

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

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

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### FILER

#### JP MORGAN INSTITUTIONAL FUNDS

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[front cover]

J.P. Morgan U.S. Small Company  
Opportunities Fund - Advisor Series

Semi-annual Report  
November 30, 2000

LETTER TO THE SHAREHOLDERS

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January 8, 2001

Dear Shareholder,

We are pleased to present the inaugural shareholder report for the J.P. Morgan U.S. Small Company Opportunities Fund-Advisor Series. The Fund began operations on September 15, 2000, amid mounting volatility in the U.S. stock market. This was a rough time for investors, and the Fund provided a total return of -33.2% from September 30, 2000 through November 30, 2000.

The Fund's benchmark, the Russell 2000 Growth Index, and peer group, as measured by the Lipper Small-Cap Core Funds Average, fared somewhat better. The Fund's benchmark had a total return of -24.8% from September 30, 2000 through November 30, 2000, while the Fund's peer group had a total return of -22.50% for the same time period.

The Fund's net asset value on November 30, 2000 was \$6.60 per share, decreasing from its initial net asset value of \$10.00 on September 15, 2000. The Fund's net assets were approximately \$383,000 on November 30, 2000, while the total net assets of the J.P. Morgan U.S. Small Company Opportunities Portfolio, in which the Fund invests, totaled \$484 million.

This report includes an interview with Marian U. Pardo, The U.S. Small Company Opportunities Portfolio's lead Portfolio manager. Marian discusses the U.S. small cap equity market in detail, and explains the factors that influenced Fund performance during the fiscal period. Marian also provides insight in regard to positioning the Portfolio for the coming months.

As chairman and president of Asset Management Services, we thank you for investing with J.P. Morgan. Should you have any comments or questions, please contact your Morgan representative, or call J.P. Morgan Funds Services at 800-766-7722.

Sincerely yours,

/signature/

Ramon de Oliveira  
Chairman of Asset Management Services  
J.P. Morgan & Co. Incorporated

/signature/

Keith M. Schappert  
President of Asset Management Services  
J.P. Morgan & Co. Incorporated

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1

FUND PERFORMANCE

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EXAMINING PERFORMANCE

One way is to review a fund's average annual total return. This calculation takes the Fund's actual return and shows what would have happened if the Fund had achieved that return by performing at a constant rate each year. Average annual total returns represent the average yearly change of a fund's value over

various time periods, typically one, five, and ten years, (or since inception). Total returns for periods of less than one year are not annualized and provide a picture of how a fund has performed over the short-term.

PERFORMANCE

<TABLE>

<CAPTION>

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS	
	SIX MONTHS	ONE YEAR	THREE YEARS	SINCE INCEPTION*
AS OF NOVEMBER 30, 2000				
J.P. Morgan U.S. Small Company Opportunities Fund - Advisor Series	(14.78)%	(17.53)%	6.99%	9.29%
Russell 2000 Growth Index**	(18.46)%	(14.02)%	1.94%	3.82%
Lipper Small-Cap Growth Funds Average***	(9.40)%	2.25%	11.14%	12.47%
AS OF SEPTEMBER 30, 2000				
J.P. Morgan U.S. Small Company Opportunities Fund - Advisor Series	(6.09)%	47.62%	19.46%	24.30%
Russell 2000 Growth Index**	(11.05)%	29.66%	8.93%	13.55%
Lipper Small-Cap Growth Funds Average***	(4.66)%	56.57%	19.78%	23.97%

</TABLE>

\* The Fund commenced operations on September 15, 2000. The Fund's returns include historical returns of the J.P. Morgan U.S. Small Company Opportunities Fund, which had a lower expense ratio from June 30, 1997 through September 15, 2000 (inception of the Fund). The J.P. Morgan U.S. Small Company Opportunities-Advisor Series returns from September 15, 2000 through November 30, 2000 was -34%. For the purpose of comparison, the "since inception" returns are calculated from June 30, 1997.

\*\* The Russell 2000 is an unmanaged index used to measure the performance of U.S. small-cap stocks. It does not include fees or operating expenses and is not available for actual investment.

\*\*\* Describes the average total return for all funds in the indicated Lipper category, as defined by Lipper Inc., and does not take into account applicable sales charges. Lipper Analytical Services, Inc. is a leading source for mutual fund data.

Past performance is no guarantee of future results. Fund returns are net of fees, assume the reinvestment of distributions, and reflect reimbursement of certain expenses as described in the prospectus. Had expenses not been subsidized, returns would have been lower.

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PORTFOLIO MANAGER Q&A

[photo of Marian U. Pardo]

Following is an interview with MARIAN U. PARDO, managing director and lead portfolio manager for The Small Company Opportunities Portfolio since its inception. Marian heads Morgan's small company investment team and also manages significant separate account assets for institutional clients. She has been a J.P. Morgan employee since 1968, and joined the Investment Management business in 1980. Marian's portfolio management experience is extensive, and includes: convertible funds, large-cap equity portfolios for individual clients, the Pierpont Equity Fund, and the Large Cap Equity Fund for institutional investors. Marian earned her B.A. from Barnard College. This interview was conducted on December 15, 2000, and reflects Marian's views on that date.

LOOKING BACK OVER THIS REPORTING PERIOD, WHAT WOULD YOU SAY IMPACTED U.S. SMALL COMPANY EQUITIES THE MOST?

The past six months were marked by incredible market volatility that impacted many companies, large and small, across almost every sector.

Earlier in this period, it appeared that volatility would be concentrated in

sectors that had experienced the greatest upward price movements in late 1999 and early 2000: technology; telecommunications; pharmaceuticals; services and other growth-oriented sectors. Many stocks in these areas were seen as priced to perfection and, as such, were especially vulnerable to negative announcements about profitability and earnings. Investors had little tolerance for disappointments and reacted swiftly, which served to accelerate the tech correction that began in March.

As we moved through the period, however, market volatility expanded to encompass several sectors, even those that were less growth oriented. And small companies fell victim to negative earnings announcements by their larger brethren, as investors found them guilty by association.

Beyond this, there was a decided change in investor sentiment during the period as the prospect of slower growth in the U.S. economy next year became more certain. Relatively stable and deeply undervalued old economy value names came back into favor, displacing many of the new economy growth stocks that had driven the market's meteoric rise in 1999 and early 2000.

ON THE ISSUE OF VOLATILITY, DO YOU THINK IT IS HERE TO STAY, AND, IF SO, HOW ARE YOU ADJUSTING IN REGARD TO MANAGING THE PORTFOLIO?

In our view volatility will likely persist for some time yet to come. However, there are some catalysts that could help rein it in. More certainty on the political front, as the new presidential administration takes office, and Federal Reserve easing in response to slowing economic growth may help stabilize markets.

It's best to keep in mind that volatility is not necessarily bad. When high quality names are beaten down unfairly, we are provided with opportunities to add to long-term positions at attractive prices. By the same token, very good stocks in the portfolio may be depressed from time to time by volatile price swings that are beyond anyone's ability to control.

We cope with volatility by maintaining our focus on finding the best companies in each sector. Volatility, after all, doesn't change the fact that some companies have sustainable competitive advantages, solid business models, and strong management teams that can execute them. If you can identify these high quality names, you will be rewarded with a well-constructed portfolio that will generate excess returns over time.

We haven't changed the strategy to specifically address the issue of volatility, and the main reason for this is that our diversified and disciplined approach to stock selection makes sense, regardless of the prevailing market environment.

IN TERMS OF STOCK SELECTION, WHICH EQUITIES WERE AMONG THE BEST PERFORMERS OVER THIS REPORTING PERIOD?

Human Genome Sciences Inc (HGSI) was one of the top performers for the period. This company is in the business of developing products that predict, prevent, detect, treat and cure disease based on gene science. It benefited from the favorable environment for drug development companies, at a time when its pipeline looks promising. The company has several drugs in Phase II clinical trials: Repifermin, a treatment for venous ulcers; MPIF, a drug that protects bone marrow from chemotherapy; and BlyS, an

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PORTFOLIO MANAGER Q&A

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(Continued)

engineered protein that is the body's primary weapon against infection. During the period, HGSI also moved up on news that it would collaborate on key projects with two major drug companies, Schering-Plough and SmithKline Beecham.

IDEC Pharmaceuticals was another winner. IDEC is a drug company that develops treatments for cancer, and for auto-immune and inflammatory diseases. Pharmaceutical stocks as a group had a good year in 2000, and IDEC performed well based on the strength of its drug pipeline. One of the company's main drugs, Rituxan, is a treatment for non-Hodgkin's lymphoma. Sales of Rituxan have

been strong and have grown steadily throughout the year. These strong sales led to positive financial results and broker upgrades, which compounded the company's success during the period.

Alteon Websystems (ATON) was one of the portfolio's best performers during the period. ATON is an Internet infrastructure company that provides networking products for web data centers. In July, the company announced that it would be acquired by Nortel Networks, a leading communications provider. The acquisition, which closed in October, provides Nortel with a way to enhance the web experience of its customers through the intelligent content networking capabilities provided by Alteon's switches, adapters and traffic management software.

#### WHICH SELECTIONS DETRACTED FROM PERFORMANCE?

Diamond Technology Partners (DTP) performed poorly. DTP is a management consulting firm that develops digital strategies which leverage the information technology of many corporations. Despite posting positive financial results, increasing its client base, and growing its business overseas, Diamond's stock was still down substantially over this reporting period. It fell victim to the broad sell-off of technology-related stocks and to its own inability to communicate its story to investors.

Wellman Inc.'s performance had a negative impact on the portfolio during the period. The company, which makes specialty chemicals and polyester products, suffered from increased raw material and energy prices. These twin forces, along with a more competitive textile environment and rising fiber costs, squeezed margins and were a drag on the company's share price.

Pri Automation was another detractor from performance during the six months ended November 30, 2000. This supplier of semiconductor factory automation systems and equipment announced that it would miss its fiscal fourth quarter earnings and sales forecast. This was due to manufacturing and supply problems with its TurboStocker product, a system that helps chipmakers transport wafers throughout a manufacturing plant. The market's reaction to earnings disappointment was swift. Shares plummeted despite reassurances from management that the demand for the company's products continues to be strong.

#### OF THE SMALL COMPANY SECTORS, WHICH ARE BEST POSITIONED TO PROSPER IN A SLOWER GROWTH ENVIRONMENT?

Looking ahead, should the Fed adjust rates downward, we would expect to see financials do well, as they tend to do in a favorable interest rate environment. Elsewhere, we look to sectors that produce "must have" products and services that will be bought regardless of the pace of the economy.

Premier among these is pharmaceuticals. Drugs that cure health problems will always be in demand, and if people have to make sacrifices elsewhere to purchase them, they usually will. With this in mind, we've been well positioned in pharmaceuticals for some time. We continue to think that there is a good deal of growth potential in the sector, both from established providers and from newer, bio-tech companies.

#### WHAT IS YOUR OUTLOOK GOING FORWARD, AND HOW ARE YOU POSITIONING THE FUND TO TAKE ADVANTAGE OF IT?

We look to the first quarter of 2001 as a time when, hopefully, we will have reached the bottom of the downward spiral that has plagued equity markets in recent months. If so, the market will be poised to rally, and we are positioning the portfolio accordingly.

One area where we feel opportunities exist is the badly bruised tech sector, or, as we have redefined it for our purposes, the hardware, software, and semi-conductor sectors. Each contains interesting stocks of high quality companies that we feel have been overly depressed by the slide in tech this year. As far as sector allocations are concerned, we are overweight the software, pharmaceutical and consumer services sectors, neutral in hardware, and slightly underweight in semi-conductors.



National-Oilwell, Inc. 1.6%  
 Agile Software Corp. 1.6%

</TABLE>

DISTRIBUTED BY FUNDS DISTRIBUTOR, INC. J.P. MORGAN INVESTMENT MANAGEMENT, INC. SERVES AS INVESTMENT ADVISOR. SHARES OF THE FUND ARE NOT INSURED BY THE FDIC, ARE NOT BANK DEPOSITS OR OTHER OBLIGATIONS OF THE FINANCIAL INSTITUTION AND ARE NOT GUARANTEED BY THE FINANCIAL INSTITUTION. SHARES OF THE FUND ARE SUBJECT TO INVESTMENT RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL INVESTED.

References to specific securities and their issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell securities. Opinions expressed herein and other Fund data presented are based on current market conditions and are subject to change without notice. The Fund invests in foreign securities which involve special risks including economic and political instability and currency fluctuations; prospective investors should refer to Fund's prospectus for discussion of these risks. The Fund invests through a master portfolio (another Fund with the same objective). Historically, small- company stocks have been more volatile than large company stocks.

CALL J.P. MORGAN FUNDS SERVICES AT (800) 521-5411 FOR A PROSPECTUS CONTAINING MORE COMPLETE INFORMATION ABOUT THE FUND, INCLUDING MANAGEMENT FEES AND OTHER EXPENSES. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND - ADVISOR SERIES STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

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NOVEMBER 30, 2000

<TABLE>

<S>	<C>
ASSETS	
Investment in The U.S. Small Company Opportunities Portfolio ("Portfolio"), at value	\$400,360
Receivable for Expense Reimbursements	11,921
	-----
TOTAL ASSETS	412,281
	-----
LIABILITIES	
Accrued Expenses and Other Liabilities	29,621
	-----
NET ASSETS	
Applicable to 57,960 Shares of Beneficial Interest Outstanding (par value \$0.001, unlimited shares authorized)	\$382,660
	=====
Net Asset Value, Offering and Redemption Price Per Share	\$6.60
	=====
ANALYSIS OF NET ASSETS	
Paid-in Capital	\$500,225
Undistributed Net Investment Loss	(246)
Accumulated Net Realized Loss on Investment	(1,248)
Net Unrealized Depreciation on Investment	(116,071)
	-----
NET ASSETS	\$382,660
	=====

</TABLE>

6 The Accompanying Notes are an Integral Part of the Financial Statements.

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND - ADVISOR SERIES STATEMENT OF OPERATIONS (UNAUDITED)

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FOR THE PERIOD SEPTEMBER 15, 2000 (COMMENCEMENT OF OPERATIONS) THROUGH NOVEMBER 30, 2000

INVESTMENT INCOME  
 INCOME  
 <TABLE>

<S>	<C>
Allocated Investment Income from Portfolio	\$325
Allocated Portfolio Expenses	(318)
	-----
Investment Income	7
	-----
FUND EXPENSES	
Registration Fees	9,308
Financial and Fund Accounting Services Fee	6,095
Transfer Agent Fees	4,986
Printing Expenses	3,830
Professional Fees	3,322
Shareholder Servicing Fee	137
Trustees' Fees and Expenses	124
Distribution Fee	114
Administrative Services Fee	10
Fund Services Fee	1
Miscellaneous	1,735
	-----
Total Fund Expenses	29,662
Less: Reimbursement of Expenses	(29,409)
	-----
Net Fund Expenses	253
	-----
NET INVESTMENT LOSS	(246)
	-----
REALIZED AND UNREALIZED LOSS	
NET REALIZED LOSS ON INVESTMENT ALLOCATED FROM PORTFOLIO	(1,248)
	-----
NET CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENT ALLOCATED FROM PORTFOLIO	(116,071)
	-----
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	(\$117,565)
	=====

</TABLE>

The Accompanying Notes are an Integral Part of the Financial Statements. 7

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND - ADVISOR SERIES  
STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

FOR THE PERIOD SEPTEMBER 15, 2000 (COMMENCEMENT OF OPERATIONS)  
THROUGH NOVEMBER 30, 2000

<TABLE>	
<CAPTION>	
INCREASE IN NET ASSETS FROM OPERATIONS	2000
<S>	<C>
Net Investment Loss	\$ (246)
Net Realized Loss on Investment Allocated from Portfolio	(1,248)
Net Change in Unrealized Depreciation on Investment Allocated from Portfolio	(116,071)
	-----
Net Decrease in Net Assets Resulting from Operations	(117,565)
	-----
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST	
Proceeds from Shares of Beneficial Interest Sold	500,225
	-----
Total Increase in Net Assets	382,660
	-----
NET ASSETS	
Beginning of Period	-
	-----
End of Period	\$382,660
	=====
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST	
Shares of Beneficial Interest Sold	57,960
	=====

</TABLE>

8 The Accompanying Notes are an Integral Part of the Financial Statements.

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND - ADVISOR SERIES  
 FINANCIAL HIGHLIGHTS (UNAUDITED)

-----  
 SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT  
 THE PERIOD IS AS FOLLOWS:

<TABLE>  
 <CAPTION>

	FOR THE PERIOD SEPTEMBER 15, 2000 (COMMENCEMENT OF OPERATIONS) THROUGH NOVEMBER 30, 2000
<S>	<C>
NET ASSET VALUE PER SHARE, BEGINNING OF PERIOD	\$10.00
INCOME FROM INVESTMENT OPERATIONS	
Net Investment Loss	(0.00) (a)
Net Realized and Unrealized Loss on Investment	(3.40)
Total From Investment Operations	(3.40)
NET ASSET VALUE PER SHARE, END OF PERIOD	\$6.60
RATIOS AND SUPPLEMENTAL DATA	
Total Return	(34.00) % (b)
Net Assets, End of Period (in thousands)	\$383
Ratios to Average Net Assets	
Net Expenses	1.25% (c)
Net Investment Loss	(0.01) % (c)
Expenses without Reimbursement	1.37% (c) (d)

</TABLE>

(a) Less than \$0.005

(b) Not annualized

(c) Annualized

(d) Reflects the ratio of expenses without reimbursement to average net assets for the current period adjusted for the effect of rounding due to a relatively low level of assets from inception. The actual ratio of expenses without reimbursement to average net assets for the current period was 65.73%.

The Accompanying Notes are an Integral Part of the Financial Statements. 9

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND - ADVISOR SERIES  
 NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOVEMBER 30, 2000

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION--J.P. Morgan U.S. Small Company Opportunities Fund-Advisor Series (the "Fund") is a separate series of J.P. Morgan Funds, a Massachusetts business trust (the "Trust") which was organized on November 4, 1992. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Fund commenced operations on September 15, 2000.

The Fund invests all of its investable assets in The J.P. Morgan U.S. Small Company Opportunities Portfolio (the "Portfolio"), a diversified open-end management investment company having the same investment objective as the Fund. The value of such investment included in the Statement of Assets and Liabilities reflects the Fund's proportionate interest in the net assets of the Portfolio (approximately 0.1% at November 30, 2000). The performance of the Fund is directly affected by the performance of the Portfolio. The financial statements of the Portfolio, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with the Fund's financial statements.

The preparation of financial statements in accordance with accounting

principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual amounts could differ from those estimates. The following is a summary of the significant accounting policies of the Fund:

SECURITY VALUATION--Valuation of securities by the Portfolio is discussed in Note 1 of the Portfolio's Notes to Financial Statements that are included elsewhere in this report.

INVESTMENT INCOME--The Fund earns income, net of expenses, daily on its investment in the Portfolio. All net investment income, realized and unrealized gains and losses of the Portfolio is allocated pro-rata among the Fund and other investors in the Portfolio at the time of such determination.

EXPENSES--Expenses incurred by the Trust with respect to any two or more Funds in the Trust are allocated in proportion to the net assets of each Fund in the Trust, except where allocations of direct expenses to each Fund can otherwise be made fairly.

INCOME TAX STATUS--It is the Fund's policy to distribute all net investment income and net realized gains to shareholders and to otherwise qualify as a regulated investment company under the provisions of the Internal Revenue Code. Accordingly, no provision has been made for federal or state income taxes.

DISTRIBUTIONS TO SHAREHOLDERS--Distributions to a shareholder are recorded on the ex-dividend date. Distributions from net investment income are declared and paid semi-annually. Distributions from net realized gains, if any, are paid annually.

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2. TRANSACTIONS WITH AFFILIATES

ADMINISTRATIVE SERVICES--The Trust has an Administrative Services Agreement (the "Services Agreement") with Morgan Guaranty Trust Company of New York ("Morgan") under which Morgan is responsible for certain aspects of the administration and operation of the Fund. Under the Services Agreement, the Fund has agreed to pay Morgan a fee equal to its allocable share of an annual complex-wide charge. This charge is calculated based on the aggregate average daily net assets of the Fund and certain other registered investment companies for which J.P. Morgan Investment Management, Inc. ("JPMIM") acts as investment advisor in accordance with the following annual schedule: 0.09% on the first \$7 billion of their aggregate average daily net assets and 0.04% of their aggregate average daily net assets in excess of \$7 billion less the complex-wide fees payable to Funds Distributor, Inc. The portion of this charge payable by the Fund is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which Morgan provides similar services.

Morgan had agreed to reimburse the Fund to the extent the total operating expenses (excluding interest, taxes and extraordinary expenses) of the Fund, including the expenses allocated to the Fund from the Portfolio, exceed 1.25% of the Fund's average daily net assets through September 30, 2001.

ADMINISTRATION--The Trust has retained Funds Distributor, Inc. ("FDI"), a registered broker-dealer, to serve as the co-administrator and distributor for the Fund. Under a Co-Administration Agreement between FDI and the Trust, FDI provides administrative services necessary for the operations of the Fund, furnishes office space and facilities required for conducting the business of the Portfolio Fund and pays the compensation of the Fund's officers affiliated with FDI. The Fund has agreed to pay FDI fees equal to its allocable share of an annual

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2. TRANSACTIONS WITH AFFILIATES (CONTINUED)

complex-wide charge of \$425,000 plus FDI's out-of-pocket expenses. The portion of this charge payable by the Fund is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which FDI provides similar services.

DISTRIBUTION PLAN--The Trust, on behalf of the Fund, has a Distribution Plan with respect to services related to distributing fund shares, which authorizes it to compensate certain financial institutions, securities dealers, and other industry professionals that have entered into written agreements with the Fund in respect to these services. The agreement provides for the Fund to pay a fee for these services which is computed daily and paid monthly at an annual rate not to exceed 0.25% of the value of the average daily net assets of the Fund. The amount paid to such institutions is based on the daily value of shares owned by their clients.

SHAREHOLDER SERVICING--The Trust has a Shareholder Servicing Agreement with Morgan under which Morgan provides account administration and personal account maintenance service to Fund shareholders. The agreement provides for the Fund to pay Morgan a fee for these services that is computed daily and paid monthly at an annual rate of 0.25% of the average daily net assets of the Fund.

SERVICE PLAN--The Trust on behalf of the Fund has a Service Plan with respect to fund shares which authorizes it to compensate Service Organizations for providing account administration and other services to their customers who are beneficial owners of such shares. The Fund will enter into agreements with Service Organizations that purchase shares on behalf of their customers ("Service Agreements"). The Service Agreements provide that the Fund pay Service Organizations a fee which is computed daily and paid monthly at an annual rate of up to 0.25% of the average daily net assets of the Fund with respect to the shares of the Fund attributable to or held in the name of the Service Organization for its customers.

FUND SERVICES--The Trust has a Fund Services Agreement with Pierpont Group, Inc. ("PGI") to assist the Trustees in exercising their overall supervisory responsibilities for the Trust's affairs. The Trustees of the Trust represent all the existing shareholders of PGI.

TRUSTEES--Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trust, the J.P. Morgan Funds, the J.P. Morgan Institutional Funds, and other registered investment companies in which they invest. The Trustees' Fees and Expenses shown in the financial statements represent the Fund's allocated portion of the total Trustees' fees and expenses. The Trust's Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. There was no allocated portion of such compensation and benefits included in the Fund Services Fee shown on the Statement of Operations.

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### 3. BANK LOANS

The Fund may borrow money for temporary or emergency purposes, such as funding shareholder redemptions. Effective May 23, 2000, the Fund, along with certain other Funds managed by JPMIM, entered into a \$150,000,000 bank line of credit agreement with DeutscheBank. Borrowings under the agreement will bear interest at approximate market rates. A commitment fee is charged at an annual rate of 0.085% on the unused portion of the committed amount.

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### 4. CONCENTRATIONS OF RISK

From time to time, the Fund may have a concentration of several shareholders holding a significant percentage of shares outstanding. Investment activities of these shareholders could have a material impact on the Fund.

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### 5. SUBSEQUENT EVENT

The merger of J.P. Morgan & Co. Incorporated, the former parent company of the Fund's adviser, J.P. Morgan Investment Management, Inc. ("JPMIM"), with and into The Chase Manhattan Corporation was consummated on December 31, 2000. J.P. Morgan Chase & Co. will be the new parent company of JPMIM, which will continue to serve as the Fund's adviser.

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
Semi-annual Report November 30, 2000

(The following pages should be read in conjunction with J.P. Morgan U.S. Small Company Opportunities Fund - Advisor Series Semi-annual Financial Statements)

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THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
SCHEDULE OF INVESTMENTS (UNAUDITED)

NOVEMBER 30, 2000

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
COMMON STOCKS - 92.1%		
CAPITAL MARKETS - 0.9%		
SECURITIES & ASSET MANAGEMENT - 0.9%		
208,650	Espeed Inc.(+)	\$ 2,895,019
72,390	Southwest Securities Group	1,452,324
		4,347,343
COMPUTER HARDWARE - 1.7%		
COMPUTER HARDWARE & BUSINESS MACHINES - 1.7%		
288,225	Lexar Media Inc.(+)	1,531,195
252,625	M-Systems Flash Disk Pioneers(+)	4,626,195
78,725	Optimal Robotics Corp.(+)	2,086,213
		8,243,603
CONSUMER CYCLICAL - 3.2%		
APPAREL & TEXTILES - 1.9%		
58,125	Coach, Inc.(+)	1,286,016
51,050	Skechers U.S.A. Inc.(+)	628,553
89,725	Vans, Inc.(+)	1,357,091
467,550	Wellman Incorporated	6,078,149
		9,349,809
HOTELS - 1.1%		
137,450	Anchor Gaming(+)	5,188,737
RESTAURANTS - 0.2%		
24,900	California Pizza Kitchen Inc.(+)	756,338
		15,294,884
CONSUMER SERVICES - 1.3%		
ENTERTAINMENT - 0.6%		
215,950	American Classic Voyages Co.(+)	2,834,343
LEISURE - 0.4%		
118,725	WMS Industries Inc.(+)	2,085,108
MEDIA - 0.3%		
120,825	Insight Communications Co., Inc.(+)	1,593,380
		6,512,831
CONSUMER STABLE - 2.3%		
ALCOHOL - 1.5%		
146,075	Robert Mondavi Corp. Cl A(+)	7,239,842
FOOD & BEVERAGE - 0.8%		

96,550	Keebler Foods Co.		3,976,653
			-----
			11,216,495
			-----
ENERGY - 6.8%			
ENERGY RESERVES & PRODUCTION - 2.4%			
64,925	Devon Energy Corp.		3,197,556
246,050	Spinnaker Exploration Co.(+)		6,397,300
103,225	Westport Resources Corp.(+)		1,819,341
			-----
			11,414,197
			-----
SHARES			VALUE
-----			
OIL SERVICES - 4.4%			
53,925	Cooper Cameron Corp.(+)	\$	2,925,431
230,150	Core Laboratories N.V.(+)		4,574,231
269,725	Global Industries, Ltd.(+)		2,730,966
139,000	Global Marine Inc.(+)		3,049,313
46,075	Gulf Island Fabrication, Inc.(+)		731,441
238,800	National-Oilwell, Inc.(+)		7,611,749
			-----
			21,623,131
			-----
			33,037,328
			-----
FINANCE - 4.0%			
BANKS - 1.1%			
63,675	City National Corp.		2,105,255
137,475	National Commerce Bancorporation		3,024,450
			-----
			5,129,705
			-----
FINANCIAL SERVICES - 2.9%			
286,500	Allied Capital Corp.		5,855,343
188,225	Financial Federal Corp.(+)		4,376,231
156,500	Heller Financial, Inc.		4,137,469
			-----
			14,369,043
			-----
			19,498,748
			-----
HEALTH SERVICES & SYSTEMS - 4.0%			
MEDICAL PRODUCTS & SUPPLIES - 1.4%			
20,500	Ciphergen Biosystems Inc.(+)		225,500
152,025	Cyberonics, Inc.(+)		3,363,553
52,180	Fresenius Medical Care AG ADR(i)(+)		865,862
48,850	Physiometrix, Inc.(+)		787,706
86,575	Staar Surgical Co.(+)		1,201,228
21,575	Wilson Greatbatch Technologies Inc.(+)		516,452
			-----
			6,960,301
			-----
MEDICAL PROVIDERS & SERVICES - 2.6%			
86,075	Accredo Health Inc.(+)		3,464,518
112,600	Charles River Laboratories(+)		2,406,825
97,735	Deltagen Inc.(+)		1,172,820
213,650	Hooper Holmes, Inc.		2,134,364
207,300	Omnicare, Inc.		3,394,538
			-----
			12,573,065
			-----
			19,533,366
			-----
INDUSTRIAL CYCLICAL - 12.6%			
CHEMICALS - 4.9%			
228,075	Albemarle Corp.		5,031,905
293,325	GenTek Inc.		4,289,878
241,100	Georgia Gulf Corp.		2,998,681
110,700	Minerals Technologies Inc.		3,736,125
125,175	OMP Group, Inc.		5,742,403
309,475	PolyOne Corp.		1,721,455

-----		
		23,520,447
-----		
ELECTRICAL EQUIPMENT - 6.8%		
225,925	Advanced Fibre Communications, Inc.(+)	5,845,809
92,124	Anaren Microwave, Inc.(+)	3,500,712
155,250	August Technology Corp.(+)	1,785,375

</TABLE>

The Accompanying Notes are an Integral Part of the Financial Statements. 13

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
SCHEDULE OF INVESTMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

<TABLE>

<CAPTION>

SHARES		VALUE
-----		-----
<C>	<S>	<C>
27,265	Bruker Daltronics Inc.(+)	\$ 494,178
317,900	C-Cube Microsystems Inc.(+)	4,808,238
42,875	Caliper Technologies Corp.(+)	1,899,898
47,200	DDi Corp.(+)	1,038,400
54,250	Ditech Communications Corp.(+)	851,047
143,300	Meade Corp.(+)	1,218,050
62,400	Molecular Devices Corp.(+)	3,049,800
80,450	Oplink Communications Inc.(+)	633,544
113,400	Polycom, Inc.(+)	3,834,338
67,650	Transgenomic, Inc.(+)	553,884
54,450	Ulticom Inc.(+)	1,721,981
158,775	Vyvo Inc.(+)	1,399,205
		-----
		32,634,459
		-----

ENVIRONMENTAL SERVICES - 0.1%

19,175	Eden Bioscience Corp.(+)	668,728
--------	--------------------------	---------

HEAVY ELECTRICAL EQUIPMENT - 0.3%

90,825	Active Power Inc.(+)	1,243,167
--------	----------------------	-----------

INDUSTRIAL PARTS - 0.2%

56,700	Capstone Turbine Corp.(+)	1,048,950
--------	---------------------------	-----------

INDUSTRIAL SERVICES - 0.3%

43,675	Universal Compression Holdings Inc.(+)	1,435,816
--------	--	-----------

-----  
60,551,567  
-----

PHARMACEUTICALS - 18.3%

DRUGS - 18.3%

38,140	3 Dimensional Pharmaceutical, Inc.(+)	491,053
172,200	Abgenix, Inc.(+)	8,405,513
30,700	Adolar Corp.(+)	636,545
259,175	Akorn Inc.(+)	1,231,081
28,195	Arena Pharmaceuticals, Inc.(+)	549,803
135,200	Bindley Western Industries Inc.	4,258,800
52,400	COR Therapeutics, Inc.(+)	1,856,925
98,850	Corixa Corp.(+)	3,095,241
90,675	Diversa Corp.(+)	1,756,828
24,250	Durect Corp.(+)	327,375
124,650	Enzon, Inc.(+)	6,957,028
144,000	Gilead Sciences, Inc.(+)	11,726,999
164,900	Human Genome Sciences, Inc.(+)	10,254,718
48,275	IDEC Pharmaceuticals Corp.(+)	8,402,867
32,150	Immunogen Inc.(+)	809,778
38,600	Inhale Therapeutic Systems Inc.Inc.(+)	1,486,100
396,675	Ligand Pharmaceuticals Inc. Cl B(+)	4,983,230
23,150	Maxygen Inc.(+)	698,841
68,150	MediChem Life Sciences, Inc.(+)	340,750
128,700	Millennium Pharmaceuticals, Inc.(+)	6,249,994
103,625	Neurocrine Biosciences Inc.(+)	3,011,602

16,950	OSI Pharmaceuticals, Inc.(+)	951,319
54,475	POZEN Inc.(+)	796,697
159,900	Vertex Pharmaceuticals, Inc.(+)	8,934,412

-----  
88,213,499  
-----

SHARES ----- VALUE -----

RETAIL - 3.2%

CLOTHING STORES - 1.9%

169,575	Abercrombie & Fitch Co. Cl A(+)	\$ 3,539,878
267,825	Pacific Sunwear of California, Inc.(+)	5,959,106

-----  
9,498,984  
-----

SPECIALTY STORES - 1.3%

85,200	BJ's Wholesale Club Inc.(+)	2,859,525
123,050	Cost Plus, Inc.(+)	3,291,588

-----  
6,151,113  
-----

-----  
15,650,097  
-----

SEMICONDUCTORS - 5.1%

SEMICONDUCTOR - 5.1%

14,775	Alliance Fiber Optics Products Inc.(+)	84,956
79,900	AXT, Inc.(+)	2,401,994
225,800	Exar Corp.(+)	5,673,224
28,425	Genesis Microchip Inc.(+)	256,269
119,650	hi/fn, inc.(+)	3,926,016
112,100	Integrated Circuit Systems, Inc.(+)	1,779,588
69,025	JNI Corp.(+)	2,761,000
22,850	Lattice Semiconductor Corp.(+)	379,881
131,512	Microchip Technology Inc.(+)	3,074,093
3,925	Optical Communications Products, Inc.(+)	40,231
366,375	Silicon Image Inc.(+)	2,335,641
3,775	Silicon Laboratories Inc.(+)	72,905
65,525	Transwitch Corp.(+)	1,785,556

-----  
24,571,354  
-----

SOFTWARE & SERVICES - 27.3%

COMPUTER SOFTWARE - 13.8%

162,800	Agile Software Corp.(+)	7,511,694
98,475	Aspen Technology, Inc.(+)	2,369,555
240,875	CBT Group Public Ltd. Co. ADR(+)(i)	7,723,055
283,050	Certicom Corp.(+)	4,670,325
87,500	Dendrite International, Inc.(+)	1,482,031
106,025	Informatica Corp.(+)	7,408,497
117,400	Internet Security Systems(+)	8,672,924
90,900	Mercury Interactive Corp.(+)	6,118,706
109,925	Metasolv Software Inc.(+)	906,881
278,125	Peregrine Systems, Inc.(+)	4,519,531
21,000	Precise Software Solutions Ltd.(+)	588,000
137,175	Quest Software Inc.(+)	3,703,725
130,500	Retek Inc.(+)	2,724,188
90,700	SeeBeyond Technology Corp.	782,288
91,500	Synquest Inc.(+)	614,766
61,335	Telecommunication Systems Inc.(+)	509,847
50,800	U.S. Wireless Corp.(+)	260,350
170,500	Webtrends Corp.(+)	4,315,781
133,300	Witness Systems Inc.(+)	1,757,894

-----  
66,640,038  
-----

</TABLE>

14 The Accompanying Notes are an Integral Part of the Financial Statements.

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
SCHEDULE OF INVESTMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

<TABLE>

<CAPTION>

SHARES

VALUE

<C>	<S>	<C>	
INFORMATION SERVICES - 7.0%			
	232,075	Catalina Marketing Corp. (+)	\$ 9,210,476
	152,625	Corillian Corp. (+)	1,583,484
	163,725	Diamond Technology Partners Inc. (+)	5,177,803
	50,425	Exelixis Inc. (+)	731,163
	167,600	Getty Images Inc. (+)	4,671,850
	117,580	SBA Communications Corp. (+)	4,379,855
	86,950	Symyx Technologies Inc. (+)	2,728,056
	46,334	Valassis Communications, Inc. (+)	1,294,456
	122,250	Wireless Facilities, Inc. (+)	3,904,359
			-----
			33,681,502
			-----
INTERNET - 6.5%			
	357,925	Ameritrade Holding Corp. Cl A (+)	2,952,881
	129,150	Apropos Technology, Inc. (+)	718,397
	51,500	Clarent Corp. (+)	618,000
	129,500	Digitalthink Inc. (+)	1,416,406
	104,362	E.piphany, Inc. (+)	4,092,947
	140,150	Goamerica Inc. (+)	718,269
	30,014	Inet Technologies Inc. (+)	930,434
	48,900	internet.com Corp. (+)	360,638
	33,500	Interwoven Inc. (+)	1,844,594
	161,475	Netegrity Inc. (+)	7,458,127
	41,825	Nuance Communications (+)	1,278,277
	215,475	Saba Software, Inc. (+)	2,935,847
	76,275	SafeNet, Inc. (+)	2,874,614
	216,810	Tumbleweed Communications Corp. (+)	3,225,049
			-----
			31,424,480
			-----
			131,746,020
			-----
TELECOMMUNICATIONS - 1.4%			
TELEPHONE - 1.0%			
	29,300	Advanced Switching Communications, Inc. (+)	130,019
	100,450	Dycom Industries, Inc. (+)	3,754,318
	21,925	FLAG Telecom Holdings Ltd. (+)	175,400
	145,425	Turnstone Systems Inc. (+)	877,095
			-----
			4,936,832
			-----
WIRELESS TELECOMMUNICATIONS - 0.4%			
	19,400	Boston Communications Group, Inc. (+)	395,275
	78,625	TeleCorp PCS, Inc. Cl A (+)	1,484,047
			-----
			1,879,322
			-----
			6,816,154
			-----
			445,233,289
			-----
(Cost \$503,040,526)			
			-----
			VALUE
			-----
SHORT-TERM INVESTMENTS - 7.9%			
INVESTMENT COMPANIES - 7.9%			
	38,312,974	J.P. Morgan Institutional Prime Money Market (a)	\$ 38,312,974
			-----
			(Cost \$38,312,974)
			-----
			\$483,546,263
			=====
(Cost \$541,353,500)			

</TABLE>

ADR - American Depositary Receipt

(a) Money Market mutual fund registered under the Investment Company Act of 1940, as amended, and advised by J.P. Morgan Investment Management, Inc.

(i) Foreign security

(+) Non-income producing security

The Accompanying Notes are an Integral Part of the Financial Statements. 15

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

NOVEMBER 30, 2000

<TABLE>

<S>	<C>
ASSETS	
Investments at Value (Cost \$541,353,500)	\$483,546,263
Receivable for Investments Sold	2,406,414
Dividend and Interest Receivable	305,488
Deferred Organization Expense	1,874
Prepaid Trustees' Fees and Expenses	516
Prepaid Expenses and Other Assets	489
	-----
TOTAL ASSETS	486,261,044
	-----
LIABILITIES	
Payable for Investments Purchased	1,864,254
Advisory Fee Payable	294,715
Administrative Services Fee Payable	11,651
Administration Fee Payable	480
Fund Services Fee Payable	417
Accrued Expenses and Other Liabilities	48,112
	-----
TOTAL LIABILITIES	2,219,629
	-----
NET ASSETS	
Applicable to Investors' Beneficial Interests	\$484,041,415
	=====

</TABLE>

16 The Accompanying Notes are an Integral Part of the Financial Statements.

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
STATEMENT OF OPERATIONS (UNAUDITED)

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000

INVESTMENT INCOME

INCOME

<TABLE>

<S>	<C>
Interest Income	\$ 1,457,601
Dividend Income	594,267
Dividend Income from Affiliated Investments (Includes reimbursement of \$37,193 from affiliate)	42,708
	-----
Investment Income	2,094,576
	-----
EXPENSES	
Advisory Fee	1,987,465
Custodian Fees and Expenses	83,370
Administrative Services Fee	79,412
Professional Fee	22,381
Fund Services Fee	4,665
Printing Expenses	3,673
Trustees' Fees and Expenses	2,663
Administration Fee	2,013
Amortization of Organization Expenses	610
Insurance Expenses	309
	-----

Total Expenses	2,186,561
NET INVESTMENT LOSS	(91,985)
REALIZED AND UNREALIZED GAIN (LOSS)	
NET REALIZED GAIN ON INVESTMENT TRANSACTIONS	129,017
NET CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENTS	(88,948,263)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$(88,911,231)

</TABLE>

The Accompanying Notes are an Integral Part of the Financial Statements. 17

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
STATEMENT OF CHANGES IN NET ASSETS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000 (UNAUDITED)  
AND THE YEAR ENDED MAY 31, 2000

<TABLE>

<S>	<C> NOVEMBER 30, 2000	<C> MAY 31, 2000
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net Investment Loss	\$ (91,985)	\$ (683,853)
Net Realized Gain on Investment Transactions	129,017	60,819,593
Net Change in Unrealized Appreciation (Depreciation) on Investments	(88,948,263)	8,034,675
Net Increase (Decrease) in Net Assets Resulting from Operations	(88,911,231)	68,170,415
TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS		
Contributions	224,562,962	395,274,370
Withdrawals	(179,429,571)	(220,426,363)
Net Increase from Transactions in Investors' Beneficial Interests	45,133,391	174,848,007
Total Increase (Decrease) in Net Assets	(43,777,840)	243,018,422
NET ASSETS		
Beginning of Period	527,819,255	284,800,833
End of Period	\$484,041,415	\$527,819,255

</TABLE>

<TABLE>

<CAPTION>

SUPPLEMENTARY DATA

<S>	<C>	<C>	<C>	<C>
	FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000 (UNAUDITED)	FOR THE YEARS ENDED MAY 31		FOR THE PERIOD JUNE 16, 1997 (COMMENCEMENT OF OPERATIONS) THROUGH MAY 31, 1998
	2000	2000	1999	2000
RATIOS TO AVERAGE NET ASSETS				
Net Expenses	0.63% (a)	0.66%	0.71%	0.84% (a)
Net Investment Loss	(0.03)% (a)	(0.14)%	(0.07)%	(0.04)% (a)
Expenses without Reimbursement	0.63% (a)	0.66%	0.71%	0.84% (a) (c)
Portfolio Turnover	62% (b)	132%	116%	73%

</TABLE>

(a) Annualized

(b) Not annualized

(c) Reimbursement was less than 0.01%

18 The Accompanying Notes are an Integral Part of the Financial Statements.

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO

NOVEMBER 30, 2000

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION--The U.S. Small Company Opportunities Portfolio (the "Portfolio") is one of seven subtrusts (portfolios) comprising The Series Portfolio (the "Series Portfolio"). The Portfolio is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company which was organized as a trust under the laws of the State of New York on June 24, 1994. The Portfolio commenced operations on June 16, 1997. The Portfolio's investment objective is long term capital appreciation from a portfolio of equity securities of small companies. The Declaration of Trust permits the Trustees to issue an unlimited number of beneficial interests in the Portfolio.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual amounts could differ from those estimates. The following is a summary of the significant accounting policies of the Portfolio:

SECURITY VALUATIONS--Securities traded on principal securities exchanges are valued at the last reported sales price, or mean of the latest bid and asked prices when no last sales price is available. Securities traded over-the-counter and certain foreign securities are valued at the quoted bid price from a market maker or dealer. When valuations are not readily available, securities are valued at fair value as determined in accordance with procedures adopted by the Trustees. All short-term securities, with a remaining maturity of sixty days or less are valued using the amortized cost method.

SECURITY TRANSACTIONS--Security transactions are accounted for as of the trade date. Realized gains and losses are determined on the identified cost basis, which is also used for federal tax purposes.

INVESTMENT INCOME--Dividend income less foreign taxes withheld (if any) is recorded as of the ex-dividend date or as of the time that the relevant ex-dividend and amount becomes known. Interest income is recorded on the accrual basis and includes accretion of discounts and amortization of premiums.

ORGANIZATION EXPENSES--The Portfolio incurred organization expenses in the amount of \$9,000 which have been deferred and are being amortized on a straight-line basis over a period not to exceed five years beginning with the commencement of operations of the Portfolio.

INCOME TAX STATUS--The Portfolio intends to be treated as a partnership for federal income tax purposes. As such, each investor in the Portfolio will be taxed on its share of the Portfolio's ordinary income and capital gains. It is intended that the Portfolio's assets will be managed in such a way that an investor in the Portfolio will be able to satisfy the provisions of the Internal Revenue Code.

## 2. TRANSACTIONS WITH AFFILIATES

ADVISORY--The Portfolio has an Investment Advisory Agreement with J.P. Morgan Investment Management, Inc. ("JPMIM"), an affiliate of Morgan Guaranty Trust Company of New York ("Morgan") and a wholly owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"). Under the terms of the agreement, the Portfolio pays JPMIM at an annual rate of 0.60% of the Portfolio's average daily net assets.

The Portfolio may invest in one or more affiliated money market funds: J.P. Morgan Institutional Prime Money Market Fund, J.P. Morgan Institutional Tax Exempt Money Market Fund, J.P. Morgan Institutional Federal Money Market Fund and J.P. Morgan Institutional Treasury Money Market Fund. The Advisor has agreed to reimburse its advisory fee from the Portfolio in an amount to offset any investment advisory, administrative fee and shareholder servicing fees related to a Portfolio investment in an affiliated money market fund. The amount listed on the Statement of Operations as Dividend Income from Affiliated Investment is the amount the Fund earned.

ADMINISTRATIVE SERVICES--The Portfolio has an Administrative Services Agreement (the "Services Agreement") with Morgan under which Morgan is responsible for certain aspects of the administration and operation of the Portfolio. Under the Services Agreement, the Portfolio has agreed to pay Morgan a fee equal to its allocable share of an annual complex-wide charge. This charge is calculated based on the aggregate average daily net assets of the Portfolio and certain other registered investment companies for which JPMIM acts as investment advisor in accordance with the following annual schedule: 0.09% on the first \$7 billion of their aggregate average daily net assets and 0.04% of their aggregate average daily net assets in excess of \$7 billion less the complex-wide fees payable to Funds Distributor, Inc. The portion of this charge payable by the Portfolio is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which Morgan provides similar services.

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THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

2. TRANSACTIONS WITH AFFILIATES (CONTINUED)

ADMINISTRATION--The Portfolio has retained Funds Distributor, Inc. ("FDI"), a registered broker-dealer, to serve as the co-administrator and distributor for the Fund. Under a Co-Administration Agreement between FDI and the Portfolio, FDI provides administrative services necessary for the operations of the Portfolio, furnishes office space and facilities required for conducting the business of the Portfolio and pays the compensation of the Portfolio's officers affiliated with FDI. The Portfolio has agreed to pay FDI fees equal to its allocable share of an annual complex-wide charge of \$425,000 plus FDI's out-of-pocket expenses. The portion of this charge payable by the Portfolio is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which FDI provides similar services.

FUND SERVICES--The Portfolio has a Fund Services Agreement with Pierpont Group, Inc. ("PGI") to assist the Trustees in exercising their overall supervisory responsibilities for the Portfolio's affairs. The Trustees of the Portfolio represent all the existing shareholders of PGI.

TRUSTEES--Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trust, the J.P. Morgan Funds, the J.P. Morgan Institutional Funds, and other registered investment companies in which they invest. The Trustees' Fees and Expenses shown in the financial statements represent the Fund's allocated portion of the total Trustees' fees and expenses. The Trust's Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. The allocated portion of such compensation and benefits included in the Fund Services Fee shown on the Statement of Operations was \$900.

3. INVESTMENT TRANSACTIONS

During the year ended November 30, 2000, the Portfolio purchased \$413,928,411 of investment securities and sold \$365,751,157 of investment securities other than U.S. government securities and short-term investments. There were no purchases or sales of U.S. government securities.

4. CREDIT AGREEMENT

The Portfolio is party to a revolving line of credit agreement (the "Agreement") as discussed more fully in Note 3 of the Fund's Notes to the Financial Statements which are included elsewhere in this report.

5. SUBSEQUENT EVENT

The merger of J.P. Morgan & Co. Incorporated, the former parent company of the Fund's adviser, J.P. Morgan Investment Management, Inc. ("JPMIM"), with and into The Chase Manhattan Corporation was consummated on December 31, 2000. J.P. Morgan Chase & Co. will be the new parent company of JPMIM, which will continue to serve as the Fund's adviser.

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[back cover]

J.P. MORGAN FUNDS - ADVISOR SERIES

Disciplined Equity Fund

-----  
International Equity Fund

-----  
International Opportunities Fund

-----  
U.S. Small Company Fund

-----  
U.S. Small Company Opportunities Fund

-----  
U.S. Equity Fund

-----  
Diversified Fund

-----  
Bond Fund

-----  
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