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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PIERPONT FUNDS

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Business Address
SIGNATURE BROKER DEALER SERVICES INC
6 ST JAMES AVENUE 9TH FLOOR
BOSTON MA 02116
6174230800

LETTER TO THE SHAREHOLDERS OF THE PIERPONT SHORT TERM BOND FUND

December 15, 1995

Dear Shareholder:

Bond investors enjoyed an unexpectedly delightful 1995, as the bond market produced attractive returns due to a falling interest rate environment. This was in sharp contrast to 1994, when returns dipped into negative territory for much of the year as rates increased. In the changing interest rate environment, The Pierpont Short Term Bond Fund returned 8.70% for its fiscal year ended October 31, 1995. For the same period, the average bond mutual fund, as measured by the Composite High Quality Short-Term Bond Fund Average*, returned 7.87%, and the Merrill Lynch 1-3 Year Treasury Index returned 8.95%.

The Fund seeks to reduce risk and increase consistency of returns by diversifying its holdings and its sources of added value. This diversified strategy proved especially beneficial during the period as the Fund's sector and security selection decisions added value, while its defensive duration position held it back slightly early in 1995. Specifically, we maintained a lower risk, defensive strategy with regard to interest rates during the first quarter -- when the bond bull market commenced. As evidence of the economic slowdown accumulated, we moved to a slightly constructive posture on interest rates, which has added value throughout the remainder of the year.

The Fund's net asset value went from $9.60 on October 31, 1994 to $9.84 at October 31, 1995, after paying approximately $0.57 per share in dividends from ordinary income during the period. The Fund's net assets stood at $10.3 million at the end of the reporting period. The net assets of The Short Term Bond Portfolio, in which the Fund invests, totaled $29.3 million on October 31, 1995.

MARKET ENVIRONMENT

After declining dramatically in 1994, the bond market switched direction in early 1995. Rapid economic growth and fears of inflation early in the period caused the Federal Reserve to continue its program of raising short-term interest rates. As a result, Treasury yields of all maturities rose. As the economy began showing signs of a slowdown and it became clearer that additional rate increases were unlikely, Treasury yields declined and prices rallied. By the time the Fed lowered rates in July, however, the bond market had already priced-in this action. By the end of the period, mixed to weak economic data caused the market to anticipate another Fed easing, as indicated by longer-term note and bond rates falling below the Fed funds level.

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PORTFOLIO REVIEW

The Portfolio's investment process involves three key decisions: duration management, sector allocation, and security selection. This diversified approach is designed to help consistently add value under all market conditions.

DURATION MANAGEMENT. Duration is the measurement of a fund's sensitivity to interest rate changes, which is closely related to the average maturity of the bonds in a portfolio. At the beginning of the period, we maintained a duration that was approximately four-tenths of a year shorter than the Merrill Lynch 1-3 Year Treasury Index. As mentioned previously, we began to extend the Portfolio's duration to a neutral position relative to the Index after the first quarter of 1995.

SECTOR ALLOCATION. Sector allocation added value to Fund performance for the period. At the end of April, the Portfolio had invested over half of its assets in high-quality (A or better) corporate bonds, mortgage obligations, agencies, and asset-backed securities, which offered higher yields than comparable maturity Treasuries.

SECURITY SELECTION. Viewed overall, individual security selection (particularly in corporates, mortgages, and asset-backed securities) also added value to performance during the period. Moreover, the Portfolio continued to focus on high-quality bonds, with 78% of the securities rated AA or better.

INVESTMENT OUTLOOK
We plan to continue to hold corporate and asset-backed securities and mortgages as we expect that, over time, the potentially higher yields they offer will contribute positively to performance. The Portfolio also has a slightly longer duration than the Index in the current low interest rate environment. The economy continues to exhibit sluggish growth, and measures of its performance are mixed. Over the longer term, the bond market should be helped by deficit reduction action in Washington and by benign inflation data.

As always, we welcome your comments or questions. Please call J.P. Morgan Funds Services toll free at (800) 521-5411.

Sincerely yours,

/s/ Evelyn E. Guernsey

Evelyn E. Guernsey
J.P. Morgan Funds Services

*THE COMPOSITE HIGH QUALITY SHORT-TERM BOND FUND AVERAGE PERFORMANCE IS COMPUTED ON ALL 65 FUNDS IN THE MORNINGSTAR UNIVERSE HAVING A HIGH-QUALITY CORPORATE BOND INVESTMENT OBJECTIVE AND A SHORT-TERM MATURITY.

FUND FACTS

INVESTMENT OBJECTIVE
The Pierpont Short Term Bond Fund seeks to provide high total return while attempting to limit the likelihood of negative quarterly returns. It is designed for investors who do not require the stable net asset value typical of a money market fund, but who seek less price fluctuation than is typical of a long-term bond fund.

COMMENCEMENT OF OPERATIONS
7/8/93

NET ASSETS AS OF 10/31/95
$10,330,025

DIVIDEND PAYABLE DATES
MONTHLY

CAPITAL GAIN PAYABLE DATE (IF APPLICABLE)
12/18/95

EXPENSE RATIO
The Fund's annualized expense ratio of 0.67% covers shareholders' expenses for custody, tax reporting, investment advisory and shareholder services, after reimbursement. The Fund is no-load and does not charge any sales, redemption, or exchange fees. There are no additional charges for buying, selling, or safekeeping Fund shares, or for wiring redemption proceeds from the Fund.

FUND HIGHLIGHTS
ALL DATA AS OF OCTOBER 31, 1995

PORTFOLIO ALLOCATION
(PERCENTAGE OF TOTAL INVESTMENTS)

[GRAPH]

/ / COLLATERALIZED MORTGAGE OBLIGATIONS AND ASSET BACKED SECURITIES 28.1%

/ / U.S. TREASURIES 26.9%

/ / CORPORATE DEBT OBLIGATIONS 25.5%

/ / U.S. GOVERNMENT AGENCIES 16.3%

/ / OTHER 3.2%

30-DAY SEC YIELD
5.50%

DURATION
1.8 years

QUALITY BREAKDOWN

AAA*	66%
AA	12%
A	11%
Other	11%

*INCLUDES U.S. GOVERNMENT AGENCY AND TREASURY OBLIGATIONS, AND REPURCHASE AGREEMENTS

FUND PERFORMANCE

EXAMINING PERFORMANCE
There are several ways to evaluate a mutual fund's historical performance record. One approach is to look at the growth of a hypothetical investment. The minimum initial investment in the Fund is $100,000. The chart at right shows that the minimum invested at the Fund's inception would have grown to $110,492 at October 31, 1995.

Another way to look at performance is to review a fund's average annual total return. This figure takes the fund's actual (or cumulative) return and shows you 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 1, 5, or 10 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.

GROWTH OF $100,000 SINCE INCEPTION*
JULY 8, 1993 - OCTOBER 31, 1995

THE PIERPONT SHORT TERM BOND FUND
DOLLARS IN THOUSANDS

	THE PIERPONT SHORT TERM BOND FUND	MERRILL LYNCH 1-3 YEAR INDEX
7/93	100.00	100.00
10/93	101.00	101.39

10/94	101.65	102.60
10/95	110.49	111.78

<TABLE>
<CAPTION>

PERFORMANCE	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS		
AS OF OCTOBER 31, 1995	THREE MONTHS	SIX MONTHS	ONE YEAR	FIVE YEARS	SINCE INCEPTION*
<S>	<C>	<C>	<C>	<C>	<C>
The Pierpont Short Term Bond Fund	2.04%	4.64%	8.70%	-	4.53%
Merrill Lynch 1-3 Year Treasury Index	1.94%	4.71%	8.95%	-	5.08%
Composite High Quality S-T Bond Fund Avg.	1.92%	4.28%	7.87%	-	4.22%
AS OF SEPTEMBER 30, 1995					
The Pierpont Short Term Bond Fund	1.45%	4.91%	8.04%	-	4.34%
Merrill Lynch 1-3 Year Treasury Index	1.50%	4.76%	8.28%	-	4.87%
Composite High Quality S-T Bond Fund Avg.	1.42%	4.49%	7.63%	-	4.04%

</TABLE>

*7/8/93 -- COMMENCEMENT OF OPERATIONS (AVERAGE ANNUAL TOTAL RETURNS BASED ON THE MONTH END FOLLOWING INCEPTION)
PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. ALL RETURNS ASSUME THE REINVESTMENT OF DISTRIBUTIONS AND REFLECT REIMBURSEMENT OF CERTAIN FUND AND PORTFOLIO EXPENSES AS DESCRIBED IN THE PROSPECTUS. THE COMPOSITE HIGH QUALITY SHORT-TERM BOND FUND AVERAGE PERFORMANCE IS COMPUTED ON ALL FUNDS IN THE MORNINGSTAR UNIVERSE HAVING A HIGH QUALITY GENERAL CORPORATE BOND INVESTMENT OBJECTIVE AND A SHORT-TERM MATURITY. MORNINGSTAR, INC. IS A LEADING RESOURCE FOR MUTUAL FUND DATA. ALTHOUGH GATHERED FROM RELIABLE SOURCES, DATA ACCURACY AND COMPLETENESS CANNOT BE GUARANTEED. THE PIERPONT SHORT TERM BOND FUND INVESTS ALL OF ITS INVESTABLE ASSETS IN THE SHORT TERM BOND PORTFOLIO, A SEPARATELY REGISTERED INVESTMENT COMPANY WHICH IS NOT AVAILABLE TO THE PUBLIC BUT ONLY TO OTHER COLLECTIVE INVESTMENT VEHICLES SUCH AS THE FUND.

SPECIAL FUND-BASED SERVICES

PIERPONT ASSET ALLOCATION SERVICE (PAAS)
For many investors, a diversified portfolio -- including short-term instruments, bonds, and stocks -- can offer an excellent opportunity to achieve one's investment objectives. PAAS provides investors with a comprehensive management program for their portfolios. Through this service, investors can:

- create and maintain an asset allocation that is specifically targeted at meeting their most critical investment objectives;

- make ongoing tactical adjustments in the actual asset mix of their portfolios to capitalize on shifting market trends;

- make investments through The Pierpont Funds, a family of diversified mutual funds.

PAAS is available to clients who invest a minimum of $500,000 in The Pierpont Funds.

IRA MANAGEMENT SERVICE
As one of the few remaining investments that can help your assets grow tax-deferred until retirement, the IRA enables more of your dollars to work for you longer. Morgan offers an IRA Rollover plan that helps you to build well-balanced long-term investment portfolios, diversified across a wide array of mutual funds. From money markets to emerging markets, The Pierpont Funds provide an excellent way to help you accumulate long-term wealth for retirement.

KEOGH

In early 1995, Morgan introduced a Keogh program for its clients. Keoghs provide another excellent vehicle to help individuals who are self-employed or are employees of unincorporated businesses to accumulate retirement savings. A Keogh is a tax-deferred pension plan that can allow you to contribute the lesser of $30,000 or 25% of your annual earned gross compensation. The Pierpont Funds can help you build a comprehensive investment program designed to maximize the retirement dollars in your Keogh account.

SIGNATURE BROKER-DEALER SERVICES, INC. IS THE DISTRIBUTOR OF THE PIERPONT SHORT TERM BOND FUND (THE "FUND").

MORGAN GUARANTY TRUST COMPANY OF NEW YORK ("MORGAN") SERVES AS PORTFOLIO INVESTMENT ADVISOR AND MAKES THE FUND AVAILABLE SOLELY IN ITS CAPACITY AS SHAREHOLDER SERVICING AGENT FOR CUSTOMERS. INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN OR ANY OTHER BANK. SHARES OF THE FUND ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENTAL AGENCY. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT IN THE FUND CAN FLUCTUATE, SO AN INVESTOR'S SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

Performance data quoted herein represent past performance. Please remember that past performance is not a guarantee of future performance. Fund returns are net of fees, assume the reinvestment of Fund distributions, and reflect the reimbursement of Fund expenses. Had expenses not been subsidized, returns would have been lower. The Fund invests all of its investable assets in The Short Term Bond Portfolio, a separately registered investment company which is not available to the public but only to other collective investment vehicles such as the Fund.

MORE COMPLETE INFORMATION ABOUT THE FUND, INCLUDING MANAGEMENT FEES AND OTHER EXPENSES, IS PROVIDED IN THE PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING. YOU MAY OBTAIN ADDITIONAL COPIES OF THE PROSPECTUS BY CALLING J.P. MORGAN FUNDS SERVICES AT (800) 521-5411.

THE PIERPONT SHORT TERM BOND FUND
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1995

<TABLE>
<S> <C>

ASSETS	
Investment in The Short Term Bond Portfolio ("Portfolio"), at value	$ 10,379,325
Deferred Organization Expenses	16,826
Receivable for Expense Reimbursements	10,516
Prepaid Expenses	115
Total Assets	10,406,782
LIABILITIES	
Dividends Payable to Shareholders	20,872
Shareholder Servicing Fee Payable	14,563
Payable for Shares of Beneficial Interest Redeemed	5,046
Administration Fee Payable	224
Fund Services Fee Payable	72
Accrued Expenses	35,980
Total Liabilities	76,757
NET ASSETS	
Applicable to 1,050,173 Shares of Beneficial Interest Outstanding (unlimited shares authorized, par value $0.001)	$ 10,330,025

Net Asset Value, Offering and Redemption Price Per Share	$9.84
ANALYSIS OF NET ASSETS	
Paid-In Capital	$ 10,363,447
Distributions in Excess of Net Investment Income	(475)
Accumulated Net Realized Loss on Investment	(71,143)
Net Unrealized Appreciation of Investment	38,196
Net Assets	$ 10,330,025

</TABLE>

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

THE PIERPONT SHORT TERM BOND FUND
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995

<TABLE>

<S>	<C>	<C>
INVESTMENT INCOME ALLOCATED FROM PORTFOLIO		
Allocated Interest Income		$ 576,748
Allocated Dividend Income		8,103
Allocated Portfolio Expenses (Net of Reimbursement of $4,541)		(41,000)
Net Investment Income Allocated from Portfolio		543,851
FUND EXPENSES		
Transfer Agent Fees	$ 22,341	
Shareholder Servicing Fee	16,063	
Printing Expense	15,000	
Registration Fees	13,319	
Professional Fees	8,720	
Amortization of Organization Expenses	6,242	
Administration Fee	2,380	
Fund Services Fee	823	
Trustees' Fees and Expenses	219	
Miscellaneous	1,080	
Total Fund Expenses	86,187	
Less: Reimbursement of Expenses	(67,396)	
Net Fund Expenses		(18,791)
NET INVESTMENT INCOME		525,060
NET REALIZED GAIN ON INVESTMENT ALLOCATED FROM PORTFOLIO		75,914
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENT ALLOCATED FROM PORTFOLIO		159,369
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 760,343

</TABLE>

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

THE PIERPONT SHORT TERM BOND FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

INCREASE (DECREASE) IN NET ASSETS	FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995	OCTOBER 31, 1994
<S>	<C>	<C>
FROM OPERATIONS		
Net Investment Income	$ 525,060	$ 281,358
Net Realized Gain (Loss) on Investment Allocated from Portfolio	75,914	(162,989)
Net Change in Unrealized Appreciation (Depreciation) of Investment Allocated from Portfolio	159,369	(108,850)
Net Increase in Net Assets Resulting from Operations	760,343	9,519
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net Investment Income	(525,846)	(281,047)
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST		
Proceeds from Shares of Beneficial Interest Sold	8,853,925	7,029,325
Reinvestment of Dividends	412,442	263,265
Cost of Shares of Beneficial Interest Redeemed	(5,178,395)	(7,855,963)
Net Increase (Decrease) from Transactions in Shares of Beneficial Interest	4,087,972	(563,373)
Total Increase (Decrease) in Net Assets	4,322,469	(834,901)
NET ASSETS		
Beginning of Fiscal Year	6,007,556	6,842,457
End of Fiscal Year (including undistributed net investment income of $(475) and $311, respectively)	$10,330,025	$ 6,007,556

</TABLE>

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

THE PIERPONT SHORT TERM BOND FUND
FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout each period are as follows:

<TABLE>
<CAPTION>

	FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995	OCTOBER 31, 1994	FOR THE PERIOD JULY 8, 1993 (COMMENCEMENT OF OPERATIONS) THROUGH OCTOBER 31, 1993
<S>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD	$ 9.60	$ 9.99	$ 10.00
INCOME FROM INVESTMENT OPERATIONS			
Net Investment Income	0.57	0.45	0.10
Net Realized and Unrealized Gain (Loss) on Investment Allocated from Portfolio	0.24	(0.39)	(0.01)
Total from Investment Operations	0.81	0.06	0.09

DISTRIBUTIONS TO SHAREHOLDERS FROM			
Net Investment Income	(0.57)	(0.45)	(0.10)
NET ASSET VALUE, END OF PERIOD	$ 9.84	$ 9.60	$ 9.99
Total Return	8.70%	0.61%	0.94%(a)
RATIOS AND SUPPLEMENTAL DATA			
Net Assets, End of Period (in thousands)	$ 10,330	$ 6,008	$ 6,842
Ratios to Average Net Assets:			
Expenses	0.67%	0.69%	0.67%(b)
Net Investment Income	5.88%	4.49%	3.44%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement	0.81%	1.36%	2.80%(b)

<FN>

(a) Not Annualized.
(b) Annualized.
</TABLE>

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

THE PIERPONT SHORT TERM BOND FUND
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1995

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Pierpont Short Term Bond Fund (the "Fund") is a separate series of The Pierpont Funds, a Massachusetts business trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company. The Fund commenced operations on July 8, 1993.

The Fund invests all of its investable assets in The Short Term Bond Portfolio (the "Portfolio"), a diversified open-end management investment company having the same investment objectives as the Fund. The value of such investment reflects the Fund's proportionate interest in the net assets of the Portfolio (35% at October 31, 1995). 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 following is a summary of the significant accounting policies of the Fund:

a) Valuation of securities by the Portfolio is discussed in Note 1 of the Portfolio's Notes to Financial Statements which are included elsewhere in this report.

b) The Fund records its share of net investment income, realized and unrealized gain and loss and adjusts its investment in the Portfolio each day. All the net investment income and realized and unrealized gain and loss of the Portfolio is allocated pro rata among the Fund and other investors in the Portfolio at the time of such determination.

c) Substantially all the Fund's net investment income is declared as dividends daily and paid monthly. Distributions to shareholders of net realized capital gain, if any, are declared and paid annually.

d) The Fund incurred organization expenses in the amount of $31,753. These costs were deferred and are being amortized on a straight-line basis over a five-year period from the commencement of operations.

e) Each series of the Trust is treated as a separate entity for federal income tax purposes. The Fund intends to comply with the provisions of the

Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its income, including net realized capital gains, if any, within the prescribed time periods. Accordingly, no provision for federal income or excise tax is necessary.

f) 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. Expenses directly attributable to a fund are charged to that fund.

g) The Fund accounts for and reports distributions to shareholders in accordance with Statement of Position 93-2 "Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital Distributions by Investment Companies". The effect of applying this

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statement was to decrease Paid-In Capital by $1,034 and decrease Accumulated Net Realized Loss on Investment by $1,034. Net investment income, net realized gains and net assets were not affected by this change.

h) For United States federal income tax purposes, the Fund had a capital loss carryforward at October 31, 1995 of approximately $73,000 which will expire in the year 2002. Such carryforward is after utilization of approximately $73,500 to offset the Fund's net taxable gains realized and recognized in the year ended October 31, 1995. No capital gains distribution is expected to be paid to shareholders until future net gains have been realized in excess of such carryforward.

2. TRANSACTIONS WITH AFFILIATES

a) The Trust retains Signature Broker-Dealer Services, Inc. ("Signature") to serve as Administrator and Distributor. Signature provides administrative services necessary for the operations of the Fund, furnishes office space and facilities required for conducting the business of the Fund and pays the compensation of the Fund's officers affiliated with Signature. The agreement provides for a fee to be paid to Signature at an annual rate determined by the following schedule: 0.04% of the first $1 billion of the aggregate average daily net assets of the Trust, as well as two other affiliated fund families for which Signature acts as administrator, 0.032% of the next $2 billion of such net assets, 0.024% of the next $2 billion of such net assets, and 0.016% of such net assets in excess of $5 billion. The daily equivalent of the fee rate is applied each day to the net assets of the Fund. For the fiscal year ended October 31, 1995, Signature's fee for these services amounted to $2,380.

b) During the period November 1, 1994 through August 31, 1995, the Trust, on behalf of the Fund, had a Financial and Fund Accounting Services Agreement ("Services Agreement") with Morgan Guaranty Trust Company of New York ("Morgan") under which Morgan may have received a fee, based on the percentages described below, for overseeing certain aspects of the administration and operation of the Fund and which was also designed to provide an expense limit for certain expenses of the Fund. This fee was calculated exclusive of the shareholder servicing fee, the fund services fee and amortization of organization expenses, at 0.12% of the first $100 million of the Fund's average daily net assets and 0.10% of average daily net assets over $100 million. For the period November 1, 1994 through August 31, 1995, Morgan agreed to reimburse the Fund $43,861 for expenses that exceeded this limit. Effective September 1, 1995, the Services Agreement was terminated and an interim agreement was entered into between the Trust, on behalf of the Fund, and Morgan which provides for the continuation of the oversight services that were outlined under the prior agreement and that Morgan shall bear all of its expenses incurred with connection with these services. In addition, Morgan has agreed to reimburse the Fund to the extent necessary to maintain the total operating expenses of the Fund, including the expenses allocated to the Fund from the Portfolio, at no more than 0.67% of the average daily net assets of the Fund through October 31, 1996. For the fiscal year ended October 31, 1995, Morgan has agreed to reimburse the Fund $23,535 for expenses under this agreement.

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c) The Trust, on behalf of the Fund, has a Shareholder Servicing Agreement with Morgan. The Agreement provides for the Fund to pay Morgan a fee for these services which is computed daily and may be paid monthly at an annual rate of 0.18% of the average daily net assets of the Fund. For the fiscal year ended October 31, 1995, the fee for these services amounted to $16,063.

d) The Trust, on behalf of the Fund, has a Fund Services Agreement with Pierpont Group, Inc. ("Group") 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 Group. The Fund's allocated portion of Group's costs in performing its services amounted to $823 for the fiscal year ended October 31, 1995.

e) An aggregate annual fee of $65,000 is paid to each Trustee for serving as a Trustee of The Pierpont Funds, The JPM Institutional Funds, and their corresponding Portfolios. The Trustees' Fees and Expenses shown in the financial statements represent the Fund's allocated portion of the total fees and expenses. Prior to April 1, 1995, the aggregate annual Trustee Fee was $55,000. The Trustee who serves as Chairman and Chief Executive Officer of these Funds and Portfolios also serves as Chairman of Group and received compensation and employee benefits from Group in his role as Group's Chairman. The allocated portion of such compensation and benefits included in the Fund Services Fee shown in the financial statements was $100.

3. TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest of one or more series. Transactions in shares of beneficial interest of the Fund were as follows:

<TABLE>
<CAPTION>

<S>	FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995 <C>	FOR THE FISCAL YEAR ENDED OCTOBER 31, 1994 <C>
Shares sold	918,863	714,366
Reinvestment of dividends	42,523	26,946
Shares redeemed	(537,068)	(800,489)
Net increase (decrease)	424,318	(59,177)

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS
To the Trustees and Shareholders of
The Pierpont Short Term Bond Fund

In our opinion, the accompanying statement of assets and liabilities 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 Pierpont Short Term Bond Fund (one of the series constituting part of The Pierpont Funds, hereafter referred to as the "Fund") at October 31, 1995, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period then ended and for the period July 8, 1993 (commencement of operations) through October 31, 1993, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
New York, New York
December 15, 1995

The Short Term Bond Portfolio

Annual Report October 31, 1995

(The following pages should be read in conjunction with The Pierpont Short Term Bond Fund Annual Financial Statements)

THE SHORT TERM BOND PORTFOLIO
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1995

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION	MOODY'S/S&P RATING (UNAUDITED)	VALUE
<C>	<S>	<C>	<C>
COLLATERALIZED MORTGAGE OBLIGATIONS AND ASSET BACKED SECURITIES (27.8%)			
$ 917,479	CIT River Owners Trust, Series 1995-A, Class A, Sequential Payer, Callable, 6.25% due 01/15/11..	Aaa/AAA	$ 918,378
967,048	Chase Manhattan Grantor Trust, Series 1995-A, Pass Through, 6.00% due 09/17/01....................	Aaa/AAA	967,350
761,660	Equicon Home Equity Loan Trust, Series 1992-7, Remic: Sequential Payer, Class A, 5.90% due 09/18/05..	Aaa/AAA	750,205
685,347	Fleetwood Credit Corp. Grantor Trust, Series 1994-A, Class A, Sequential Payer, Callable, 4.70% due 07/15/09............................	Aaa/AAA	653,176
1,400,000	Greentree Financial Corp Series 1993-3, Class A3, Sequential Payer, Callable, 5.20% due 10/15/18..	Aa2/AA	1,370,348
831,446	Merrill Lynch Mortgage Investors, Inc., Remic: Series 1994-C1, Class A, Callable, 8.72% due 11/25/20..	Aaa /AAA	855,221
741,808	Old Kent Auto Receivables Trust, Series 1995-A, Class A, Sequential Payer, 6.20% due 08/15/01...	Aaa/AAA	744,626
922,174	Prudential Home Mortgage Securities, Remic: Sequential Payer, Series 1992-44, Class A1, 6.00% due 01/25/98............................	Aaa/AAA	905,363
1,000,000	Queens Center Funding Corp., Class B, 144A, 8.12% due 01/01/04..................................	Baa2/BBB	1,000,000
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS AND ASSET BACKED SECURITIES (COST $8,168,895).......		8,164,667
CORPORATE OBLIGATIONS (25.3%)			
BANKING (3.5%)			
1,000,000	Chase Manhattan Corp., 7.50% due 12/01/97.........	A3/A-	1,030,590

DEPARTMENT STORES (3.5%)			
1,000,000	Sears Roebuck & Co., 7.25% due 08/05/97..........	Baa/BBB	1,020,230
FINANCE (11.2%)			
1,000,000	Associates Corp., North America, 7.55% due 09/01/99......................................	Aa3/AA-	1,043,520
1,000,000	Chrysler Financial Corp., 6.21% due 07/21/97.....	A3/A-	1,000,200
1,250,000	Ford Motor Credit Corp., 5.75% due 05/14/98.......	A1/A+	1,238,988
			3,282,708
UTILITIES -- ELECTRIC (3.7%)			
1,000,000	Hydro Quebec, 9.75% due 09/29/98.................	Aa3/AA	1,089,380
OIL AND GAS (3.4%)			
1,000,000	Occidental Petroleum Corp., 5.76% due 06/15/98....	Baa3/BBB	985,890
	TOTAL CORPORATE OBLIGATIONS (COST $7,275,383).....		7,408,798

</TABLE>

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

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION		VALUE
U.S. GOVERNMENT AGENCY OBLIGATIONS (16.1%)			
<C>	<S>	<C>	<C>
$ 753,910	Federal Home Loan Mortgage Corporation, 9.00% due 05/01/97......................................		$ 785,710
	Federal National Mortgage Association		
1,500,000	Remic: PAC-1(11), Series 1994-7, Class PB, 5.60% due 07/25/03..................................		1,483,050
1,500,000	Remic: PAC-1(11), Series 1994-12, Class PC, 5.25% due 04/25/03..................................		1,475,340
1,000,000	Remic: PAC-1(11), Series 1994-33, Class D, 5.50% due 04/25/05..................................		978,480
	TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS (COST $4,732,640)....................................		4,722,580
U.S. TREASURY OBLIGATIONS (26.7%)			
	U.S. Treasury Notes		
4,250,000	6.50% due 05/15/97 (a)...........................		4,303,635
1,000,000	6.50% due 04/30/99...............................		1,023,450
1,100,000	5.50% due 07/31/97 (b)...........................		1,097,723
1,410,000	5.125% due 11/30/98..............................		1,386,918
	TOTAL U.S.TREASURY OBLIGATIONS (COST $7,742,928)....................................		7,811,726
SHORT-TERM HOLDINGS (3.1%)			
REPURCHASE AGREEMENT (3.1%)			
916,000	Goldman Sachs Repurchase Agreement dated 10/31/95 due 11/01/95, at 5.880%, proceeds $916,150 (collateralized by $918,000 U.S. Treasury Note, 5.875% due 07/31/97, valued at $935,066) (cost $916,000)......................................		916,000
OTHER INVESTMENT COMPANIES (0.0%)*			

<CAPTION>

SHARES			
<C>	<S>	<C>	<C>
834	Seven Seas Money Market Fund (cost $834).........		834

TOTAL SHORT-TERM HOLDINGS (COST $916,834).........	916,834
TOTAL INVESTMENTS (COST $28,836,680) (99.0%)	29,024,605
OTHER ASSETS IN EXCESS OF LIABILITIES (1.0%)	281,971
NET ASSETS (100.0%)	$29,306,576

</TABLE>

Note: Based on the cost of investments of $28,836,680 for federal income tax purposes at October 31, 1995, the aggregate gross unrealized appreciation and depreciation was $281,136 and $93,211, respectively, resulting in net unrealized appreciation of $187,925.

(a) $1,000,000 par segregated as collateral for initial margin on futures contracts.
(b) $100,000 par segregated as collateral for initial margin on futures contracts.
* Less than 0.1%.
144A - Securities restricted for resale to Qualified Institutional Buyers.

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

THE SHORT TERM BOND PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1995

<TABLE>
<S> <C>

ASSETS	
Investments at Value (Cost $28,836,680)	$ 29,024,605
Interest Receivable	355,668
Deferred Organization Expenses	3,665
Prepaid Expenses and Other Assets	460
Total Assets	29,384,398
LIABILITIES	
Custody Fee Payable	38,432
Advisory Fee Payable	13,342
Variation Margin Payable on Futures Contracts	312
Fund Services Fee Payable	238
Administration Fee Payable	161
Accrued Expenses	25,337
Total Liabilities	77,822
NET ASSETS	
Applicable to Investors' Beneficial Interests	$ 29,306,576

</TABLE>

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

THE SHORT TERM BOND PORTFOLIO
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995

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

INVESTMENT INCOME		
Interest Income		$ 3,757,520
Dividend Income		60,424

Total Income		3,817,944
EXPENSES		
Advisory Fee	$ 146,335	
Custodian Fees and Expenses	55,346	
Professional Fees	35,280	
Printing Expense	12,000	
Fund Services Fee	5,573	
Administration Fee	4,485	
Trustees' Fees and Expenses	1,424	
Amortization of Organization Expenses	1,365	
Miscellaneous	2,260	
Total Expenses	264,068	
Less: Reimbursement of Expenses	(21,070)	
NET EXPENSES		(242,998)
NET INVESTMENT INCOME		3,574,946
NET REALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES (including $23,562 net realized losses from futures contracts)		407,824
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS AND FUTURES (including $7,272 unrealized loss on futures contracts)		1,076,791
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 5,059,561

</TABLE>

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

THE SHORT TERM BOND PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

INCREASE (DECREASE) IN NET ASSETS	FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995	OCTOBER 31, 1994
<S>	<C>	<C>
FROM OPERATIONS		
Net Investment Income	$ 3,574,946	$ 2,272,212
Net Realized Gain (Loss) on Investments	407,824	(1,015,882)
Net Change in Unrealized Appreciation (Depreciation) of Investments	1,076,791	(804,516)
Net Increase in Net Assets Resulting from Operations	5,059,561	451,814
TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS		
Contributions	32,690,159	41,445,030
Withdrawals	(61,766,958)	(23,001,490)
Net Increase (Decrease) from Investors' Transactions	(29,076,799)	18,443,540
Total Increase (Decrease) in Net Assets	(24,017,238)	18,895,354
NET ASSETS		
Beginning of Fiscal Year	53,323,814	34,428,460
End of Fiscal Year	$29,306,576	$53,323,814

</TABLE>

SUPPLEMENTARY DATA

<TABLE>
<CAPTION>

<S>	FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995 <C>	OCTOBER 31, 1994 <C>	FOR THE PERIOD JULY 8, 1993 (COMMENCEMENT OF OPERATIONS) THROUGH OCTOBER 31, 1993 <C>
RATIOS TO AVERAGE NET ASSETS			
Expenses	0.42%	0.36%	0.37%(a)
Net Investment Income	6.11%	5.01%	3.99%(a)
Decrease in Expense Ratio due to Expense Reimbursement by Morgan	0.04%	0.05%	1.00%(a)
Portfolio Turnover	177%	230%	116%

</TABLE>

(a) Annualized.

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

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Short Term Bond Portfolio (the "Portfolio") is registered under the Investment Company Act of 1940, as amended, as a no-load, diversified, open-end management investment company which was organized as a trust under the laws of the State of New York. The Portfolio commenced operations on July 8, 1993. The Declaration of Trust permits the Trustees to issue an unlimited number of beneficial interests in the Portfolio.

The following is a summary of the significant accounting policies of the Portfolio:

a) Portfolio securities with a maturity of 60 days or more, including securities that are listed on an exchange or traded over the counter, are valued using prices supplied daily by an independent pricing service or services that (i) are based on the last sale price on a national securities exchange, or in the absence of recorded sales, at the readily available bid price on such exchange or at the quoted bid price in the over-the-counter market, if such exchange or market constitutes the broadest and most representative market for the security and (ii) in other cases, take into account various factors affecting market value, including yields and prices of comparable securities, indication as to value from dealers and general market conditions. If such prices are not supplied by the Portfolio's independent pricing services, such securities are priced in accordance with procedures adopted by the Trustees. All portfolio securities with a remaining maturity of less than 60 days are valued by the amortized cost method.

b) Futures -- A futures contract is an agreement to purchase/sell a specified quantity of an underlying instrument at a specified future date. The price at which the purchase and sale will take place is fixed when the Portfolio enters in the contract. Upon entering into such a contract the Portfolio is required to pledge to the broker an amount of cash and/or securities equal to the minimum "initial margin" requirements of the exchange.

Pursuant to the contract, the Portfolio agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as "variation margin" and are recorded by the Portfolio as unrealized gains or losses. When the contract is closed, the Portfolio records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time when it was closed. The Portfolio invests in futures contracts solely for the purpose of hedging its existing portfolio securities, or securities the Portfolio intends to purchase, against fluctuations in value caused by changes in prevailing market interest rates. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts. Futures transactions in U.S. Treasury securities during the fiscal year ended October 31, 1995 are summarized as follows:

	SALES OF FUTURES CONTRACTS	
	NUMBER OF CONTRACTS	PRINCIPAL AMOUNT OF CONTRACTS
Contracts opened	248	$ 36,681,681
Contracts closed	(238)	(35,605,672)
Open at end of the fiscal year	10	$ 1,076,009

	SUMMARY OF OPEN CONTRACTS AT OCTOBER 31, 1995	
	CONTRACTS LONG	NET UNREALIZED DEPRECIATION
Five-Year U.S. Treasury, expiring December 1995	10	$7,272

c) Securities transactions are recorded on a trade date basis. Interest income, which includes the amortization of premiums and discounts, if any, is recorded on an accrual basis. For financial and tax reporting purposes, realized gains and losses are determined on the basis of specific lot identification.

d) The Portfolio intends to be treated as a partnership for federal income tax purposes. As such, each investor in the Portfolio will be taxable 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 requirements of Subchapter M of the Internal Revenue Code.

e) The Portfolio incurred organization expenses in the amount of $5,380. These costs were deferred and are being amortized on a straight-line basis over a five-year period from the commencement of operations.

2. TRANSACTIONS WITH AFFILIATES

a) The Portfolio has an investment advisory agreement with Morgan Guaranty Trust Company of New York ("Morgan"). Under the terms of the investment advisory agreement, the Portfolio pays Morgan at an annual rate of 0.25% of the Portfolio's average daily net assets. For the fiscal year ended October 31, 1995, such fees amounted to $146,335.

b) The Portfolio has retained Signature Broker-Dealer Services, Inc. ("Signature") to serve as Administrator and exclusive placement agent. Signature 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 Signature. The agreement provides for a fee to be paid to Signature at an annual rate determined by the following schedule: 0.01% of the first $1 billion of the aggregate average daily net assets of the Portfolio and the other portfolios subject to the Administrative Services Agreement, 0.008% of the next $2 billion of such net assets, 0.006% of the next $2 billion of such net assets, and 0.004% of such net assets in excess of $5 billion. The daily equivalent of the fee rate is applied each day to the net assets of the Portfolio. For the fiscal year ended October 31, 1995, Signature's fee for these services amounted to $4,485.

c) During the period November 1, 1994 through August 31, 1995, the Portfolio had a Financial and Fund Accounting Services Agreement ("Services Agreement") with Morgan under which Morgan may receive a fee based on the percentages described below, for overseeing certain aspects of the administration and operation of the Portfolio and which was also designed to provide an expense limit for certain expenses of the Portfolio. This fee was calculated exclusive of the advisory fee, custody expenses, fund services fee, amortization of organization expenses, and brokerage costs at 0.05% of the Portfolio's average daily net assets up to and including $200 million and 0.03% on any excess over $200 million. For the period November 1, 1994 through August 31, 1995, Morgan agreed to reimburse the Fund $21,070 for expenses that exceeded this limit. Effective September 1, 1995, the Services Agreement was terminated and an interim agreement was entered into between

the Portfolio and Morgan which provides for the continuation of the oversight services that were outlined under the prior agreement and that Morgan shall bear all of its expenses incurred in connection with these services.

d) The Portfolio has a Fund Services Agreement with Pierpont Group, Inc. ("Group") 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 Group. The Portfolio's allocated portion of Group's costs in performing its services amounted to $5,573 for the fiscal year ended October 31, 1995.

e) An aggregate annual fee of $65,000 is paid to each Trustee for serving as a Trustee of The Pierpont Funds, The JPM Institutional Funds, and their corresponding Portfolios. The Trustees' Fees and Expenses shown in the financial statements represent the Portfolio's allocated portion of the total fees and expenses. Prior to April 1, 1995, the aggregate annual Trustee Fee was $55,000. The Trustee who serves as Chairman and Chief Executive Officer of these Funds and Portfolios also serves as Chairman of Group and received compensation and employee benefits from Group in his role as Group's Chairman. The allocated portion of such compensation and benefits included in the Fund Services Fee shown in the financial statements was $700.

3. INVESTMENT TRANSACTIONS

Investment transactions (excluding short-term investments) for the fiscal year were as follows:

<TABLE>
<CAPTION>

	COST OF PURCHASES	PROCEEDS FROM SALES
<S>	<C>	<C>
U.S. Government and Agency Obligations	$ 74,510,169	$ 98,274,504
Corporate and Collateralized Obligations	25,683,032	26,983,195
	$ 100,193,201	$ 125,257,699

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS
To the Trustees and Investors of
The Short Term Bond Portfolio

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the supplementary data present fairly, in all material respects, the financial position of The Short Term Bond Portfolio (the "Portfolio") at October 31, 1995, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its supplementary data for each of the two years in the period then ended and for the period July 8, 1993 (commencement of operations) through October 31, 1993, in conformity with generally accepted accounting principles. These financial statements and supplementary data (hereafter referred to as "financial statements") are the responsibility of the Portfolio's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 1995 by correspondence with the custodian and brokers, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
New York, New York
December 15, 1995

THE PIERPONT MONEY MARKET FUND
THE PIERPONT TAX EXEMPT MONEY MARKET FUND
THE PIERPONT TREASURY MONEY MARKET FUND
THE PIERPONT SHORT TERM BOND FUND
THE PIERPONT BOND FUND
THE PIERPONT TAX EXEMPT BOND FUND
THE PIERPONT NEW YORK TOTAL RETURN BOND FUND
THE PIERPONT DIVERSIFIED FUND
THE PIERPONT EQUITY FUND
THE PIERPONT CAPITAL APPRECIATION FUND
THE PIERPONT INTERNATIONAL EQUITY FUND
THE PIERPONT EMERGING MARKETS EQUITY FUND

THE
PIERPONT
SHORT TERM
BOND FUND

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OF FUNDS CAN HELP YOU PLAN FOR YOUR FUTURE, CALL
J.P. MORGAN FUNDS SERVICES AT (800) 521-5411.

ANNUAL REPORT
OCTOBER 31, 1995