values;
- new investment opportunities;
- changes in creditworthiness of an issuer; or
- an attempt to preserve gains or limit losses.

Distributions of long-term capital gains are taxed as such, whether they are taken in cash or reinvested, and regardless of the length of time the shareholder has owned shares. Any loss by a shareholder on Fund shares held for less than six months and sold after a capital gains distribution will be treated as a long-term capital loss to the extent of the capital gains distribution.

Total Return

The Fund's average annual total returns for the year ended May 31, 1995 and for the period from December 2, 1993 (date of initial public investment) to May 31, 1995 were 7.98% and 3.48%, respectively. The average annual total return for the Fund is the average compounded rate of return for a given period that would equate a \$1,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of shares owned at the end of the period by the net asset value per share at the end of the period. The number of shares owned at the end of the period is based on the number of shares purchased at the beginning of the period with \$1,000, adjusted over the period by any additional shares, assuming the monthly reinvestment of all dividends and distributions.

Yield

The Fund's yield for the thirty-day period ended May 31, 1995 was 4.94%. The yield of the Fund is determined by dividing the net investment income per share (as defined by the Securities and Exchange Commission) earned by the Fund over a thirty-day period by the maximum offering price per share on the last day of the period. This value is then annualized using semi-annual compounding. This means that the amount of income generated during the thirty-day period is assumed to be generated each month over a twelve-month period and is reinvested every six months. The yield does not necessarily reflect income actually earned by the Fund because of certain adjustments required by the Securities and Exchange Commission and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

To the extent that financial institutions and broker/dealers charge fees in connection with services provided in conjunction with an investment in the Fund, performance will be reduced for those shareholders paying those fees.

Tax-Equivalent Yield

The Fund's tax-equivalent yield for the thirty-day period ended May 31, 1995, was 9.34%.

The tax-equivalent yield for the Fund is calculated similarly to the

yield, but is adjusted to reflect the taxable yield that the Fund would have had to earn to equal its actual yield, assuming a 39.60% Federal tax rate and assuming that income is 100% tax-exempt.

Tax-Equivalency Table

The Fund may also use a tax-equivalency table in advertising and sales literature. The interest earned by the municipal obligations in the Fund's portfolio generally remains free from federal regular income tax* and is free from the income taxes imposed by the State of Ohio (some portion of the Fund's income may be subject to the federal alternative minimum tax and state and local taxes). As the table below indicates, a "tax-free" investment is an attractive choice for investors, particularly in times of narrow spreads between "tax-free" and taxable yields.

TAXABLE YIELD EQUIVALENT FOR 1995

	State of Ohio				
FEDERAL TAX BRACKET:	15.00%	28.00%	31.00%	36.00%	39.60%
COMBINED FEDERAL AND STATE TAX BRACKET:	19.457%	33.201%	37.900%	43.500%	47.100%
SINGLE RETURN	\$1- 23,350	\$23,351- 56,550	\$56,551- 117,950	\$117,951- 256,500	OVER 256,500

Tax-Exempt

Yield	Taxable Yield Equivalent				
1.50%	1.86%	2.25%	2.42%	2.65%	
2.84%					
2.00%	2.48%	2.99%	3.22%	3.54%	
3.78%					
2.50%	3.10%	3.74%	4.03%	4.42%	
4.73%					
3.00%	3.72%	4.49%	4.83%	5.31%	
5.67%					
3.50%	4.35%	5.24%	5.64%	6.19%	
6.62%					
4.00%	4.97%	5.99%	6.44%	7.08%	
7.56%					
4.50%	5.59%	6.74%	7.25%	7.96%	
8.51%					
5.00%	6.21%	7.49%	8.05%	8.85%	
9.45%					
5.50%	6.83%	8.23%	8.86%	9.73%	
10.40%					
6.00%	7.45%	8.98%	9.66%	10.62%	
11.34%					

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions.

The chart above is for illustrative purposes only. It is not an indicator of past or future performance of Fund shares.

* Some portion of the Fund's income may be subject to the federal alternative minimum tax and state and local income taxes.

Performance Comparisons

The performance of the Fund depends upon such variables as:

- portfolio quality;
- average portfolio maturity;
- type of instruments in which the portfolio is invested;
- changes in interest rates and market value of portfolio securities;
- changes in the Fund's expenses; and
- various other factors.

The Fund's performance fluctuates on a daily basis largely because net earnings and offering price per share fluctuate daily. Both net earnings and offering price per share are factors in the computation of yield and total return as described above.

Investors may use financial publications and/or indices to obtain a more complete view of the Fund's performance. When comparing performance, investors should consider all relevant factors such as the composition of any index used, prevailing market conditions, portfolio compositions of other funds, and methods used to value portfolio securities and compute offering price. The financial publications and/or indices which the Fund uses in advertising may include:

- Lipper Analytical Services, Inc. ranks funds in various fund categories by making comparative calculations using total return. Total return assumes the reinvestment of all capital gains distributions and income dividends and takes into account any

change in net asset value over a specific period of time. From time to time, the Fund will quote its Lipper ranking in the "other states intermediate municipal debt funds" category in advertising and sales literature.

- Morningstar, Inc., an independent rating service, is the publisher of the bi-weekly Mutual Fund Values. Mutual Fund Values rates more than 1,000 NASDAQ-listed mutual funds of all types, according to their risk-adjusted returns. The maximum rating is five stars, and ratings are effective for two weeks.
- Lehman Brothers Five-Year State General Obligation Bonds is an index comprised of all state general obligation debt issues with maturities between four and six years. These bonds are rated A or better and represent a variety of coupon ranges. Index figures are total returns calculated for one, three and twelve month periods as well as year-to-date. Total returns are also calculated as of the index inception December 31, 1979.
- Lehman Brothers Ten-Year State General Obligation Bonds is an index comprised of the same issues noted above except that the maturities range between nine and eleven years. Index figures are total returns calculated for the same periods as listed above.

Advertisements and other sales literature for the Fund may quote total returns which are calculated on non-standardized base periods. The total returns represent the historic change in the value of an investment in the Fund based on monthly reinvestment of dividends over a specified period of time.

About Federated Investors

Federated is dedicated to meeting investor needs which is reflected in its investment decision making structured, straightforward, and consistent. This has resulted in a history of competitive performance with a range of competitive investment products that have gained the confidence of thousands of clients and their customers. The company's disciplined security selection process is firmly rooted in sound methodologies backed by fundamental and technical research. Investment decisions are made and executed by teams of portfolio managers, analysts, and traders dedicated to specific market sectors. In the municipal sector, as of December 31, 1994, Federated managed 18 bond funds with approximately \$1.9 billion in assets and 18 money market funds with approximately \$6.6 billion in total assets. In 1976, Federated introduced one of the first municipal bond mutual funds in the industry and is now one of the largest institutional buyers of municipal securities.

J. Thomas Madden, Executive Vice President, oversees Federated's equity and high yield corporate bond management while William D. Dawson, Executive Vice President, oversees Federated's domestic fixed income management. Henry A. Frantzen, Executive Vice President, oversees the management of Federated's international portfolios.

Mutual Fund Market

Twenty-seven percent of American households are pursuing their financial goals through mutual funds. These investors, as well as businesses and institutions, have entrusted over \$2 trillion to the more than 5,500 funds available.*

Federated Investors, through its subsidiaries, distributes mutual funds for a variety of investment applications. Specific markets include:

Institutional

Federated meets the needs of more than 4,000 institutional clients nationwide by managing and servicing separate accounts and mutual funds for a variety of applications, including defined benefit and defined contribution programs, cash management, and asset/liability management. Institutional clients include corporations, pension funds, tax-exempt entities, foundations/endowments, insurance companies, and investment and financial advisors. The marketing effort to these institutional clients is headed by John B. Fisher, President, Institutional Sales Division.

Trust Organizations

Other institutional clients include close relationships with more than 1,500 banks and trust organizations. Virtually all of the trust divisions of the top 100 bank holding companies use Federated funds in their clients' portfolios. The marketing effort to trust clients is headed by Mark R. Gensheimer, Executive Vice President, Bank Marketing & Sales.

Broker/Dealers and Bank Broker/Dealer Subsidiaries

Federated mutual funds are available to consumers through major brokerage firms nationwide including 200 New York Stock Exchange firms supported by more wholesalers than any other mutual fund distributor. The marketing effort to these firms is headed by James F. Getz, President, Broker/Dealer Division.

* SOURCE: Investment Company Institute

Appendix

Standard and Poor's Ratings Group ("S&P") Municipal Bond Ratings

AAA--Debt rated "AAA" has the highest rating assigned by S&P. Capacity

to pay interest and repay principal is extremely strong.
AA--Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degree.
A--Debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

NR--Indicates that no public rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular type of obligation as a matter of policy.

Plus (+) or minus (-): The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Moody's Investors Service, Inc. Municipal Bond Ratings

Aaa--Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa--Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A--Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

NR--Not rated by Moody's.

Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate or municipal bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Fitch Investors Service, Inc. Investment Grade Bond Ratings

AAA--Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA--Bonds considered to be investment grade and of very high credit quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated "AAA". Because bonds rated in the "AAA" and "AA" categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated "F-1+".

A--Bonds considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

NR--NR indicates that Fitch does not rate the specific issue.

Plus (+) or Minus (-): Plus and minus signs are used with a rating symbol to indicate the relative position of a credit within the rating category. Plus and minus signs, however, are not used in the "AAA" category.

Standard and Poor's Ratings Group Municipal Note Ratings

SP-1--Very strong or strong capacity to pay principal and interest.

Those issues determined to possess overwhelming safety characteristics will be given a plus sign (+) designation.

SP-2--Satisfactory capacity to pay principal and interest.

Moody's Investors Service, Inc. Short-Term Loan Ratings

MIG1/VMIG1--This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad based access to the market for refinancing.

MIG2/VMIG2--This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

Standard and Poor's Ratings Group Commercial Paper Ratings

A-1--This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

A-2--Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high for issues designated A-1.

Moody's Investors Service, Inc. Commercial Paper Ratings

PRIME-1--Issuers rated PRIME-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations.

PRIME-1 repayment capacity will normally be evidenced by the following

characteristics:

- leading market positions in well-established industries;
- high rates of return on funds employed;
- conservative capitalization structure with moderate reliance on debt and ample asset protection;
- broad margins in earning coverage of fixed financial charges and high internal cash generation; and
- well-established access to a range of financial markets and assured sources of alternative liquidity.

PRIME-2--Issuers rated PRIME-2 (or related supporting institutions) have a strong capacity for repayment of short-term promissory obligations. This will normally be evidenced by many of the characteristics cited above, but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Cusip 45881040
3081602B (7/95)

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST
(formerly, Pennsylvania Intermediate Municipal Trust)

ANNUAL REPORT FOR FISCAL YEAR ENDED MAY 31, 1995

INVESTMENT REVIEW

The U.S. economy displayed considerable momentum over the 12-month period ended May 31, 1995. The Federal Reserve continued to mount its aggressive pre-emptive strike against inflation by raising the Federal Funds rate to 6%, which is a considerable amount of tightening for the economy to absorb. However, by the end of the 12-month period from June 1994 to May 1995, the U.S. economy was still showing significant signs of strength.

As of May 31, 1995, the nation's capacity utilization rate remained strong at 83.7% while unemployment continued to track well into the full employment range, declining to 5.7%. Inflation stayed surprisingly benign during this period of continued growth as the Producer Price Index showed an increase of only 0.3% for the entire month of May 1995. Also, the downturn in industrial commodity prices should lead to a drop in prices at the crude materials stage of production. Yield curves in both the municipal and treasury bond markets flattened significantly during the 12-month period. The basis point spread between the one-year and 30-year maturities narrowed by 83.9 basis points and 81 basis points in both the treasury bond and municipal bond markets, respectively. The municipal yield curve has remained steeper than the treasury yield curve due to the segmentation of demand along the curve. The bulk of new municipal bond issuance in the market is concentrated in the long end of the curve (20 years and longer) while demand has been concentrated on the shorter end of the municipal yield curve (ten years and under).

During the 12-month period ended May 31, 1995, yields in the municipal bond market, as measured by the Bond Buyer Revenue Index, rose consistently to a high of 7.37% on November 17, 1994.* Municipal bond yields then began to decline from their November high as a result of market supply and demand technicals, the attractiveness of yields available in the marketplace, and the continued hawkish stance of the Federal Reserve. The Bond Buyer Revenue Index ended the twelve month period at 6.02% at the end of May 1995.* The municipal bond market continues to lag the rally in the treasury market as a result of the debate over a flat tax, the low yields available in the marketplace, investors memory of the difficult bond market in 1994, and the continuing saga of the Orange County default in the press. The U.S. Treasury bond market also reached its high for market yields in November. The long (30 year) treasury reached a high of 8.23% on November 7, 1994, and finished the 12-month period at its low of 6.65% on May 31, 1995.

From June 1, 1994, to May 31, 1995, net assets of the Fund grew from \$2.9 million to \$8.3 million. Reflecting market activity, the net asset value of the Fund increased from \$9.86 on June 1, 1994, to \$10.06 on May 31, 1995. On that date, the credit breakdown of the holdings of the Fund was: 65.9% in "AAA" issues; 16.7% in "AA" issues; 13.1% in "A" issues; 0% in "non-rated" issues; and 4.2% in municipal cash equivalents within the highest rating category. Management continues to favor high quality securities due to the narrow credit spreads available in the marketplace. The basis point spread between an "AAA" rated general obligation bond and a single "A" rated general obligation bond is currently 26 basis points. Credit spreads in the municipal market have not widened to the extent they have historically at this stage of the business cycle. The narrow credit

spreads are a result of the limited amount of new municipal bond issuance relative to prior years, the low level of absolute yields available which encourages investors to reach for yield, and the penetration of the municipal bond insurers (approximately 40% of the new issue market).

Federated Pennsylvania Intermediate Municipal Trust was established in December 1993 to provide investors the ability to invest in a non-diversified portfolio of intermediate maturity (three to ten year) Pennsylvania municipal issues which have a credit rating of "A" or better by a nationally recognized statistical rating agency. The investment objective of the Fund is to provide current income which is exempt from the Federal regular income tax and the personal income taxes imposed by the Commonwealth of Pennsylvania.

The Fund's management is currently maintaining a neutral average maturity target as a result of our outlook on interest rates and the economy. The best strategy at this point is to maintain a market neutral duration until the economy provides a clear signal as to its direction. Economic indicators have not yet allowed the market to determine, with any conviction, whether the economy is moving in the direction of a hard landing (recession), re-acceleration and a continuation of the bear market, or a growth slow down. The portfolio's income objective involved booking attractive income streams for distribution to shareholders. Management continues to focus on "essential service" revenue bonds of stable established projects which generate strong cash flow. Examples of such projects would include electric power authorities and water and sewer utilities. Management is currently reducing exposure to the healthcare sector which has become fairly valued as a result of the death of healthcare reform. Management has avoided debt backed by municipal leases, such as certificates of participation (COPs). These debt instruments are subject to annual appropriation and present risks which are not present in bonds backed by a general obligation, full faith and credit pledge. Insured municipal bonds have also been purchased in the fund. However, the use of bond insurance is limited to monoline bond insurers who indemnify municipal obligations only. General obligation issues are also being stressed as the economy's strength translates into improved revenues and larger reserves at the state and local government level. The emphasis has been on issues that are considered upgrade candidates. Management continues to avoid market discount securities, priced beyond the de minimus rule, so as to avoid distributing ordinary income to shareholders.

When determining the credit quality of issues for potential investment by the Fund, the investment adviser focuses upon a variety of economic and financial parameters. For general obligations issues, analysis is directed towards demographic data, income distribution, property value levels and growth, provision of governmental services, and debt authorization. For revenue issues, the investment adviser also examines issuer cash flow generation, sensitivity to product/ service pricing, competition and industry/sector make-up, debt structure, debt service coverage, financial flexibility, and contingent liabilities.

Securities bought by the Fund during the past six months consisted largely of: public and private colleges and universities--both insured and uninsured; water and sewer issues; single-family mortgage revenue issues; and state and local general obligation issues. The average purchase yield for new investments by the Fund was 5.66%.**

For the 12-month period ended May 31, 1995, an investor in the Fund experienced a "total return" of 7.35%.** This performance was comprised of 5.32% income and reinvestment return (net of expenses) and of 2.03% appreciation in the net asset value per share.

*INDICES, UNLIKE MUTUAL FUNDS, ARE UNMANAGED.

**PERFORMANCE QUOTED REPRESENTS PAST PERFORMANCE. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, SO THAT AN INVESTOR'S SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

GROWTH OF \$25,000 INVESTED IN FEDERATED PENNSYLVANIA INTERMEDIATE MUNICIPAL TRUST

The graph below illustrates the hypothetical investment of \$25,000 in the Federated Pennsylvania Intermediate Municipal Trust (the "Fund") from December 5, 1993, (start of performance) to May 31, 1995, compared to the Lehman Brothers Ten-Year General Obligation Municipal Bond Index (LB10YRGOMBI)+ and the Lipper Intermediate Municipal Debt Funds Average (LIMDFA).++

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

Graphic Representation Omitted. See Appendix B
AVERAGE ANNUAL TOTAL RETURN** FOR THE PERIOD ENDED MAY 31, 1995

1 Year.....	7.35%
Start of Performance (12/5/93).....	5.42%

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE PERFORMANCE. YOUR INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO WHEN SHARES ARE REDEEMED, THEY MAY BE WORTH MORE OR LESS THAN ORIGINAL COST. MUTUAL FUNDS ARE NOT OBLIGATIONS OF OR GUARANTEED BY ANY BANK AND ARE NOT FEDERALLY INSURED.

THIS REPORT MUST BE PRECEDED OR ACCOMPANIED BY THE FUND'S PROSPECTUS DATED JULY 31, 1995, WHICH, TOGETHER WITH FINANCIAL STATEMENTS CONTAINED THEREIN, CONSTITUTES THE FUND'S ANNUAL REPORT.

*The Fund's performance assumes the reinvestment of all dividends and distributions. The LB10YRGOMBI and the LIMDFA have been adjusted to reflect reinvestment of dividends on securities in the indices.

**Total return quoted reflects all applicable sales loads and contingent deferred sales charges.

+The LB10YRGOMBI is not adjusted to reflect sales loads, expenses, or other fees that the SEC requires to be reflected in the Fund's performance. The index is unmanaged.

++The LIMDFA represents the average of the total returns reported by all of the mutual funds designated by Lipper Analytical Services, Inc. as falling into the category, and is not adjusted to reflect any sales loads. However, these total returns are reported net of expenses or other fees that the SEC requires to be reflected in a fund's performance.

[LOGO] FEDERATED SECURITIES CORP.

[LOGO]
Distributor
CUSIP 458810306 RECYCLED
G00967-02 (7/95) PAPER

APPENDIX C

A1. The graphic presentation here displayed consists of a line graph titled "Growth of \$25,000 Invested in Federated Ohio Intermediate Municipal Trust" The corresponding components of the line graph are listed underneath. The Federated Ohio Intermediate Municipal Trust (the "Fund") is represented by a broken line. The Lehman Brothers 10-Year General Obligation Municipal Bond Index (the "LB10YRGOMBI") is represented by a solid line. The Lipper Intermediate Municipal Debt Funds (the "LIMDFA") is represented by a dottedline. The line graph is a visual representation of a comparison of change in value of a hypothetical \$25,000 investment in the Fund and the LB10YRGOMBI and the LIMDFA. The "x" axis reflects computation periods from the start of performance (December 2, 1993) to May 31, 1995. The "y" axis reflects the cost of the investment, ranging from \$20,000 to \$30,000. The right margin reflects the ending value of the hypothetical investment in the Fund as compared to the LB10YRGOMBI and the LIMDFA.. The ending values are \$26,315, \$26,788 and \$26,448, respectively.