

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: **1996-12-30** | Period of Report: **1996-10-31**
SEC Accession No. [0000948221-96-000316](#)

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FILER

PORTICO FUNDS INC

CIK: **824612** | IRS No.: **841088256** | State of Incorpor.: **WI** | Fiscal Year End: **1031**
Type: **N-30D** | Act: **40** | File No.: **811-05380** | Film No.: **96687923**

Mailing Address

*FIRSTAR TRUST COMPANY
615 E. MICHIGAN STREET
LC-2
MILWAUKEE WI 53202*

Business Address

*FIRSTAR TRUST COMPANY
615 E. MICHIGAN STREET
LC-2
MILWAUKEE WI 53202
4142873524*

OCTOBER 31, 1996

ANNUAL REPORT

PORTICO FUNDS

MONEY MARKET
FUND

U.S. TREASURY
MONEY MARKET FUND

U.S. GOVERNMENT
MONEY MARKET FUND

TAX-EXEMPT
MONEY MARKET FUND

NOTICE TO INVESTORS

- Shares of Portico Funds:

- ARE NOT INSURED BY THE FDIC, the US Government or any other governmental agency;
 - are not bank deposits or obligations of or guaranteed by Firststar Bank, its parent company or its affiliates;
 - are subject to investment risks, including possible loss of principal; and
 - are offered by B.C. Ziegler and Company, member NASD, SIPC, and an independent third-party distributor.
- There can be no assurance that the money market funds will be able to maintain a stable net asset value of \$1.00 per share.
- Firststar Bank affiliates serve as investment adviser, custodian, transfer agent, administrator, and accounting services agent and receive compensation for such services as disclosed in the current prospectus.

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October, 1996

DEAR SHAREOWNER:

INVESTMENT REVIEW

Money market rates remained unusually steady over the past fiscal year. Short-term interest rates moved approximately 50 basis points while the rest of the bond market experienced much greater volatility with longer-term rates fluctuating as much as 160 basis points. Concerns throughout the year for the prospect of higher inflation kept short-term interest rates high on a real or inflation-adjusted basis. However, restrained by global competition and mitigated by technology-based productivity gains, inflation actually remained subdued under 3%. "Real" yields on our money market funds remain attractive when adjusted for the continued low levels of inflation.

Portico money market funds are managed with quality and safety of principal as our primary goals. All securities purchased by the Funds must meet strict guidelines set by the SEC for presenting minimal credit risk, as well as our own high internal standards. Our credit research team closely monitors all investments to ensure quality standards are met.

PORTICO MONEY MARKET FUNDS 7-DAY YIELDS<F1>

PERIOD ENDED OCTOBER 31, 1996

CURRENT

EFFECTIVE

	-----	-----
MONEY MARKET FUND	4.94%	5.06%
U.S. TREASURY		
MONEY MARKET FUND	4.62%	4.73%
U.S. GOVERNMENT		
MONEY MARKET FUND	4.80%	4.92%
TAX-EXEMPT		
MONEY MARKET FUND	3.07%	3.12%

<F1> After fee waivers. Had fees not been waived, current and effective yields would have been 4.72% and 4.84% for the Money Market Fund; 4.41% and 4.52% for the U.S. Treasury Money Market Fund; 4.68% and 4.80% for the U.S. Government Money Market Fund; and 2.89% and 2.94% for the Tax-Exempt Money Market Fund, respectively. Reflects past performance; yields will vary. An investment in any one of the Portico money market funds is neither insured nor guaranteed by the U.S. Government nor is there any assurance the Funds will be able to maintain a stable net asset value of \$1.00 per share.

Current yield refers to income earned by a fund's investments over a 7-day period. It is then annualized and stated as a percentage of the investment. Effective yield is the same as current yield except that it assumes the income earned by an investment in a fund will be reinvested.

<TABLE>

PORTICO MONEY MARKET FUNDS YIELD COMPARISONS<F2>

<CAPTION>										
AVERAGE MONTHLY RATES										DONOGHUE'S MONEY FUND AVERAGETM/ ALL TAX FREE TAX EQUIVALENT YIELD<F3>
	PORTICO MONEY MARKET	DONOGHUE'S MONEY FUND AVERAGE TM/ ALL TAXABLE	PORTICO U.S. TREASURY MONEY MARKET	DONOGHUE'S MONEY FUND AVERAGETM/ U.S. TREASURY	PORTICO U.S. GOV'T. MONEY MARKET	DONOGHUE'S MONEY FUND AVERAGETM/ GOV'T.	PORTICO TAX-EXEMPT MONEY MARKET	DONOGHUE'S MONEY FUND AVERAGETM/ ALL TAX-FREE	PORTICO TAX-EXEMPT MONEY MARKET TAX EQUIVALENT YIELD	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1996										
October	4.96%	4.82%	4.65%	4.61%	4.81%	4.65%	3.06%	2.96%	4.78%	4.63%
September	4.90%	4.83%	4.68%	4.63%	4.84%	4.66%	3.10%	3.00%	4.84%	4.69%
August	4.91%	4.82%	4.67%	4.60%	4.83%	4.65%	3.08%	2.98%	4.81%	4.66%
July	4.87%	4.81%	4.60%	4.56%	4.81%	4.64%	2.74%	2.67%	4.28%	4.17%
June	4.82%	4.77%	4.57%	4.53%	4.76%	4.60%	2.89%	2.88%	4.52%	4.50%
May	4.77%	4.74%	4.56%	4.50%	4.74%	4.57%	3.28%	3.16%	5.13%	4.94%
April	4.76%	4.75%	4.58%	4.52%	4.72%	4.58%	3.05%	2.97%	4.77%	4.64%
March	4.79%	4.76%	4.53%	4.50%	4.71%	4.60%	2.85%	2.79%	4.45%	4.36%
February	4.92%	4.83%	4.65%	4.61%	4.79%	4.64%	2.86%	2.85%	4.47%	4.45%
January	5.11%	5.05%	4.92%	4.75%	5.01%	4.85%	3.06%	2.97%	4.78%	4.64%
1995										
December	5.20%	5.19%	4.90%	4.89%	5.10%	5.01%	3.57%	3.52%	5.58%	5.50%
November	5.22%	5.23%	4.93%	4.90%	4.90%	5.05%	3.35%	3.29%	5.23%	5.14%

We compare our Funds to the IBC/Donoghue's Money Fund Averages, which are composites of professionally managed money market investment funds with similar objectives.

<FN>

<F2>After fee waivers. Had fees not been waived, performance would be reduced. Reflects past performance; yields will vary. An investment in any one of the Portico money market funds is neither insured nor guaranteed by the U.S. Government nor is there any assurance the Funds will be able to maintain a stable net asset value of \$1.00 per share.

<F3>Assumes a 36% tax bracket.

</TABLE>

LOOKING AHEAD - THE FORECAST

Our forecast calls for continued moderate Gross Domestic Product (GDP) and fairly low levels of inflation in the 2-4% range. We expect money market rates to remain stable and possibly fall over the next several months and anticipate at least maintaining an average maturity comparable to, or slightly longer than, the industry benchmarks. The high credit quality of our money market funds continues to be reinforced by strong corporate earnings.

We continue to pride ourselves on having met three important objectives for our money market shareowners: preservation of principal, liquidity and competitive investment income. We believe these principles, combined with a disciplined approach to quality, continue to be appropriate for our money market investors.

We appreciate your continued confidence in the Portico money market funds and look forward to working with you in the future.

Jane T. Keelan

STATEMENT OF ASSETS AND LIABILITIES
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
OCTOBER 31, 1996

	MONEY MARKET FUND	U.S. TREASURY MONEY MARKET FUND	U.S. GOVERNMENT MONEY MARKET FUND	TAX-EXEMPT MONEY MARKET FUND
ASSETS:				
Investments, at amortized cost	\$224,990	\$52,829	\$198,785	\$78,948
Interest receivable	78	851	450	640
Other	20	2	3	5
Total Assets	225,088	53,682	199,238	79,593
LIABILITIES:				
Dividends payable	916	192	754	190
Payable to affiliates	99	33	109	48
Accrued expenses and other liabilities	37	27	41	27
Total Liabilities	1,052	252	904	265
NET ASSETS	\$224,036	\$53,430	\$198,334	\$79,328
CAPITAL STOCK, \$.0001 par value				
Authorized	5,000,000	5,000,000	5,000,000	5,000,000
Issued and outstanding	224,036	53,430	198,334	79,328
NET ASSET VALUE, REDEMPTION PRICE AND OFFERING PRICE PER SHARE				
	\$1.00	\$1.00	\$1.00	\$1.00

See notes to the financial statements.

STATEMENT OF OPERATIONS
(AMOUNTS IN THOUSANDS)
YEAR ENDED OCTOBER 31, 1996

	MONEY MARKET FUND	U.S. TREASURY MONEY MARKET FUND	U.S. GOVERNMENT MONEY MARKET FUND	TAX-EXEMPT MONEY MARKET FUND
INVESTMENT INCOME:				
Interest income	\$10,727	\$3,322	\$10,456	\$2,920
EXPENSES:				
Investment advisory fees	969	313	962	396
Administration fees	221	72	220	90
Service organization fees	40	-	-	-
Custody fees	38	18	45	21
Shareowner servicing and accounting costs	188	47	62	54
Professional fees	21	20	24	23
Reports to shareowners	61	11	14	10
Federal and state registration fees	31	13	28	14
Directors' fees and expenses	5	6	5	5
Other	3	3	4	3
Total expenses before waiver	1,577	503	1,364	616
Less: Waiver of expenses	(414)	(127)	(210)	(141)

Net Expenses	1,163	376	1,154	475
	-----	-----	-----	-----
NET INVESTMENT INCOME	\$ 9,564	\$2,946	\$ 9,302	\$2,445
	=====	=====	=====	=====

See notes to the financial statements.

STATEMENT OF CHANGES IN NET ASSETS
(AMOUNTS IN THOUSANDS)

	MONEY MARKET FUND		U.S. TREASURY MONEY MARKET FUND	
	Year ended Oct. 31,		Year ended Oct. 31,	
	1996	1995	1996	1995
	----	----	----	----
OPERATIONS:				
Net investment income	\$ 9,564	\$ 8,443	\$ 2,946	\$ 2,992
	-----	-----	-----	-----
Increase in net assets resulting from operations	9,564	8,443	2,946	2,992
	-----	-----	-----	-----
CAPITAL SHARE TRANSACTIONS:				
Shares sold	537,145	601,835	187,850	205,921
Shares issued to owners in reinvestment of dividends	8,880	7,100	315	283
Shares redeemed	(494,250)	(601,692)	(199,390)	(197,569)
	-----	-----	-----	-----
Net increase (decrease)	51,775	7,243	(11,225)	8,635
	-----	-----	-----	-----
DIVIDENDS PAID FROM:				
Net investment income	(9,564)	(8,443)	(2,946)	(2,992)
	-----	-----	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	51,775	7,243	(11,225)	8,635
NET ASSETS:				
Beginning of year	172,261	165,018	64,655	56,020
	-----	-----	-----	-----
End of year	\$224,036	\$172,261	\$ 53,430	\$ 64,655
	=====	=====	=====	=====

STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)
(AMOUNTS IN THOUSANDS)

	U.S. GOVERNMENT MONEY MARKET FUND		TAX-EXEMPT MONEY MARKET FUND	
	YEAR ENDED OCT. 31,		YEAR ENDED OCT. 31,	
	1996	1995	1996	1995
	----	----	----	----
OPERATIONS:				
Net investment income	\$ 9,302	\$ 9,076	\$ 2,445	\$ 2,359
	-----	-----	-----	-----
Increase in net assets resulting from operations	9,302	9,076	2,445	2,359
	-----	-----	-----	-----
CAPITAL SHARE TRANSACTIONS:				
Shares sold	945,438	875,356	156,757	182,982
Shares issued to owners in reinvestment of dividends	2,681	2,649	990	884

Shares redeemed	(912,853)	(898,528)	(162,503)	(170,218)
Net increase (decrease)	35,266	(20,523)	(4,756)	13,648
DIVIDENDS PAID FROM:				
Net investment income	(9,302)	(9,076)	(2,445)	(2,359)
TOTAL INCREASE (DECREASE) IN NET ASSETS				
NET ASSETS:	35,266	(20,523)	(4,756)	13,648
Beginning of year	163,068	183,591	84,084	70,436
End of year	\$198,334	\$163,068	\$ 79,328	\$ 84,084

See notes to the financial statements.

FINANCIAL HIGHLIGHTS

MONEY MARKET FUND					
Year ended October 31,					
	1996	1995	1994	1993	1992<F4>
Per Share Data:					
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income from investment operations:					
Net investment income<F5>	0.05	0.05	0.03	0.03	0.04
Total from investment operations	0.05	0.05	0.03	0.03	0.04
Less distributions:					
Dividends from net investment income	(0.05)	(0.05)	(0.03)	(0.03)	(0.04)
Total distributions	(0.05)	(0.05)	(0.03)	(0.03)	(0.04)
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	5.06%	5.51%	3.42%	2.71%	3.73%
Supplemental data and ratios:					
Net assets, in thousands, end of period	\$224,036	\$172,261	\$165,018	\$132,568	\$146,012
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.58%
Ratio of net investment income to average net assets	4.94%	5.36%	3.44%	2.67%	3.84%

FINANCIAL HIGHLIGHTS (CONTINUED)

U.S. TREASURY MONEY MARKET FUND					
Year ended October 31,					
	1996	1995	1994	1993	1992<F4>
Per Share Data:					
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

Income from investment operations:					
Net investment income<F5>	0.05	0.05	0.03	0.03	0.04
	-----	-----	-----	-----	-----
Total from investment operations	0.05	0.05	0.03	0.03	0.04
	-----	-----	-----	-----	-----
Less distributions:					
Dividends from net investment income	(0.05)	(0.05)	(0.03)	(0.03)	(0.04)
	-----	-----	-----	-----	-----
Total distributions	(0.05)	(0.05)	(0.03)	(0.03)	(0.04)
	-----	-----	-----	-----	-----
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
	=====	=====	=====	=====	=====
Total Return	4.80%	5.16%	3.20%	2.59%	3.48%
Supplemental data and ratios:					
Net assets, in thousands, end of period	\$53,430	\$64,655	\$56,020	\$40,744	\$37,342
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income to average net assets	4.70%	5.04%	3.14%	2.55%	3.42%

FINANCIAL HIGHLIGHTS (CONTINUED)

U.S. GOVERNMENT
MONEY MARKET FUND

Year ended October 31,

	1996	1995	1994	1993	1992<F4>
	-----	-----	-----	-----	-----
Per Share Data:					
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income from investment operations:					
Net investment income<F5>	0.05	0.05	0.03	0.03	0.04
	-----	-----	-----	-----	-----
Total from investment operations	0.05	0.05	0.03	0.03	0.04
	-----	-----	-----	-----	-----
Less distributions:					
Dividends from net investment income	(0.05)	(0.05)	(0.03)	(0.03)	(0.04)
	-----	-----	-----	-----	-----
Total distributions	(0.05)	(0.05)	(0.03)	(0.03)	(0.04)
	-----	-----	-----	-----	-----
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
	=====	=====	=====	=====	=====
Total Return	4.96%	5.37%	3.35%	2.63%	3.60%
Supplemental data and ratios:					
Net assets, in thousands, end of period	\$198,334	\$163,068	\$183,591	\$203,165	\$221,521
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income to average net assets	4.84%	5.24%	3.29%	2.59%	3.56%

FINANCIAL HIGHLIGHTS (CONTINUED)

TAX-EXEMPT
MONEY MARKET FUND

Year ended October 31,

	1996	1995	1994	1993	1992<F4>
Per Share Data:					
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income from investment operations:					
Net investment income<F5>	0.03	0.03	0.02	0.02	0.03
Total from investment operations	0.03	0.03	0.02	0.02	0.03
Less distributions:					
Dividends from net investment income	(0.03)	(0.03)	(0.02)	(0.02)	(0.03)
Total distributions	(0.03)	(0.03)	(0.02)	(0.02)	(0.03)
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	3.13%	3.42%	2.25%	2.17%	2.91%
Supplemental data and ratios:					
Net assets, in thousands, end of period	\$79,328	\$84,084	\$70,436	\$73,621	\$74,343
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
income to average net assets	3.09%	3.36%	2.23%	2.12%	2.83%

<F4>Effective February 3, 1992, FIRMCO assumed the investment advisory responsibilities of Firststar Trust Company.

<F5>For the Tax-Exempt Money Market Fund, substantially all investment income is exempt from Federal income tax.

See notes to the financial statements.

MONEY MARKET FUND
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

Principal Amount (in thousands)		Amortized Cost (in thousands)
	COMMERCIAL PAPER - 93.9%	
	ASSET BACKED SECURITY - 8.0%	
	Ciesco L.P.,	
\$4,500	5.35%, 12/03/96	\$ 4,479
	Corporate Asset Funding Co., Inc.,	
5,000	5.45%, 12/12/96	4,969
	New Center Asset Trust,	
4,000	5.51%, 11/07/96	3,996
4,500	5.40%, 1/16/97	4,449

		17,893

	AUTOS & TRUCKS - 4.2%	
	Ford Credit Europe PLC,	
4,500	5.56%, 1/21/97	4,444

5,000	Ford Motor Credit Company, 5.26%, 12/18/96	4,965

		9,409

	BANKING - FOREIGN - 2.0%	
4,500	Dresdner US Financial, 5.32%, 12/13/96	4,472

	BASIC INDUSTRY - 5.8%	
4,000	Monsanto Company, 5.48%, 12/11/96	3,976
4,500	U.S. Borax & Chemical Corporation, 5.29%, 11/20/96	4,487
4,500	5.30%, 11/26/96	4,484

		12,947

	BEVERAGES - 2.0%	
4,500	Bass Finance (C.I.) Ltd., 5.48%, 12/10/96	4,473

	CONGLOMERATES - 8.6%	
4,500	Mitsubishi International Corporation, 5.34%, 11/05/96	4,497
5,000	5.45%, 1/10/97	4,947
5,000	Philip Morris Companies, Inc., 5.32%, 1/13/97	4,946
5,000	5.31%, 1/24/97	4,938

		19,328

	CONSUMER STAPLES - 2.2%	
5,000	Hitachi America, Ltd., 5.34%, 11/15/96	4,990

Principal Amount (in thousands)		Amortized Cost (in thousands)
-----		-----
	DRUGS - 4.5%	
\$5,000	Sandoz Corporation, 5.40%, 11/01/96	\$ 5,000
5,000	5.40%, 11/06/96	4,996

		9,996

	ELECTRONICS - 1.8%	
4,000	Panasonic Finance Inc., 5.45% 11/04/96	3,998

	FINANCE - MISCELLANEOUS - 20.8%	
5,000	American Express Co., 5.26%, 12/23/96	4,962
5,000	5.32%, 1/23/97	4,939
4,500	CIT Group Holdings, Inc., 5.34%, 12/26/96	4,463
5,000	General Electric Capital Corporation, 5.40%, 11/12/96	4,992
5,000	5.31%, 1/28/97	4,935
4,500	Household Finance Corporation, 5.32%, 1/08/97	4,455
5,000	5.32%, 2/03/97	4,930
4,000	Swedish Export Credit Corporation, 5.30%, 12/02/96	3,982
4,000	Transamerica Finance Corporation, 5.30% 11/18/96	3,990
5,000	5.39%, 1/31/97	4,932

		46,580

	FINANCE - SERVICES - 8.4%	
	Merrill Lynch and Co., Inc.,	

5,000	5.34%, 1/07/97	4,950
5,000	5.37%, 1/27/97	4,935
	Morgan Stanley Group, Inc.,	
4,500	5.30%, 11/14/96	4,492
4,500	5.30%, 11/19/96	4,488

		18,865

	INSURANCE - 12.7%	
	American Family Financial Services, Inc.,	
4,000	5.38%, 12/16/96	3,973
	American General Corporation,	
4,500	5.32%, 1/14/97	4,451
	ITT Hartford Group, Inc.,	
5,000	5.33%, 1/17/97	4,943
	John Hancock Capital Corp.,	
5,770	5.32%, 1/15/97	5,706
	Prudential Funding Corporation,	
4,500	5.32%, 11/27/96	4,483
5,000	5.32%, 1/09/97	4,949

		28,505

MONEY MARKET FUND
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

Principal Amount (in thousands)		Amortized Cost (in thousands)
-----		-----
	RETAIL - 2.2%	
	J.C. Penney Company, Inc.	
\$5,000	5.31%, 1/22/97	\$ 4,940

	SOVEREIGN - 6.5%	
	Kingdom of Sweden,	
4,500	5.50%, 11/25/96	4,484
2,000	5.31%, 12/06/96	1,990
3,500	5.30%, 12/13/96	3,478
	Quebec Province of Canada,	
4,500	5.30%, 11/22/96	4,486

		14,438

	TECHNOLOGY - 2.0%	
	Xerox Corporation,	
4,500	5.32%, 12/05/96	4,477

	UTILITIES - 2.2%	
	Ontario Hydro,	
5,000	5.43%, 12/09/96	4,971

	Total Commercial Paper	210,282

	VARIABLE RATE DEMAND NOTES - 3.1%	
7,000	WPL Holdings Demand Note	7,000

	Total Variable Rate Demand Notes	7,000

Number of Shares (in thousands)		Amortized Cost (in thousands)
-----		-----
	INVESTMENT COMPANIES - 3.4%	
1,130	Financial Square Prime Obligation Fund	\$ 1,130
6,578	Short-Term Investments Co. Liquid Assets Portfolio	6,578

Total Investment Companies	7,708

Total Investments 100.4%	224,990

Liabilities, less Other Assets (0.4)%	(954)

NET ASSETS 100.0%	\$224,036
	=====

See notes to the financial statements.

U.S. TREASURY MONEY MARKET FUND
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

Principal Amount (in thousands)		Amortized Cost (in thousands)
-----		-----
	U.S. TREASURIES - 91.0%	
	U.S. TREASURY NOTES - 72.1%	
\$4,000	4.38%, 11/15/96	\$ 3,999
8,000	7.25%, 11/15/96	8,005
5,500	7.50%, 12/31/96	5,520
8,000	8.00%, 1/15/97	8,039
1,000	6.25%, 1/31/97	1,002
4,500	7.50%, 1/31/97	4,523
3,000	4.75%, 2/15/97	2,994
1,500	6.88%, 2/28/97	1,507
2,900	8.50%, 4/15/97	2,940

		38,529

	U.S. TREASURY BILLS - 18.9%	
8,500	4.21%, 11/07/96	8,493
1,600	4.86%, 12/12/96	1,591

		10,084

	Total U.S. Treasuries	48,613

Number of Shares (in thousands)		
	INVESTMENT COMPANIES - 7.9%	
1,696	Institutional Liquid Assets	
	Treasury Instruments Portfolio	1,696
2,520	Short-Term Investments Co.	
	Treasury Tax Advantage Portfolio	2,520

	Total Investment Companies	4,216

	Total Investments 98.9%	52,829

	Other Assets, less Liabilities 1.1%	601

	NET ASSETS 100.0%	\$53,430
		=====

See notes to the financial statements.

U.S. GOVERNMENT MONEY MARKET FUND
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

Principal Amount (in thousands)		Amortized Cost (in thousands)
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-----		-----	
	U.S. GOVERNMENT AGENCIES - 86.6%		
	FEDERAL FARM CREDIT BANK - 19.0%		
	Federal Farm Credit Bank Discount Notes:		
\$5,000	5.25%, 11/05/96	\$	4,997
5,000	5.25%, 11/06/96		4,996
5,000	5.27%, 11/25/96		4,982
4,000	5.17%, 12/05/96		3,980
5,700	5.29%, 12/06/96		5,671
5,000	5.15%, 12/27/96		4,960
3,170	5.21%, 1/06/97		3,140
5,000	5.21%, 1/09/97		4,950

			37,676

	FEDERAL HOME LOAN BANK - 2.2%		
	Federal Home Loan Bank Discount Note,		
4,500	5.40%, 11/15/96		4,491

	FEDERAL HOME LOAN MORTGAGE CORPORATION - 20.2%		
	Federal Home Loan Mortgage Corporation Discount Notes:		
5,000	5.23%, 11/12/96		4,992
3,000	5.19%, 11/19/96		2,992
4,000	5.18%, 12/09/96		3,978
4,000	5.19%, 12/11/96		3,977
3,500	5.33%, 12/12/96		3,479
4,500	5.18%, 12/16/96		4,471
4,000	5.20%, 12/16/96		3,974
3,000	5.22%, 1/08/97		2,971
5,000	5.23%, 1/10/97		4,949
4,439	5.23%, 2/03/97		4,378

			40,161

	FEDERAL NATIONAL MORTGAGE ASSN. - 21.8%		
	Federal National Mortgage Assn. Discount Notes:		
5,000	5.23%, 11/14/96		4,991
5,000	5.19%, 11/18/96		4,988
4,000	5.22%, 11/21/96		3,988
5,000	5.38%, 11/27/96		4,981
5,000	5.34%, 12/03/96		4,976
5,000	5.34%, 12/13/96		4,969
5,000	5.21%, 1/16/97		4,945
4,500	5.22%, 1/22/97		4,446
5,000	5.24%, 1/29/97		4,935

			43,219

	OTHER - 2.5%		
	Tennessee Valley Authority Discount Note,		
5,000	5.20%, 11/04/96		4,998

Principal		Amortized	
Amount		Cost	
(in thousands)		(in thousands)	
-----		-----	
	STUDENT LOAN MARKETING ASSN.- 19.8%		
	Student Loan Marketing Assn. Discount Notes:		
\$ 5,000	5.27%, 12/18/96	\$	4,966
4,000	5.18%, 12/31/96		3,965
	Student Loan Marketing Assn. Floating Rate Notes:		
13,500	5.39%, 12/20/96 <F6>		13,498
3,810	5.53%, 10/30/97 <F6>		3,812
5,000	5.53%, 11/20/97 <F6>		5,002
8,000	5.43%, 4/21/98 <F6>		7,998

			39,241

	GOVERNMENT BOND - 1.1%		
	Government Trust Certificates, Class 2-D,		
2,138	9.25%, 11/15/96		2,139

	Total U.S. Government Agencies		171,925

	U.S. TREASURIES - 5.6%	
	U.S. TREASURY NOTES:	
6,000	6.75%, 2/28/97	6,026
5,000	6.88%, 3/31/97	5,023

	Total U.S. Treasuries	11,049

Number
of Shares
(in thousands)

	INVESTMENT COMPANIES - 8.0%	
6,484	Financial Square Government Obligation Fund	6,484
9,327	Short-Term Investments Co. Treasury Portfolio	9,327

	Total Investment Companies	15,811

	Total Investments 100.2%	198,785

	Liabilities, less Other Assets (0.2)%	(451)

	NET ASSETS 100.0%	\$198,334
		=====

<F6> Stated maturity with weekly interest rate reset

See notes to the financial statements.

TAX-EXEMPT MONEY MARKET FUND
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

Principal Amount (in thousands)		Amortized Cost (in thousands)
-----		-----
	GENERAL OBLIGATION - 2.3%	
	Connecticut State Series C,	
\$ 900	4.50%, 3/15/97	\$ 903
	Honolulu, Hawaii, City and County,	
500	7.15%, 7/01/97	510
	Northwestern Mutual Life,	
400	4.50%, 2/15/09<F7><F8>	400

	Total General Obligation	1,813

	NOTES AND BONDS - 8.1%	
	INDUSTRIAL DEVELOPMENT/POLLUTION	
	CONTROL REVENUE- 3.8%	
	Illinois Development Finance Authority,	
2,000	Enterprise Office, 3.85%, 12/01/17<F7><F8>	2,000
	Sauget Illinois Regional Wastewater	
1,000	Treatment, 4.20%, 5/01/97	1,001

		3,001

	UNIVERSITY REVENUE- 4.3%	
	Cook County, Illinois, Community College District,	
3,390	7.70%, 1/01/97	3,412

	Total Notes and Bonds	6,413

	PREREFUNDED AND ESCROWED	
	TO MATURITY - 15.0%	
	District Of Columbia - Series A,	
1,000	7.75%, 6/01/01, Prerefunded 6/01/97	1,036
	Du Page Water Commission, Illinois,	
1,000	6.875%, 5/01/14, Prerefunded 5/01/97	1,035
	Indian Trace Community Development District, Florida,	
700	8.75%, 5/01/07, Prerefunded 5/01/97	730

1,000	Interstate South Metropolitan District, Colorado, 9.50%, 12/01/06, Prerefunded 12/01/96	1,015
500	Kenosha, Wisconsin, Unified School District, 5.40%, Escrowed to Maturity 4/01/97	503
1,120	Kentucky State Turnpike Authority: 13.125%, 7/01/09, Prerefunded 7/01/97	1,185
990	6.20%, 7/01/11, Prerefunded 7/02/97	1,004
1,500	Laporte County, Indiana, Hospital Authority, 8.75%, 3/01/12, Prerefunded 3/01/97	1,555
665	Maine Municipal Bond Bank, 6.30%, 11/01/99, Prerefunded 11/01/96	672
3,050	Pottsville Pennsylvania Hospital Authority, Good Samaritan, 8.25%, 8/01/12, Prerefunded 8/01/97	3,201

	Total Prerefunded and Escrowed to Maturity	11,936

Principal Amount (in thousands)	Amortized Cost (in thousands)
-----	-----

	REVENUE BONDS - 68.4%	
	(DAILY/WEEKLY/MONTHLY PUT BONDS)	
	ELECTRIC REVENUE - 6.4%	
\$2,050	County of Mason, Kentucky, Series 1984B, 3.60%, 10/15/14<F7>	\$ 2,050
2,985	Putnam County, Florida Development Authority - Seminole Electric, 3.60%, 3/15/14<F7>	2,985

		5,035

	HOSPITAL REVENUE - 19.8%	
2,700	Illinois Development Finance Authority, Ulhich Children's Home, 3.55%, 4/01/07<F7>	2,700
3,100	Indiana Health Facilities Finance Authority, 3.55%, 12/01/02<F7>	3,100
2,600	Jefferson Parish, Louisiana, Hospital, 3.55%, 12/01/15<F7>	2,600
1,300	Louisiana PFA Hospital Equipment, 3.90%, 12/01/05<F7>	1,300
500	West Virginia State Hospital Finance Authority - St. Joseph's Hospital Project, 3.60%, 10/01/10<F7>	500
2,000	Wisconsin State Health & Educational Facilities - Blood Center, 3.65%, 6/01/19<F7>	2,000
3,500	Wisconsin State Health & Educational Facilities - Marshfield Clinic, 3.60%, 6/01/10<F7>	3,500

		15,700

	HOUSING REVENUE - 16.4%	
2,000	Broward County, Florida, Housing Finance Authority - Quiet Creek Apartments, 3.65%, 12/01/29<F7>	2,000
1,600	Dade County, Florida, Housing Finance Authority, 3.80%, 8/01/05<F7>	1,600
1,800	Dade County, Florida, Housing Finance Authority, Nob Hill Project Series 1, 3.80%, 12/01/29<F7>	1,800
1,625	Illinois Development Finance Authority - St. Paul's House, 3.60%, 2/01/25<F7>	1,625
2,990	Industrial Development Authority of St. Louis, 3.80%, 2/01/07<F7>	2,990
2,470	Orland Hills, Illinois, Multi-Family, 3.60%, 12/01/04<F7>	2,470
555	Washington State Housing Finance - Community Multifamily Mortgage, 3.60%, 10/01/20<F7>	555

		13,040

	INDUSTRIAL DEVELOPMENT/POLLUTION	
	CONTROL REVENUE - 10.7%	
1,800	Moffat County, Colorado, Pollution Control, 3.55%, 7/01/10<F7>	1,800
4,100	Oakbrook Terrace, Illinois Industrial Development, 3.65%, 12/01/25<F7>	4,100
2,600	Oklahoma County, Oklahoma Finance Authority - Perrine Office Project, 4.10%, 12/01/14<F7>	2,600

		8,500

TAX-EXEMPT MONEY MARKET FUND
 SCHEDULE OF INVESTMENTS
 OCTOBER 31, 1996

Principal Amount (in thousands)		Amortized Cost (in thousands)
-----		-----
	MISCELLANEOUS - 5.7%	
\$1,000	Glendale, California, Reliance Development Public Parking, 3.40%, 12/01/14<F7>	\$ 1,000
1,500	Illinois Development Finance Authority, Presbyterian Home Lake-A, 3.60%, 9/01/31<F7>	1,500
2,000	Illinois Educational Facilities Authority, Chicago Zoological, 3.65%, 12/15/25<F7>	2,000

		4,500

	POOLED GOVERNMENT AUTHORITY REVENUE - 2.5%	
2,000	Illinois Educational Facilities Authority, Cultural Pool, 3.50%, 12/01/25<F7>	2,000

	UNIVERSITY REVENUE - 6.9%	
2,500	Illinois Development Finance Authority - Aurora - Central Catholic High School, 3.60%, 4/01/24<F7>	2,500
3,000	Illinois Development Finance Authority - St. Ignatius College Prep, 3.60%, 6/01/24<F7>	3,000

		5,500

	Total Revenue Bonds	54,275

Number of Shares (in thousands)		Amortized Cost (in thousands)
-----		-----
	INVESTMENT COMPANIES - 5.7%	
3,651	Financial Square Tax-Exempt Money Market Fund	\$ 3,651
860	Tax Free Cash Reserves	860

	Total Investment Companies	4,511

	Total Investments 99.5%	78,948

	Other Assets, less Liabilities 0.5%	380

	NET ASSETS 100.0%	\$79,328
		=====

<F7> Variable rate security
 <F8> Stated maturity with option to put

See notes to the financial statements.

MONEY MARKET FUND
 U.S. TREASURY MONEY MARKET FUND
 U.S. GOVERNMENT MONEY MARKET FUND
 TAX-EXEMPT MONEY MARKET FUND
 NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION

Portico Funds, Inc. (the "Company") was incorporated on February 15, 1988, as a Wisconsin Corporation and is registered as an open-end management investment company under the Investment Company Act of 1940, as amended. The Money Market, U.S. Treasury Money Market (formerly the U.S. Federal Money Market Fund), U.S. Government Money Market and Tax-Exempt Money Market Funds (the "Funds") are separate, diversified investment portfolios of the Company. The Money Market, U.S. Treasury Money Market, U.S. Government Money Market and Tax-Exempt Money Market Funds commenced operations on March 16, 1988, April 29, 1991, August 1,

1988 and June 27, 1988, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

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

- a) Investment Valuation - The securities are valued on the basis of amortized cost for financial reporting purposes and federal income tax purposes, which approximates market value. Variable rate demand notes are valued at cost which approximates market value.
- b) Federal Income Taxes - No provision for federal income taxes has been made since the Funds have complied with the provisions of the Internal Revenue Code available to regulated investment companies and intend to continue to so comply in future years.
- c) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- d) Expenses - The Funds are charged for those expenses that are directly attributable to each portfolio such as advisory, administration, service organization fees and certain shareowner service fees. Expenses that are not directly attributable to a portfolio are typically allocated among the Company's portfolios in proportion to their respective net assets, number of shareowner accounts or net sales, where applicable.
- e) Distributions to Shareowners - Dividends from net investment income are declared daily and paid monthly. Distributions of net realized capital gains, if any, will be declared at least annually.
- f) Other - The Funds recognize interest income on the accrual basis. For securities with put provisions, discounts and premiums are amortized to the earlier of the put date or maturity. For the remainder of securities, discounts and premiums are amortized over the life of the respective securities. Investment and shareowner transactions are recorded no later than the first business day after the trade date. Realized gains and losses from investment transactions are reported on an identified cost basis which is the same basis the Funds use for federal income tax purposes. The U.S. Government Money Market Fund has investments in floating rate government agency notes. The notes have weekly interest rate reset provisions which are tied to the 90-day Treasury bill rate. The Fund values the securities at amortized cost, which approximates market. Transactions in capital shares at \$1.00 per share are shown in the Statement of Changes in Net Assets. Generally accepted accounting principles require that permanent financial reporting and tax differences be reclassified to capital stock.

3. INVESTMENT ADVISORY AND OTHER AGREEMENTS

The Funds have entered into an Investment Advisory Agreement with Firststar Investment Research & Management Company ("FIRMCO"). FIRMCO is a subsidiary of Firststar Corporation, a publicly held bank holding company. Pursuant to its Advisory Agreement with the Funds, FIRMCO is entitled to receive a fee, calculated daily and payable monthly, at the annual rate of 0.50% on the first \$2 billion of each Fund's average daily net assets, and 0.40% of each Fund's average daily net assets in excess of \$2 billion. For the year ended October 31, 1996, FIRMCO voluntarily waived \$266, \$85, \$75 and \$88 of its advisory fees, in thousands, for the Money Market, U.S. Treasury Money Market, U.S. Government Money Market and Tax-Exempt Money Market Funds, respectively.

Firststar Trust Company, an affiliate of FIRMCO, serves as custodian, transfer agent and accounting services agent for the Funds.

The Company has entered into a Co-Administration Agreement with B.C. Ziegler and Company and Firststar Trust Company (the "Co-Administrators") for certain administrative services. Pursuant to the Co-Administration Agreement with the Company, the Co-Administrators are entitled to receive a fee, computed daily and payable monthly, at the annual rate of 0.125% of the Company's first \$2 billion of average aggregate daily net assets plus 0.10% of the Company's average aggregate daily net assets in excess of \$2 billion. For the year ended October 31, 1996, \$148, \$42, \$135 and \$53 of administration fees, in thousands, were voluntarily waived for the Money Market, U.S. Treasury Money Market, U.S. Government Money Market and Tax-Exempt Money Market Funds, respectively.

The Funds have adopted a Service and Distribution Plan (the "Plan") pursuant to Rule 12b-1 of the Investment Company Act of 1940. The Money Market Fund incurred \$40, in thousands, for the year ended October 31, 1996. The U.S. Government Money Market, U.S. Treasury Money Market and Tax-Exempt Money Market Funds incurred no expenses pursuant to the Plan during the year ended October 31, 1996.

Each Director of the Company who is not affiliated with FIRMCO receives an annual fee from the Company for service as a Director and is eligible to participate in a deferred compensation plan with respect to these fees. Participants in the plan may designate their deferred Director's fees as if invested in any one of the Portico Funds (with the exception of the MicroCap Fund) or in 90-day U.S. Treasury bills. The value of each Director's deferred compensation account will increase or decrease as if it were invested in shares of the selected Portico Funds or 90-day U.S. Treasury bills. The Funds maintain their proportionate share of the Company's liability for deferred fees.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF THE PORTICO MONEY MARKET FUND, THE PORTICO U.S. TREASURY MONEY MARKET FUND, THE PORTICO U.S. GOVERNMENT MONEY MARKET FUND AND THE PORTICO TAX-EXEMPT MONEY MARKET FUND

In our opinion, the accompanying statement of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Portico Money Market Fund, the Portico U.S. Treasury Money Market Fund, the Portico U.S. Government Money Market Fund and the Portico Tax-Exempt Money Market Fund (four of the portfolios of Portico Funds, Inc. (the "Funds")) at October 31, 1996, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, all in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 1996 by correspondence with the custodian, provide a reasonable basis for the opinion expressed above.

/S/Price Waterhouse LLP
Milwaukee, Wisconsin
December 6, 1996

- Portico Funds are available through:
 - the Portico Funds Center,
 - Investment Specialists who are registered representatives of Elan Investment Services, Inc., a registered broker/dealer, NASD and SIPC member,
 - and through selected shareholder organizations.

This report is authorized for distribution only when preceded or accompanied by a current prospectus.

TO OPEN AN ACCOUNT OR
REQUEST INFORMATION
1-800-982-8909
1-414-287-3710

FOR ACCOUNT BALANCES AND
INVESTOR SERVICES
1-800-228-1024
1-414-287-3808

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NASD Ref #C96-1129-001