

ALLMERICA SECURITIES TRUST

Form N-CSRS

August 23, 2004

Table of Contents

---

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

---

**FORM N-CSR**

---

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT  
COMPANIES**

Investment Company Act file number 811-02338

---

**Allmerica Securities Trust**

(Name of Registrant)

---

440 Lincoln Street

Worcester, Massachusetts 01653

(Address of Principal Executive Offices)

George M. Boyd, Trust Secretary

Allmerica Financial

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

440 Lincoln Street

Worcester, MA 01653

(Name and Address of Agent for Service)

**Registrant's Telephone Number, including Area Code:**

**(508) 855-1000**

**Date of Fiscal Year End: December 31**

**Date of Reporting Period: June 30, 2004**

---

**Table of Contents**

**Item 1. Reports to Stockholders**

**The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Investment Company Act of 1940:**

**Allmerica Securities Trust**

**Semi-Annual Report**

**June 30, 2004**

**Table of Contents**

**Allmerica Financial**

**June 30, 2004**

**[GRAPHIC]**

**Semi-Annual Report**

Allmerica Securities Trust

**[GRAPHIC]**

**[GRAPHIC]**

**Table of Contents**

## Table of Contents

<b><u>Trust Information</u></b>	2
<b><u>A Letter from the Chairman</u></b>	3
<b><u>Trust Overview</u></b>	4
<b><u>Financials</u></b>	F-1
<b><u>Regulatory Disclosures and Shareholder Information</u></b>	F-13

**Table of Contents**

## **Trust Information**

### **Board of Trustees**

John P. Kavanaugh, Chairman

P. Kevin Condron\*

Jocelyn S. Davis\*

Cynthia A. Hargadon\*

T. Britton Harris IV\*

Gordon Holmes\*

Attiat F. Ott\*

Edward J. Parry III

Ranne P. Warner\*

### **Officers**

John P. Kavanaugh, President

Richard J. Litchfield, Vice President

Ann K. Tripp, Vice President

Donald P. Wayman, Vice President

Paul T. Kane, Treasurer

George M. Boyd, Secretary

### **Investment Manager**

Opus Investment Management, Inc.

440 Lincoln Street, Worcester, MA 01653

### **Registrar and Transfer, Dividend Disbursing and Reinvestment Agent**

## Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

The Bank of New York

P.O. Box 11258

Church Street Station, New York, NY 10286

### **Administrator and Custodian**

Investors Bank & Trust Company

200 Clarendon Street, Boston, MA 02116

*\*Independent Trustees*

### **Independent Accountants**

PricewaterhouseCoopers LLP

125 High Street, Boston, MA 02110

### **Legal Counsel**

Ropes & Gray LLP

One International Place, Boston, MA 02110

### **Shareholder Inquiries May Be Directed To:**

The Bank of New York Shareholder Relations Dept.-11E

P.O. Box 11258

Church Street Station, New York, NY 10286

1-800-432-8224

**Table of Contents**

## **A Letter from the Chairman**

Dear Client:

The first half of 2004 brought mixed news for the global economy. In the United Kingdom, consumer and mortgage credit continued to grow at a brisk pace with minimal signs of inflation, as the jobless rate dropped further. Unemployment remained high in France and Germany, as signs of recovery were muted in mainland Europe. Fueled by exploding growth in China and India, many Asian economies performed well, led by Thailand, Singapore and Malaysia. Domestic oriented companies helped stimulate stronger than expected growth in Japan. European stock markets held up relatively well as Germany's DAX Index rose 2.21%, England's FTSE Index gained 1.85% and France's CAC 40 Index was up 7.25%. Asian stock markets were mixed, as Japan's Nikkei Average finished the period up 11.58%, while Hong Kong's Hang Seng Index was lower by 0.29%.

The United States economy turned in a solid performance during the first six months of 2004. First quarter GDP came in at 3.9% and growth for the full period is expected to be in the same range. The long-awaited growth in jobs finally began to occur during the first half of the year. After starting slowly, non-farm payroll gains averaged over 200,000 per month in the second quarter, persuading many that a traditional economic recovery was under way. Consumer spending remained strong, industrial production ramped up and business investment increased, while core producer prices came in slightly higher than expected. Core inflation also edged higher during the period, partially as a result of the voracious demand for raw materials from China and other recovering economies. These and other strong economic statistics caused many analysts to conclude that the Federal Reserve Board would need to raise interest rates sooner, rather than later, in order to head off a rapid rise in inflation. In late June, these concerns were realized, as the Federal Reserve Board raised its target for the federal funds rate by 0.25%, to 1.25%. Gas prices at the pump climbed to over \$2.00 a gallon, as oil prices rose significantly in the first quarter, then fell back slightly during the second quarter. Several analysts expressed concern that higher oil prices might dampen the surging domestic economy. U.S. securities markets finished the first six months of 2004 with small gains. The S&P 500® Index rose 3.44% and the Nasdaq Composite Index was higher by 2.22%. Bonds struggled as interest rates ticked higher. For the period, the Lehman Brothers Aggregate Bond Index managed a gain of only 0.15%.

For the first half of 2004, the Allmerica Securities Trust portfolio generated income supporting aggregate dividends of 27 cents per share.

On behalf of the Board of Trustees,

John P. Kavanaugh

Chairman of the Board

Allmerica Securities Trust





**Table of Contents****Allmerica Securities Trust**

The Allmerica Securities Trust returned (0.37)% for the first half of 2004, underperforming its benchmark, the Lehman Brothers U.S. Credit Index, which returned (0.27)%.

The markets started out the year with mixed-to-weak economic data, heightened questions about job growth and overhanging concerns about Iraq and terrorism. The anticipated economic rebound had not materialized, so the Federal Reserve Board was expected to remain accommodative with a 1.00% federal funds rate for at least several more months. However, when the March non-farm payrolls release showed that an additional 308,000 jobs had been created, the market sold off quickly. At their June meeting, the Federal Reserve Board raised its overnight federal funds rate by 25 basis points to 1.25%, confirming to the market that the Federal Reserve Board agreed that the economy was headed back on the right track.

The asset-backed securities sector performed best for the period, with an excess return of 53 basis points over U.S. Treasury securities. The mortgage-backed securities sector had an excess return of 36 basis points, while the Agency sector had an excess return of 10 basis points. The corporate sector underperformed U.S. Treasuries for the first six months, primarily as a result of a weak second quarter. The portfolio was almost fully invested in the corporate sector during the period, although during the second quarter, the investment manager reduced exposure slightly, investing the proceeds in U.S. Treasury securities. The reduction was primarily in those sectors that would be more negatively affected by rising interest rates: banks, finance and utilities. The investment manager plans to replace these U.S. Treasury securities with corporate bonds during the third quarter of 2004.

**Average Annual Total Returns**

	1 Year	5 Year	10 Year
Allmerica Securities Trust	(0.27)%	4.58%	6.52%
Lehman Brothers U.S. Credit Index	0.08%	7.54%	7.95%
Lipper Corporate Debt Funds BBB-Rated Average	1.06%	6.42%	7.10%

**Historical Performance**

	Total Return on Net Asset Value	Total Return on Market Value
1999	(1.42)%	(13.75)%
2000	6.76 %	23.76 %
2001	4.41 %	6.00 %
2002	5.54 %	2.11 %
2003	6.15 %	9.38 %
2004 (As of June 30)	(0.37)%	(6.56)%

*The Lehman Brothers U.S. Credit Index is an unmanaged index of all publicly issued, fixed-rate, non-convertible investment grade corporate debt. The Lipper Corporate Debt Funds BBB-Rated Average is a non-weighted index of funds within the Corporate Debt Funds BBB-Rated category.*

*Portfolio composition is subject to change.*

### **Investment Manager**

Opus Investment Management, Inc.

### **About the Trust**

Seeks to generate a high rate of current income for distribution to shareholders.

### **Portfolio Composition**

As of June 30, 2004, the sector allocation of net assets was:

---

Table of Contents

**Financials**

**Table of Contents**

INTENTIONALLY LEFT BLANK

**Table of Contents**

## ALLMERICA SECURITIES TRUST

**PORTFOLIO OF INVESTMENTS June 30, 2004 (Unaudited)**

Par Value		Moody's Ratings	Value (Note 2)
<b>U.S. GOVERNMENT AGENCY MORTGAGE-BACKED OBLIGATIONS (h) - 0.3%</b>			
<b>Freddie Mac - 0.3%</b>			
\$ 118,067	5.00%, 05/15/21	NR	\$ 120,391
166,745	6.00%, 10/15/07	NR	173,018
			<u>293,409</u>
<b>Total U.S. Government Agency Mortgage-Backed Obligations</b> (Cost \$ 296,473)			<u>293,409</u>
<b>U.S. GOVERNMENT AND AGENCY OBLIGATIONS - 3.2%</b>			
<b>Fannie Mae - 0.3%</b>			
275,000	3.70%, 11/01/07	Aaa	273,896
<b>Federal Home Loan Bank - 0.5%</b>			
400,000	2.25%, 05/15/06	Aaa	395,500
<b>U.S. Treasury Bond - 2.4%</b>			
1,390,000	5.38%, 02/15/31	NR	1,401,891
225,000	6.00%, 02/15/26 (a)	NR	242,446
450,000	6.25%, 05/15/30 (a)	NR	503,842
			<u>2,148,179</u>
<b>Total U.S. Government and Agency Obligations</b> (Cost \$ 2,816,971)			<u>2,817,575</u>
<b>CORPORATE NOTES AND BONDS - 74.7%</b>			
<b>Auto Manufacturers - 1.7%</b>			
460,000	DaimlerChrysler North America Holding Corp.		
	6.90%, 09/01/04	A3	463,176
500,000	DaimlerChrysler North America Holding Corp.		
	8.50%, 01/18/31	A3	574,463
500,000	General Motors Corp. (a)		
	7.20%, 01/15/11	Baa1	523,898
			<u>1,561,537</u>
<b>Auto Parts &amp; Equipment - 0.6%</b>			
460,000	Lear Corp.		
	8.11%, 05/15/09	Baa3	523,962

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

<b>Banks - 9.9%</b>				
880,000	Bank of America Corp. 4.88%, 09/15/12	Aa2		857,438
500,000	Bank of America Corp. 5.25%, 12/01/15	Aa3		482,065
450,000	Bank of New York Co., Inc. 3.75%, 02/15/08	Aa3		447,279
1,000,000	Bank of New York Co., Inc. 6.38%, 04/01/12	A1		1,074,598
450,000	BB&T Corp. (b) 6.38%, 06/30/05	A2		467,055
655,000	Fifth Third Bank 4.50%, 06/01/18	Aa3		584,432
500,000	Firststar Corp. 7.13%, 12/01/09	Aa3		563,108
450,000	HSBC Bank USA, Inc. 4.63%, 04/01/14	A1		418,883
420,000	National City Bank of Indiana 4.88%, 07/20/07	Aa3		432,587
250,000	Northern Trust Co. 6.65%, 11/09/04	Aa3		254,147
200,000	Suntrust Banks, Inc. 6.38%, 04/01/11	Aa3		216,720
125,000	Suntrust Banks, Inc. 7.75%, 05/01/10	A1		146,711
500,000	U.S. Bancorp, MTN 5.10%, 07/15/07	Aa3		521,182
455,000	US Bank National Cincinnati 6.50%, 02/01/08	Aa3		495,172
475,000	Wachovia Bank N.A. 4.85%, 07/30/07	Aa2		491,378
450,000	Wachovia Corp. 4.95%, 11/01/06	Aa3		466,135
450,000	Wells Fargo & Co. 5.13%, 09/01/12	Aa2		447,494
440,000	Zions Bancorporation 5.65%, 05/15/14	Baa1		434,977
				<hr/>
				8,801,361
				<hr/>
<b>Beverages - 1.5%</b>				
450,000	Anheuser-Busch Cos., Inc. 4.63%, 02/01/15	A1		424,251
500,000	Bottling Group LLC 4.63%, 11/15/12	Aa3		485,959
450,000	Diageo Capital, Plc 3.50%, 11/19/07	A2		444,797
				<hr/>
				1,355,007
				<hr/>
<b>Chemicals - 0.9%</b>				
200,000	Du Pont (E.I.) De Nemours and Co. 8.25%, 09/15/06	Aa3		221,010
500,000	Praxair, Inc. 6.63%, 10/15/07	A3		544,334
				<hr/>
				765,344
				<hr/>
<b>Cosmetics &amp; Personal Care - 2.3%</b>				
500,000	Kimberly-Clark Corp.			

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

	7.10%, 08/01/07	Aa2	553,435
300,000	Procter & Gamble Co.		
	4.75%, 06/15/07	Aa3	310,888
1,000,000	Procter & Gamble Co.		
	8.50%, 08/10/09	Aa3	1,193,449
			<u>2,057,772</u>
	<b>Diversified Financial Services - 12.9%</b>		
500,000	American Express Co.		
	3.75%, 11/20/07	A1	498,442
580,000	Bear Stearns Cos., Inc.		
	4.00%, 01/31/08	A1	578,036

See Notes to Financial Statements.

F-1



**Table of Contents**

## ALLMERICA SECURITIES TRUST

**PORTFOLIO OF INVESTMENTS, Continued June 30, 2004 (Unaudited)**

Par Value		Moody's Ratings	Value (Note 2)
	<b>Diversified Financial Services (continued)</b>		
\$ 725,000	Capital One Bank 4.88%, 05/15/08	Baa2	\$ 732,796
920,000	Capital One Bank 5.75%, 09/15/10	Baa2	945,469
500,000	Citifinancial 6.75%, 07/01/07	Aa1	541,848
460,000	Ford Motor Credit Co. 6.50%, 01/25/07	A3	483,334
400,000	Ford Motor Credit Co. 6.88%, 02/01/06	A3	419,559
825,000	Ford Motor Credit Co. 7.25%, 10/25/11	A3	861,540
10,000	Ford Motor Credit Co. 7.38%, 10/28/09	A3	10,672
500,000	General Electric Capital Corp. 8.75%, 05/21/07	Aaa	571,880
500,000	General Electric Capital Corp., MTN 4.25%, 01/15/08	Aaa	506,261
380,000	General Motors Acceptance Corp., MTN (b) 2.40%, 10/20/05	A3	383,085
450,000	Goldman Sachs Group, Inc. 5.70%, 09/01/12	Aa3	456,474
500,000	Household Finance Corp. 8.00%, 07/15/10	A1	580,197
425,000	J. Paul Getty Trust 5.88%, 10/01/33	Aaa	415,808
222,011	Jones (Edward D.) & Co., LP (c) (d) 7.95%, 04/15/06	NR	234,348
500,000	Lehman Brothers Holdings, Inc. 4.00%, 01/22/08	A1	498,995
350,000	MBNA Corp., MTN 6.25%, 01/17/07	Baa2	370,833
85,000	MBNA Corp., MTN 7.50%, 03/15/12	Baa2	96,368
630,000	Morgan Stanley 4.75%, 04/01/14	A1	581,251
495,000	Morgan Stanley 6.60%, 04/01/12	Aa3	532,899
550,000	Pitney Bowes Credit Corp. 8.55%, 09/15/09	Aa3	646,929
500,000	Toyota Motor Credit Corp. 5.50%, 12/15/08	Aaa	525,463
			11,472,487
	<b>Electric - 5.5%</b>		

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

550,000	AmerenEnergy Generating 7.75%, 11/01/05	A3	583,751
505,000	Centerpoint Energy, Inc. 5.88%, 06/01/08	Ba2	512,264
375,000	Consolidated Edison Co. of New York 4.70%, 06/15/09	A1	379,955
425,000	Detroit Edison Co. 6.13%, 10/01/10	A3	452,929
563,466	East Coast Power LLC 7.07%, 03/31/12	Baa3	570,667
250,000	Energy Gulf States, Inc. 3.60%, 06/01/08	Baa3	241,215
\$ 450,000	FirstEnergy Corp. 6.45%, 11/15/11	Baa3	466,542
500,000	FirstEnergy Corp. 7.38%, 11/15/31	Baa3	521,141
225,000	Florida Power & Light 6.88%, 12/01/05	Aa3	237,921
450,000	Pacific Gas & Electric Co. 6.05%, 03/01/34	Baa2	423,250
450,000	TXU Energy Co. 7.00%, 03/15/13	Baa2	490,028
			4,879,663
	<b>Environmental Control - 1.7%</b>		
450,000	Allied Waste North America (a) (e) 6.50%, 11/15/10	Ba3	445,500
500,000	Allied Waste North America 8.50%, 12/01/08	Ba3	546,875
490,000	Waste Management, Inc. 7.00%, 10/01/04	Baa3	495,187
			1,487,562
	<b>Food - 4.0%</b>		
525,000	Conagra Foods, Inc. 7.50%, 09/15/05	Baa1	552,289
675,000	Delhaize America, Inc. 8.13%, 04/15/11	Ba1	736,783
460,000	General Mills, Inc. 6.00%, 02/15/12	Baa2	481,678
470,000	Kroger Co. (a) 5.50%, 02/01/13	Baa2	468,710
450,000	Safeway, Inc. 6.50%, 03/01/11	Baa2	476,803
830,000	Unilever Capital Corp. 5.90%, 11/15/32	A1	807,228
			3,523,491
	<b>Forest Products &amp; Paper - 1.9%</b>		
500,000	International Paper Co. 5.30%, 04/01/15	Baa2	475,959
500,000	International Paper Co. 5.50%, 01/15/14	Baa2	489,484
750,000	Rock-Tenn Co. 5.63%, 03/15/13	Baa3	737,557
			1,703,000

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

<b>Health Care-Products - 0.1%</b>				
120,000	Johnson & Johnson			
	6.73%, 11/15/23		Aaa	132,720
<b>Health Care-Services - 1.2%</b>				
550,000	HCA, Inc.			
	6.75%, 07/15/13		Ba1	563,408
450,000	UnitedHealth Group, Inc.			
	7.50%, 11/15/05		A3	477,494
				<u>1,040,902</u>

See Notes to Financial Statements.

**Table of Contents**

## ALLMERICA SECURITIES TRUST

**PORTFOLIO OF INVESTMENTS, Continued June 30, 2004 (Unaudited)**

Par Value		Moody's Ratings	Value (Note 2)
<b>Home Builders - 1.7%</b>			
\$ 920,000	D.R. Horton, Inc. (a)		
	5.00%, 01/15/09	Ba1	\$ 902,750
500,000	Pulte Homes, Inc.		
	8.13%, 03/01/11	Baa3	586,427
			<u>1,489,177</u>
<b>Insurance - 0.5%</b>			
450,000	Marsh & McLennan Cos., Inc.		
	4.85%, 02/15/13	A2	431,917
<b>Lodging - 1.0%</b>			
500,000	Harrah's Operating Co., Inc.		
	7.13%, 06/01/07	Baa3	538,406
350,000	Park Place Entertainment Corp.		
	8.13%, 05/15/11	Ba2	371,437
			<u>909,843</u>
<b>Media - 5.5%</b>			
550,000	AOL Time Warner, Inc.		
	6.88%, 05/01/12	Baa1	594,326
270,000	Belo Corp.		
	8.00%, 11/01/08	Baa3	305,791
450,000	Continental Cablevision, Inc.		
	8.30%, 05/15/06	Baa3	488,521
505,000	Cox Communications, Inc.		
	7.13%, 10/01/12	Baa2	553,455
225,000	Cox Enterprises, Inc. (e)		
	4.38%, 05/01/08	Baa1	224,200
700,000	Echostar DBS Corp.		
	5.75%, 10/01/08	Ba3	690,375
500,000	News America Holdings, Inc.		
	7.38%, 10/17/08	Baa3	550,322
300,000	Time Warner Cos., Inc.		
	7.57%, 02/01/24	Baa1	323,952
450,000	Time Warner Entertainment Co.		
	7.25%, 09/01/08	Baa1	494,772
180,000	Viacom, Inc.		
	5.50%, 05/15/33	A3	161,162
450,000	Viacom, Inc.		
	7.88%, 07/30/30	A3	532,858
			<u>4,919,734</u>

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

<b>Metal Fabricate &amp; Hardware - 1.1%</b>			
1,000,000	Precision Castparts Corp.		
	5.60%, 12/15/13	Baa3	973,545
<hr/>			
<b>Office &amp; Business Equipment - 0.8%</b>			
750,000	Pitney Bowes, Inc.		
	4.75%, 05/15/18	Aa3	687,707
<hr/>			
<b>Oil &amp; Gas - 7.6%</b>			
375,000	Burlington Resources, Inc.		
	7.40%, 12/01/31	Baa1	426,328
580,000	Conoco Funding Co.		
	5.45%, 10/15/06	A3	607,106
500,000	Conoco Funding Co.		
	7.25%, 10/15/31	A3	570,769
450,000	Devon Financing Corp.		
	6.88%, 09/30/11	Baa2	489,896
450,000	Devon Financing Corp.		
	7.88%, 09/30/31	Baa2	516,356
230,000	Enterprise Products		
	7.50%, 02/01/11	Baa3	246,102
350,000	Enterprise Products		
	8.25%, 03/15/05	Baa3	361,766
500,000	Occidental Petroleum Corp.		
	6.50%, 04/01/05	Baa1	515,135
625,000	Phillips Petroleum		
	8.50%, 05/25/05	A3	657,096
690,000	Pioneer Natural Resource Co.		
	7.50%, 04/15/12	Baa3	781,373
600,000	Texaco Capital, Inc.		
	8.25%, 10/01/06	Aa3	665,981
435,000	Valero Energy Corp.		
	6.13%, 04/15/07	Baa3	460,938
400,000	XTO Energy, Inc.		
	7.50%, 04/15/12	Baa3	451,345
<hr/>			
			6,750,191
<hr/>			
<b>Packaging &amp; Containers - 2.0%</b>			
750,000	Illinois Tool Works, Inc.		
	6.88%, 11/15/08	Aa3	830,668
970,000	Sealed Air Corp. (e)		
	5.63%, 07/15/13	Baa3	958,183
<hr/>			
			1,788,851
<hr/>			
<b>Pharmaceuticals - 3.0%</b>			
700,000	Bergen Brunswig Corp. (f)		
	7.25%, 06/01/05	BB	715,750
750,000	Lilly (Eli) & Co.		
	7.13%, 06/01/25	Aa3	858,332
710,000	Medco Health Solutions, Inc.		
	7.25%, 08/15/13	Ba1	760,206
330,000	Zeneca Wilmington		
	7.00%, 11/15/23	Aa2	364,637
<hr/>			
			2,698,925
<hr/>			
<b>Pipelines - 0.6%</b>			
500,000	Duke Energy Field Services Corp.		

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

	7.50%, 08/16/05		Baa2	524,947
<b>Retail - 1.2%</b>				
500,000	J.C. Penney Co., Inc.			
	7.38%, 08/15/08		Ba3	539,375
450,000	Wal-Mart Stores, Inc.			
	7.55%, 02/15/30		Aa2	539,954
				<u>1,079,329</u>

See Notes to Financial Statements.

F-3

**Table of Contents**

## ALLMERICA SECURITIES TRUST

**PORTFOLIO OF INVESTMENTS, Continued June 30, 2004 (Unaudited)**

Par Value		Moody's Ratings	Value (Note 2)
<b>Savings &amp; Loans - 1.0%</b>			
\$ 455,000	Washington Mutual Bank FA		
	5.50%, 01/15/13	A3	\$ 454,686
450,000	Washington Mutual, Inc.		
	4.38%, 01/15/08	A3	452,862
			<u>907,548</u>
<b>Telecommunications - 2.2%</b>			
500,000	BellSouth Corp.		
	6.88%, 10/15/31	A1	520,855
680,000	Sprint Capital Corp.		
	6.13%, 11/15/08	Baa3	714,761
120,000	Sprint Capital Corp.		
	6.88%, 11/15/28	Baa3	115,350
120,000	Sprint Capital Corp.		
	7.90%, 03/15/05	Baa3	124,392
450,000	Verizon Florida, Inc.		
	6.13%, 01/15/13	A1	462,550
			<u>1,937,908</u>
<b>Transportation - 2.3%</b>			
450,000	Consolidated Rail Corp.		
	9.75%, 06/15/20	Baa2	603,946
900,000	CSX Corp.		
	6.30%, 03/15/12	Baa2	946,069
255,000	Union Pacific Corp.		
	5.38%, 06/01/33	Baa2	219,861
250,000	Union Pacific Corp.		
	6.63%, 02/01/08	Baa2	271,829
			<u>2,041,705</u>
<b>Total Corporate Notes and Bonds</b>			
	(Cost \$ 65,873,222)		<u>66,446,135</u>
<b>ASSET-BACKED AND MORTGAGE-BACKED SECURITIES (h) - 6.0%</b>			
1,000,000	American Airlines, Inc., Pass-Through Trust, Series 1991 - C2		
	9.73%, 09/29/14	Caa2	745,880
570,000	Bear Stearns Commercial Mortgage Securities, Inc., Series 2002-PBW1,		

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

	Class A2		
	4.72%, 11/11/35	Aaa	554,842
250,000	Bear Stearns Mortgage Securities, Inc., Series 1999-WF2, Class A2, CMO		
	7.08%, 06/15/09	Aaa	277,658
300,000	Citibank Credit Card Issuance Trust, Series 2000-C1, CMO		
	6.88%, 11/16/09	Aaa	329,066
500,000	General Electric Capital Commercial Mortgage Corp., Series 2002-1A, Class A3		
	6.27%, 12/10/35	Aaa	536,416
500,000	GS Mortgage Securities Corp. II, Series 1997-GL, Class A2D		
	6.94%, 07/13/30	Aaa	539,955
250,000	MBNA Master Credit Card Trust, Series 1995-C, Class A		
	6.45%, 02/15/08	Aaa	259,703
250,000	Morgan Stanley Dean Witter Capital I, Series 2002-TOP7, Class B, CMO		
	6.08%, 01/15/39	Aa2	264,562
750,000	Morgan Stanley Dean Witter Capital I, Series 2003-TOP9, Class A2, CMO (f)		
	4.74%, 11/13/36	AAA	728,158
96,142	Toyota Auto Receivables Owner Trust, Series 2002-B, Class A3		
	3.76%, 06/15/06	Aaa	96,762
1,000,000	Union Acceptance Corp., Series 2000-B, Class B		
	7.73%, 01/08/08	Aaa	1,017,040
<b>Total Asset-Backed and Mortgage-Backed Securities</b>			
	(Cost \$ 5,704,421)		5,350,042
<b>FOREIGN GOVERNMENT OBLIGATIONS (i) - 2.9%</b>			
450,000	Province of British Columbia		
	5.38%, 10/29/08	Aa2	473,738
550,000	Province of Manitoba		
	4.25%, 11/20/06	Aa2	563,961
500,000	Province of Ontario		
	2.63%, 12/15/05	Aa2	498,949
500,000	Province of Quebec		
	6.13%, 01/22/11	A1	539,466
450,000	Province of Quebec		
	7.00%, 01/30/07	A1	489,435
<b>Total Foreign Government Obligations</b>			
	(Cost \$ 2,470,353)		2,565,549
<b>FOREIGN BONDS (i) - 10.3%</b>			
500,000	Alberta Energy Co., Ltd.		
	7.38%, 11/01/31	Baa1	556,620
700,000	British Sky Broadcasting Group, Plc		
	7.30%, 10/15/06	Baa3	755,748
450,000	British Telecom, Plc (g)		
	8.38%, 12/15/10	Baa1	525,517
500,000	Calpine Canada Energy Finance (a)		



Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

	8.50%, 05/01/08	Caa1	330,000
355,000	Canadian Pacific, Ltd.		
	9.45%, 08/01/21	Baa2	480,303
450,000	Canadian Pacific Railroad		
	5.75%, 03/15/33	Baa2	421,018
890,000	Domtar, Inc.		
	5.38%, 12/01/13	Baa3	846,301
100,000	KFW International Finance, Inc.		
	4.25%, 04/18/05	Aaa	101,550
450,000	Norske Skog Canada, Ltd.		
	7.38%, 03/01/14	Ba3	435,375
790,000	Royal Bank of Scotland Group, Plc		
	4.70%, 07/03/18	Aa3	701,195
1,000,000	St. George Bank, Ltd.,		
	Yankee Debenture (e)		
	7.15%, 10/15/05	A3	1,050,811

See Notes to Financial Statements.

F-4

**Table of Contents**

## ALLMERICA SECURITIES TRUST

**PORTFOLIO OF INVESTMENTS, Continued June 30, 2004 (Unaudited)**

Par Value		Moody's Ratings	Value (Note 2)
<b>FOREIGN BONDS (i) (continued)</b>			
\$ 435,000	Stora Enso Oyj 7.38%, 05/15/11	Baa1	\$ 481,899
500,000	Telus Corp. 7.50%, 06/01/07	Baa3	544,564
460,000	Tembec Industries, Inc. 8.50%, 02/01/11	Ba3	464,600
435,000	Tyco International Group S.A. (a) 6.00%, 11/15/13	Baa3	447,185
490,000	Tyco International Group S.A. 6.38%, 10/15/11	Baa3	521,253
500,000	Vodafone Group, Plc 6.25%, 11/30/32	A2	495,109
<b>Total Foreign Bonds</b> (Cost \$ 9,183,529)			<u>9,159,048</u>
<b>MUNICIPAL OBLIGATIONS - 0.8%</b>			
750,000	Illinois State General Obligation 3.85%, 06/01/13	Aa3	680,040
<b>Total Municipal Obligations</b> (Cost \$ 748,646)			<u>680,040</u>
<b>Shares</b>			
<b>INVESTMENT COMPANY - 0.4%</b>			
313,549	Marshall Money Market Fund	NR	313,549
<b>Total Investment Company</b> (Cost \$ 313,549)			<u>313,549</u>
<b>Total Investments - 98.6%</b> (Cost \$ 87,407,164)			<u>87,625,347</u>
<b>Net Other Assets and Liabilities - 1.4%</b>			<u>1,262,668</u>
<b>Total Net Assets - 100.0%</b>			<u>\$ 88,888,015</u>

(a)

## Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

All or a portion of this security is out on loan at June 30, 2004; the value of the securities loaned amounted to \$2,677,511. The value of collateral amounted to \$2,747,310 which consisted of cash equivalents.

- (b) Variable rate security. The rate shown reflects rate in effect at period end.
  - (c) Security is valued by management (Note 2).
  - (d) Restricted Security - Represents ownership in a private placement investment which has not been registered with the Securities and Exchange Commission under the Securities Act of 1933. At June 30, 2004, these securities amounted to \$234,348 or 0.3% of net assets.
  - (e) Security exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions exempt from registration, to qualified institutional buyers. At June 30, 2004, these securities amounted to \$2,678,694 or 3.0% of net assets.
  - (f) Standard & Poor's (S&P) credit ratings are used in the absence of a rating by Moody's Investors, Inc.
  - (g) Debt obligation initially issued in coupon form which converts to a higher coupon form at a specified date and rate. The rate shown is the rate at period end. The maturity date shown is the ultimate maturity.
  - (h) Pass Through Certificates.
  - (i) U.S. currency denominated.
- CMO Collateralized Mortgage Obligation  
 MTN Medium Term Note  
 NR Not Rated

### FEDERAL INCOME TAX INFORMATION (SEE NOTE 2)

At June 30, 2004, the aggregate cost of investment securities for tax purposes was \$87,407,164. Net unrealized appreciation (depreciation) aggregated \$218,183, of which \$2,112,739 related to appreciated investment securities and \$(1,894,556) related to depreciated investment securities.

### OTHER INFORMATION

For the six months ended June 30, 2004, the aggregate cost of purchases and the proceeds of sales, other than from short-term investments, included \$13,585,599 and \$13,756,206 of non-governmental issuers, respectively, and \$3,214,306 and \$3,031,729 of U.S. Government and Agency issuers, respectively.

The composition of ratings of both long-term and short-term debt holdings as a percentage of total value of investments in securities is as follows:

	Moody's Rating (Unaudited)	S&P Ratings (Unaudited)
Aaa	7.5%	AAA 0.8%
Aa	21.2%	BB 0.8%
A	22.3%	_____
Baa	34.8%	_____ 1.6%
Ba	8.0%	_____
Caa	1.2%	_____
NR (Not Rated)	3.4%	_____
	98.4%	_____

See Notes to Financial Statements.



**Table of Contents**

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

See Notes to Financial Statements.

*F-6*

**Table of Contents**

## ALLMERICA SECURITIES TRUST

**STATEMENT OF ASSETS AND LIABILITIES June 30, 2004 (Unaudited)**

<b>ASSETS:</b>	
Investments:	
Investments at cost	\$ 87,407,164
Net unrealized appreciation	218,183
	<hr/>
Total investments at value	87,625,347
Cash	22,924
Short-term investments held as collateral for securities loaned	2,747,310
Interest receivable	1,315,565
	<hr/>
Total Assets	91,711,146
	<hr/>
<b>LIABILITIES:</b>	
Collateral for securities loaned	2,747,310
Management fee payable	35,234
Trustees' fees and expenses payable	4,742
Accrued expenses and other payables	35,845
	<hr/>
Total Liabilities	2,823,131
	<hr/>
<b>NET ASSETS</b>	<b>\$ 88,888,015</b>
	<hr/>
<b>NET ASSETS consist of:</b>	
Par Value	\$ 8,592,306
Paid-in capital	88,089,385
Distribution in excess of net investment income	(852,110)
Accumulated net realized loss	(7,159,749)
Net unrealized appreciation	218,183
	<hr/>
<b>TOTAL NET ASSETS</b>	<b>\$ 88,888,015</b>
	<hr/>
<b>Shares of beneficial interest outstanding (10,000,000 authorized shares with par value of \$1.00)</b>	8,592,306
	<hr/>
<b>NET ASSET VALUE</b>	
Per share	\$ 10.345
	<hr/>
<b>MARKET VALUE (closing price on New York Stock Exchange)</b>	
Per share	\$ 8.85
	<hr/>
Total value of securities on loan	\$ 2,677,511
	<hr/>

See Notes to Financial Statements.



**Table of Contents**

## ALLMERICA SECURITIES TRUST

**STATEMENT OF OPERATIONS For the Six Months Ended June 30, 2004 (Unaudited)**

<b>INVESTMENT INCOME</b>	
Interest	\$ 2,429,008
Securities lending income	2,305
	<hr/>
Total investment income	2,431,313
	<hr/>
<b>EXPENSES</b>	
Management fees	204,149
Custodian and Fund accounting fees	35,008
Transfer agent fees	37,151
Legal fees	5,026
Audit fees	15,836
Trustees fees and expenses	10,541
Reports to shareholders	21,024
New York Stock Exchange fees	2,486
Miscellaneous	2,979
	<hr/>
Total expenses	334,200
	<hr/>
<b>NET INVESTMENT INCOME</b>	<b>2,097,113</b>
	<hr/>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:</b>	
Net realized loss on investments sold	(46,552)
Net change in unrealized appreciation (depreciation) of investments	(2,300,848)
	<hr/>
<b>NET REALIZED LOSS ON INVESTMENTS</b>	<b>(2,347,400)</b>
	<hr/>
<b>NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ (250,287)</b>
	<hr/>

**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>June 30, 2004</b>	<b>December 31,</b>
	<b>(Unaudited)</b>	<b>2003</b>
	<hr/>	<hr/>
<b>NET ASSETS at beginning of period</b>	<b>\$ 91,458,225</b>	<b>\$ 90,834,171</b>
	<hr/>	<hr/>
<b>INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS:</b>		
Net investment income	2,097,113	4,179,375
Net realized gain (loss) on investments sold	(46,552)	863,113
Net change in unrealized appreciation (depreciation) of investments	(2,300,848)	436,219



Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

Net increase (decrease) in net assets resulting from operations	(250,287)	5,478,707
<b>Distributions To Shareholders From Net Investment Income</b>	<b>(2,319,923)</b>	<b>(4,854,653)</b>
Total increase (decrease) in net assets	(2,570,210)	624,054
<b>NET ASSETS at end of period</b>	<b>\$ 88,888,015</b>	<b>\$ 91,458,225</b>
Distribution in excess of net investment income	\$ (852,110)	\$ (629,300)

See Notes to Financial Statements.

F-8

**Table of Contents**

## ALLMERICA SECURITIES TRUST

**FINANCIAL HIGHLIGHTS - For a Share Outstanding Throughout Each Period**

	Six Months Ended June 30, 2004  (Unaudited)	Year ended December 31,				
		2003	2002	2001(1)	2000	1999
Net Asset Value, beginning of period	\$ 10.644	\$ 10.572	\$ 10.565	\$ 10.866	\$ 10.958	\$ 11.961
Income from Investment Operations:						
Net investment income	0.244	0.486	0.565	0.673(2)	0.802	0.802
Net realized and unrealized gain (loss) on investments	(0.273)	0.151	0.027	(0.209)	(0.084)	(0.965)
Total from investment operations	(0.029)	0.637	0.592	0.464	0.718	(0.163)
Less Distributions:						
Dividends from net investment income	(0.270)	(0.565)	(0.585)	(0.729)	(0.800)	(0.800)
Distributions from net realized capital gains					(0.010)	(0.040)
Return of capital				(0.036)		
Total distributions	(0.270)	(0.565)	(0.585)	(0.765)	(0.810)	(0.840)
Net increase (decrease) in net asset value	(0.299)	0.072	0.007	(0.301)	(0.092)	(1.003)
Net Asset Value, end of period	\$ 10.345	\$ 10.644	\$ 10.572	\$ 10.565	\$ 10.866	\$ 10.958
Market Value, end of period	\$ 8.85	\$ 9.75	\$ 9.45	\$ 9.83	\$ 10.00	\$ 8.81
Total Return on Market Value, end of period	(6.56)%**	9.38%	2.11%	6.00%	23.76%	(13.75)%
Ratios/Supplemental Data						
Net assets, end of period (000 s)	\$ 88,888	\$ 91,458	\$ 90,834	\$ 90,774	\$ 93,362	\$ 94,157
Ratios to average net assets:						
Net investment income	4.63%*	4.56%	5.38%	6.23%	7.38%	7.00%
Operating expenses	0.74%*	0.68%	0.86%	0.79%	0.74%	0.77%
Management fee	0.45%*	0.44%	0.45%	0.50%	0.50%	0.49%
Portfolio turnover rate	19%**	98%	79%	128%	58%	24%

\* Annualized

\*\* Not Annualized

- (1) Effective January 1, 2001, the Trust adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and is amortizing premium and market discount on debt securities using the daily effective yield method. The effect of this change for the year ended December 31, 2001 was a decrease in net investment income per share of \$0.022, an increase in net realized and unrealized gains and losses per share of \$0.022 and a decrease in the ratio of net investment income to average net assets from 6.36% to 6.23%. Per share

Edgar Filing: ALLMERICA SECURITIES TRUST - Form N-CSRS

data and ratio/supplemental data for periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

(2) Computed using average shares throughout the period.

See Notes to Financial Statements.

*F-9*

---

**Table of Contents**

ALLMERICA SECURITIES TRUST

---

NOTES TO FINANCIAL STATEMENTS (Unaudited)

---

**1. ORGANIZATION**

Allmerica Securities Trust (the Trust ) was organized as a Massachusetts business trust on June 30, 1986, and is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates.

The following is a summary of significant accounting policies followed by the Trust in the preparation of its financial statements:

**Security Valuation:** Corporate debt securities and debt securities of the U.S. Government and its agencies (other than short-term investments) are valued using an independent pricing service approved by the Board of Trustees which utilizes market quotations and transactions, quotations from dealers and various relationships among securities in determining value. If not valued by a pricing service, such securities are valued at prices obtained from independent brokers. Investments with prices that cannot be readily obtained are carried at fair value as determined in good faith under consistently applied procedures established by and under the supervision of the Board of Trustees. Short-term investments that mature in 60 days or less are valued at amortized cost. This method involves valuing a portfolio security initially at its cost and thereafter assuming a constant amortization to maturity of any discount or premium.

At June 30, 2004, one security with a value of \$234,348 or 0.3% of net assets was valued by management under the direction of the Board of Trustees.

**Security Transactions and Investment Income:** Security transactions are recorded as of the trade date. Realized gains and losses from security transactions are determined on the basis of identified cost. Interest income, including amortization of premium and accretion of discount on securities, is accrued daily. Income distributions earned by the Trust from investments in certain investment companies are recorded as interest income in the accompanying financial statements.

**Federal Taxes:** The Trust intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. By so qualifying, the Trust will not be subject to Federal income taxes to the extent it distributes all of its taxable income and net realized gains, if any, for its fiscal year. In addition, by distributing during each calendar year substantially all of its net investment income, capital gains and certain other amounts, if any, the Trust will not be subject to Federal excise tax. Therefore, no Federal income tax provision is required.

**Distributions to Shareholders:** Dividends to shareholders resulting from net investment income are recorded on the ex-dividend date and paid quarterly. Net realized capital gains, if any, are distributed at least annually. Income and capital gains distributions are determined in accordance with income tax regulations. Differences between book basis and tax basis amounts are primarily due to differing book and tax treatments in both the timing of the recognition of losses deferred due to wash sales and differing treatments for the amortization of premium and market discount. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid in capital. Permanent book-tax differences, if any, are not included in ending undistributed net investment income for the purpose of calculating net investment income per share in the Financial Highlights.

**Securities Lending:** The Trust, using Investors Bank & Trust Company ( IBT ) as its lending agent, may loan securities to brokers and dealers in exchange for negotiated lenders' fees. These fees are disclosed as Securities lending income in the Statement of Operations. The Trust receives collateral against the loaned securities which must be maintained at not less than 102% of the market value of the loaned securities during the period of the loan. Collateral received is generally

F-10

---

**Table of Contents**

**ALLMERICA SECURITIES TRUST**

---

**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

---

cash, and is invested in short term investments. Lending portfolio securities involves possible delays in receiving additional collateral or in the recovery of the securities or possible loss of rights in the collateral should the counterparty (borrower) not meet its obligations under the terms of the loan. Information regarding the value of the securities loaned and the value of the collateral at period end is included in a footnote at the end of the Trust's portfolio of investments.

**Expenses:** Most expenses of the Trust can be directly attributable to the Trust. Expenses which cannot be directly attributable to the Trust are allocated based upon relative net assets among the Trust and one other affiliated registered investment company, Allmerica Investment Trust (comprised of nine separate portfolios).

**3. INVESTMENT MANAGEMENT AND OTHER RELATED PARTY TRANSACTIONS**

Opus Investment Management, Inc. ( Opus ), a direct, wholly-owned subsidiary of Allmerica Financial Corporation ( Allmerica Financial ) serves as Investment Manager to the Trust. For these services, the Trust pays Opus an aggregate monthly compensation at the annual rate of (a) 3/10 of 1% of average net assets plus (b) 2 1/2% of the amount of interest income.

To the extent that normal operating expenses of the Trust, excluding taxes, interest, brokerage commissions and extraordinary expenses, but including the investment management fee, exceed 1.50% of the first \$30,000,000 of the Trust's average weekly net assets, and 1.00% of any excess of such value over \$30,000,000, Opus will bear such excess expenses.

IBT performs fund administration, custodian and fund accounting services for the Trust. IBT is entitled to receive a fee for these services, in addition to certain out-of-pocket expenses. Opus is solely responsible for the payment of the administration fee and the Trust pays the fees for the fund accounting and custodian services to IBT.

The Trust pays no salaries or compensation to any of its officers. Trustees who are not directors, officers or employees of the Trust or the Investment Manager are reimbursed for their travel expenses in attending meetings of the Trustees and receive fees for their services. Such amounts are paid by the Trust.

**4. SHARES OF BENEFICIAL INTEREST**

There are 10,000,000 shares of \$1.00 par value common stock authorized. At June 30, 2004, First Allmerica Financial Life Insurance Company, an indirect, wholly-owned subsidiary of Allmerica Financial, the Trustees and the officers of the Trust owned in the aggregate 125,232 shares of beneficial interest.

**5. RESTRICTED SECURITIES**

At June 30, 2004, the Trust owned the following restricted security constituting 0.3% of net assets, which may not be publicly sold without registration under the Securities Act of 1933. The Trust would bear the registration costs in connection with the disposition of restricted securities held in the portfolio. The Trust does not have the right to demand that such securities be registered. The value of restricted securities is determined by valuations supplied by a pricing service or brokers or, if not available, in good faith by or at the direction of the Board of Trustees. Additional information on the restricted security is as follows:

<u>Issuer</u>	<u>Date of Acquisition</u>	<u>Par Amount</u>	<u>Cost at Acquisition</u>	<u>Value</u>
Jones (Edward D.) & Co., LP	05/06/94	\$ 222,011	\$ 222,011	\$ 234,348

*F-11*

**Table of Contents**

## ALLMERICA SECURITIES TRUST

## OTHER INFORMATION

## SHAREHOLDER VOTING RESULTS: (Unaudited)

The annual meeting of the Trust's shareholders was held on April 21, 2004 at which shareholders approved one proposal. The voting results were as follows:

**Proposal** To elect as Trustees the following nine nominees, each to serve until the next Annual Meeting of Shareholders and until his or her successor is duly elected and qualified.

		Shares For	Shares Withheld	Total
<b>P. Kevin Condron:</b>	Number of Votes Cast:	6,547,226	331,191	6,878,417
	Percentage of Votes Cast:	95.19%	4.81%	100.00%
<b>Jocelyn S. Davis:</b>	Number of Votes Cast:	6,536,556	341,861	6,878,417
	Percentage of Votes Cast:	95.03%	4.97%	100.00%
<b>Cynthia A. Hargadon:</b>	Number of Votes Cast:	6,546,876	331,541	6,878,417
	Percentage of Votes Cast:	95.18%	4.82%	100.00%
<b>T. Britton Harris, IV:</b>	Number of Votes Cast:	6,538,329	340,088	6,878,417
	Percentage of Votes Cast:	95.06%	4.94%	100.00%
<b>Gordon Holmes:</b>	Number of Votes Cast:	6,548,141	330,276	6,878,417
	Percentage of Votes Cast:	95.20%	4.80%	100.00%
<b>John P. Kavanaugh:</b>	Number of Votes Cast:	6,546,451	331,966	6,878,417
	Percentage of Votes Cast:	95.17%	4.83%	100.00%
<b>Attiat F. Ott:</b>	Number of Votes Cast:	6,543,798	334,619	6,878,417
	Percentage of Votes Cast:	95.14%	4.86%	100.00%
<b>Edward J. Parry III:</b>	Number of Votes Cast:	6,543,524	334,893	6,878,417
	Percentage of Votes Cast:	95.13%	4.87%	100.00%
<b>Ranne P. Warner:</b>	Number of Votes Cast:	6,539,628	338,789	6,878,417
	Percentage of Votes Cast:	95.07%	4.93%	100.00%



**Table of Contents**

ALLMERICA SECURITIES TRUST

**REGULATORY DISCLOSURES (Unaudited)**

---

The performance data quoted represents past performance and the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

This report is authorized for distribution to existing shareholders of Allmerica Securities Trust (the Trust).

During the most recent 12-month period ended June 30, the Trust did not vote proxies relating to its portfolio securities because the Trust invests exclusively in non-voting securities.

**SHAREHOLDER INFORMATION (Unaudited)**

---

**Automatic Dividend Investment Plan:** As a shareholder, you may participate in the Trust's Automatic Dividend Investment Plan. Under the plan, dividends and other distributions are automatically invested in additional full and fractional shares of the Trust to be held on deposit in your account. Such dividends and other distributions are invested at the net asset value if lower than market price plus brokerage commission or, if higher, at the market price plus brokerage commission. You will receive a statement after each payment date for a dividend or other distribution that will show the details of the transaction and the status of your account. You may terminate or rejoin at any time.

**Cash Investment Plan:** The cash investment plan provides a systematic, convenient and inexpensive means to increase your investment in the Trust by putting your cash to work. The plan permits you to invest amounts ranging from \$25 to \$1,000 in any one month to purchase additional shares of the Trust. Regular monthly investment is not required.

Your funds are consolidated with funds of other participants to purchase shares. Shares are purchased in bulk and you realize the commission savings. You pay only a service charge of \$1.00 per transaction and your proportionate share of the brokerage commission.

Your account will be credited with full and fractional shares purchased. Following each investment, you will receive a statement showing the details of the transaction and the current status of the account. The plan is voluntary and you may terminate at any time.

**Investment Manager:** Opus Investment Management, Inc.

**Portfolio Management:** All investment decisions for the Trust are made by an investment management team.

**Investment Objectives:** The Trust's primary investment objective is to provide a high rate of current income, with capital appreciation as a secondary objective.

(There is no guarantee that the Trust will achieve its investment objectives and an investor in the Trust could lose money.)

**Principal Investment Policies:** The Trust seeks to achieve its objectives by investing in various types of fixed income securities with an emphasis on corporate debt obligations. Examples of the types of securities in which the Trust invests are corporate bonds, notes and debentures; mortgage-backed and asset-backed securities; obligations issued or guaranteed by the U.S. Government, its agencies and instrumentalities; and money market instruments. The Trust may invest up to 30% of its assets in high yield securities or junk bonds rated below investment grade but at least B- or higher by Moody's Investors Services or Standard & Poor's Rating Services or similar rating organizations, and in unrated securities determined by the Investment Manager to be of comparable quality. The Trust may invest up to 25% of its assets in U.S. dollar denominated foreign debt securities. The Trust may invest in securities with relatively long maturities as well as securities with shorter maturities.

Securities issued by some U.S. Government-sponsored entities, such as the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae), are not backed by the full faith and credit of the U.S. Government. No assurances can be given that the U.S. Government would provide financial support to a U.S. Government-sponsored instrumentality if not obligated to do so.

F-13

**Table of Contents**

ALLMERICA SECURITIES TRUST

**SHAREHOLDER INFORMATION (Unaudited) (Continued)**

---

*Principal Risks of investing in the Trust:*

Company Risk means that investments in a company often fluctuate based on factors such as earnings, changes in management or products or potential for takeovers or acquisition.

Credit Risk is the risk that a fixed income security will not be able to pay interest and principal. Junk bonds, for example, have a high level of credit risk.

Foreign Investment Risk involves risks relating to political, social and economic developments abroad.

Interest Rate Risk means that, when interest rates rise, the prices of fixed income securities will generally fall and, when interest rates fall, the prices of fixed income securities will generally rise.

Investment Management Risk is the risk that a fund does not achieve its investment objective despite the investment strategies used by the investment managers.

Liquidity Risk is the risk that a fund will not be able to sell a security at a reasonable price because the security is not traded on a regular basis.

Market Risk is the risk that the price of a security will fall due to changes in economic, political or market conditions.

Prepayment Risk means that a fund may lose future interest income when a decline in interest rates causes homeowners to prepay their mortgage loans.

**Table of Contents**

[GRAPHIC]

**THE ALLMERICA FINANCIAL COMPANIES**

The Hanover Insurance Company   Citizens Insurance Company of America   Citizens Management Inc.

Allmerica Financial Alliance Insurance Company   Allmerica Financial Benefit Insurance Company   AMGRO, Inc.

Financial Profiles, Inc.   VeraVest Investments, Inc.   VeraVest Investment Advisors, Inc.   Opus Investment Management, Inc.

First Allmerica Financial Life Insurance Company   Allmerica Financial Life Insurance and Annuity Company (all states except NY)

440 Lincoln Street, Worcester, Massachusetts 01653

[www.allmerica.com](http://www.allmerica.com)

12164 (6/04)

04 - 0081

**Table of Contents**

**Item 2. Code of Ethics**

Not Applicable

**Item 3. Audit Committee Financial Expert**

Not Applicable

**Item 4. Principal Accountant Fees and Services**

Not Applicable

**Item 5. Audit Committee of Listed Registrants**

Not Applicable

**Item 6. Schedule of Investments**

Not Applicable

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies**

Not Applicable

**Item 8. Purchase of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers**

Not Applicable

**Item 9. Submission of Matters to a Vote of Security Holders**

Not Applicable

**Item 10. Controls and Procedures**

- (a) The registrant's principal executive and principal financial officers have concluded that, based on their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) as of a date within 90 days of the filing date of this report on Form N-CSR, such disclosure controls and procedures provide reasonable assurances that material information relating to the registrant is made known to them by the appropriate persons.
- (b) Changes to internal control over financial reporting: Not Applicable

**Item 11. Exhibits**

- (a) (1) Not Applicable
- (2) Separate certifications by the registrant's principal executive officer and principal financial officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached hereto as Exhibit A2.

**Table of Contents**

- (3) Not Applicable
  
- (b) A certification by the registrant's principal executive officer and principal financial officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and as required by Rule 30a-2(b) under the Investment Company Act of 1940 is attached hereto as Exhibit B.

**Table of Contents**

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Allmerica Securities Trust**

By: /s/ John P. Kavanaugh

\_\_\_\_\_  
John P. Kavanaugh  
President and Chairman

Date: August 19, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John P. Kavanaugh

\_\_\_\_\_  
John P. Kavanaugh  
President and Chairman

Date: August 19, 2004

By: /s/ Paul T. Kane

\_\_\_\_\_  
Paul T. Kane  
Assistant Vice President and Treasurer  
(Principal Accounting Officer and  
Principal Financial Officer)

Date: August 19, 2004