

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

JPM INSTITUTIONAL FUNDS

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BOSTON MA 02116

LETTER TO THE SHAREHOLDERS OF THE JPM INSTITUTIONAL BOND FUND

December 15, 1995

Dear Shareholder:

Bond investors enjoyed an unexpectedly delightful 1995, as the bond market produced double-digit 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 JPM Institutional Bond Fund returned 15.50% for its fiscal year ended October 31, 1995. For the same period, the average bond mutual fund, as measured by the Composite High Quality Intermediate Corporate Bond Fund Average*, returned 13.69%, and the Salomon Brothers Broad Investment Grade Index returned 15.71%.

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 positive posture on interest rates, which has added value throughout the remainder of the year.

For the period under review, the Fund's net asset value increased from \$9.23 per share on October 31, 1994 to end at \$9.98, after paying dividends of approximately \$0.63 per share from ordinary income. The Fund's net assets stood at \$438.6 million at the end of the reporting period, up from \$253.2 million on October 31, 1994. The net assets of The U.S. Fixed Income Portfolio, in which the Fund invests, totaled approximately \$581.9 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 to diversify its sources of return potential: 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 measure of a fund's sensitivity to interest rate changes, which is closely related to the average maturity of the bonds in a portfolio. As mentioned previously, the Portfolio began the period with a relatively short duration. As interest rates began to change direction, however, we lengthened to a slightly long duration position by the end of the period.

SECTOR ALLOCATION. During the period, we actively managed the Portfolio's allocations to Treasuries, corporates, and mortgages based on their relative attractiveness. For example, we began the period modestly overweighted in corporates relative to the Salomon BIG Index, and we were adding slightly to its mortgage position because of the relative value offered by this market. Conversely, we decreased our allocations to corporates and mortgages in early 1995, fearing that yield spreads would widen and these sectors would underperform. The Portfolio ended the period slightly overweighted in corporates and neutral to underweighted in mortgages.

SECURITY SELECTION. Security selection added value to performance during this period. The Portfolio maintained its focus on high-quality issues, keeping the average quality of Portfolio holdings between AA and AAA.

INVESTMENT OUTLOOK

We continue to maintain the duration of the Portfolio slightly longer than the Index, seeking to capture value through actively trading securities for the near term. 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.

We also continue to slightly overweight corporates, taking advantage of their present yield advantage. We expect that their yield spreads versus Treasuries will remain stable in the near future.

As always, we welcome your comments or questions. Please call J.P. Morgan Funds Services toll free at (800) 766-7722.

Sincerely yours,

/s/ Evelyn E. Guernsey
Evelyn E. Guernsey
J.P. Morgan Funds Services

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

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FUND FACTS

INVESTMENT OBJECTIVE

The JPM Institutional Bond Fund seeks to provide high total return consistent with moderate risk of capital and maintenance of liquidity. It is designed for investors who seek a total return that is higher than that generally available from short-term obligations while recognizing the greater price fluctuation of longer-term instruments.

COMMENCEMENT OF OPERATIONS
7/12/93

NET ASSETS AS OF 10/31/95
\$438,610,435

DIVIDEND PAYABLE DATES
MONTHLY

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

EXPENSE RATIO

The Fund's annualized expense ratio of 0.47% 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)

[pie graph]

// U.S. TREASURY OBLIGATIONS 41.1%
// CORPORATE OBLIGATIONS 37.9%
// U.S. AGENCY OBLIGATIONS 15.5%
// COLLATERALIZED MORTGAGE OBLIGATIONS AND ASSED BACKED
SECURITIES 3.6%
// SHORT-TERM HOLDINGS 1.6%
// CONVERTIBLE PREFERRED STOCK 0.3%

30-DAY SEC YIELD

6.28%

DURATION

4.7 years

QUALITY BREAKDOWN

AAA* 61%
AA 3%
A 16%
Other 20%

*Includes U.S. government agency, Treasury obligations, and cash.

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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 of \$5,000,000. The chart at right shows that the minimum invested at the Fund's inception would have grown to \$9,262,141 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 \$5,000,000 SINCE INCEPTION*

MARCH 11, 1988 - OCTOBER 31, 1995

THE JPM INSTITUTIONAL BOND FUND LINE CHART
DOLLARS IN THOUSANDS

THE JPM

	INSTITUTIONAL	SALOMON
	BOND FUND	BIG
3/88	5000.00	5000.00
10/88	5156.00	5259.00
10/89	5582.40	5880.09
10/90	6072.54	6256.41
10/91	6773.91	7241.80
10/92	7407.27	7972.50
10/93	8295.41	8926.80
10/94	8019.17	8606.33
10/95	9262.14	9958.39

PERFORMANCE	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURN		
	THREE MONTHS	SIX MONTHS	ONE YEAR	FIVE YEARS	SINCE INCEPTION*
AS OF OCTOBER 31, 1995					
The JPM Institutional Bond Fund	3.78%	8.34%	15.50%	8.81%	8.46%
Salomon BIG**	3.47%	8.11%	15.71%	9.74%	9.51%
Composite High Quality					
Int. Corporate Bond					
Fund Average	3.21%	7.36%	13.69%	8.69%	7.55%
AS OF SEPTEMBER 30, 1995					
The JPM Institutional Bond Fund	1.90%	8.32%	13.62%	8.74%	8.35%
Salomon BIG**	1.90%	8.15%	14.06%	9.72%	9.42%
Composite High Quality					
Int. Corporate Bond					
Fund Average	1.72%	7.45%	12.21%	8.60%	7.47%

*3/11/88 IS THE INCEPTION DATE OF THE PIERPONT BOND FUND, THE PREDECESSOR ENTITY TO THE U.S. FIXED INCOME PORTFOLIO, WHICH HAS A SUBSTANTIALLY SIMILAR INVESTMENT OBJECTIVE AND RESTRICTIONS AS THE JPM INSTITUTIONAL BOND FUND. (AVERAGE ANNUAL TOTAL RETURNS BASED ON MONTH END FOLLOWING INCEPTION OF THE PIERPONT BOND FUND.)

**THE SALOMON BROTHERS BROAD INVESTMENT GRADE BOND INDEX.

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. ALL RETURNS ASSUME THE REINVESTMENT OF DISTRIBUTIONS AND MAY REFLECT REIMBURSEMENT OF CERTAIN FUND AND PORTFOLIO EXPENSES AS DESCRIBED IN THE PROSPECTUS. THE COMPOSITE HIGH QUALITY INTERMEDIATE CORPORATE BOND FUND AVERAGE PERFORMANCE IS COMPUTED ON ALL FUNDS IN THE MORNINGSTAR UNIVERSE HAVING A HIGH QUALITY CORPORATE BOND OBJECTIVE AND AN INTERMEDIATE MATURITY. MORNINGSTAR, INC. IS A LEADING RESOURCE FOR MUTUAL FUND DATA. ALTHOUGH GATHERED FROM RELIABLE SOURCES, DATA ACCURACY AND COMPLETENESS CANNOT BE GUARANTEED. THE FUND INVESTS ALL OF ITS INVESTABLE ASSETS IN THE U.S. FIXED INCOME PORTFOLIO, A SEPARATELY REGISTERED INVESTMENT COMPANY WHICH IS NOT AVAILABLE TO THE PUBLIC BUT ONLY TO OTHER COLLECTIVE INVESTMENT VEHICLES SUCH AS THE FUND.

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SIGNATURE BROKER-DEALER SERVICES, INC. IS THE DISTRIBUTOR OF THE JPM INSTITUTIONAL 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 may 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 U.S. Fixed Income Portfolio, a separately registered investment company which is not available to the public but only to other collective investment vehicles such as the Fund. Consistent with applicable regulatory guidance, performance for the Fund prior to July 12, 1993, reflects the performance of The Pierpont Bond

Fund, the predecessor entity to the Portfolio, which had a substantially similar investment objective and restrictions as the Fund. Performance for the period prior to July 12, 1993, reflects deduction of the charges and expenses of The Pierpont Bond Fund, which were higher than the estimated charges and expenses for the Fund, after reimbursements.

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) 766-7722.

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THE JPM INSTITUTIONAL BOND FUND
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1995

<TABLE>	
<S>	<C>
Assets	
Investment in The U.S. Fixed Income Portfolio ("Portfolio"), at value	\$438,784,743
Receivable for Shares of Beneficial Interest Sold	1,222,527
Deferred Organization Expenses	26,294
Prepaid Expenses	4,282

Total Assets	440,037,846

Liabilities	
Dividend Payable	1,323,919
Payable for Shares of Beneficial Interest Redeemed	4,382
Shareholder Servicing Fee Payable	17,568
Administration Fee Payable	8,705
Fund Services Fee Payable	2,805
Accrued Expenses	70,032

Total Liabilities	1,427,411

Net Assets	
Applicable to 43,963,712 Shares of Beneficial Interest Outstanding (unlimited authorized shares, par value \$0.001)	\$438,610,435

Net Asset Value, Offering and Redemption Price Per Share	\$9.98

Analysis of Net Assets	
Paid-In Capital	\$423,830,946
Undistributed Net Investment Income	432,830
Accumulated Net Realized Gain on Investment	1,262,194
Net Unrealized Appreciation of Investment	13,084,465

Net Assets	\$438,610,435

</TABLE>

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

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THE JPM INSTITUTIONAL BOND FUND
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995

<TABLE>		
<S>	<C>	<C>
Investment Income Allocated from Portfolio		\$22,691,163
Interest Income		97,142
Dividend Income		(1,252,787)

Portfolio Expenses		-----	
			21,535,518
Net Investment Income Allocated from Portfolio			
Fund Expenses	\$ 161,357		
Shareholder Servicing Fee	85,904		
Administration Fee	38,944		
Registration Fees	29,276		
Fund Services Fee	17,378		
Transfer Agent Fees	15,000		
Printing	13,085		
Professional Fees	11,249		
Amortization of Organization Expenses	8,176		
Trustees' Fees and Expenses	20,629		
Miscellaneous		-----	
		400,998	
Total Fund Expenses		(146,399)	
Less: Reimbursement of Expenses		-----	
			(254,599)
Net Fund Expenses		-----	
			21,280,919
Net Investment Income			6,128,348
Net Realized Gain on Investment Allocated from Portfolio			18,701,915
Net Change in Unrealized Appreciation of Investment Allocated from Portfolio		-----	
			\$46,111,182
Net Increase in Net Assets Resulting from Operations		-----	

</TABLE>

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

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THE JPM INSTITUTIONAL BOND FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	For the Fiscal Year Ended October 31,	
	1995	1994
	-----	-----
	<C>	<C>
Increase (Decrease) in Net Assets		
From Operations		
Net Investment Income	\$ 21,280,919	\$ 7,601,786
Net Realized Gain (Loss) on Investment Allocated from Portfolio	6,128,348	(4,519,466)
Net Change in Unrealized Appreciation (Depreciation) of Investment Allocated		

from Portfolio	18,701,915	(5,930,953)
Net Increase (Decrease) in Net Assets Resulting from Operations	46,111,182	(2,848,633)
Distributions to Shareholders from		
Net Investment Income	(21,287,883)	(7,599,843)
Net Realized Gain	--	(190,150)
Total Distributions to Shareholders	(21,287,883)	(7,789,993)
Transactions in Shares of Beneficial Interest		
Proceeds from Shares of Beneficial Interest Sold	199,579,863	234,725,070
Reinvestment of Distributions	9,630,186	5,257,669
Cost of Shares of Beneficial Interest Redeemed	(48,596,499)	(19,881,774)
Net Increase from Transactions in Shares of Beneficial Interest	160,613,550	220,100,965
Total Increase in Net Assets	185,436,849	209,462,339
Net Assets		
Beginning of Fiscal Year	253,173,586	43,711,247
End of Fiscal Year (including undistributed net investment income of \$432,830 and \$1,943, respectively)	\$ 438,610,435	\$ 253,173,586

</TABLE>

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

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THE JPM INSTITUTIONAL 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,		For the period July 12, 1993 (commencement of operations) through October 31, 1993
	1995	1994	
<S>	<C>	<C>	<C>
Net Asset Value, Beginning of Period	\$ 9.23	\$ 10.14	\$ 10.00
Income from Investment Operations			
Net Investment Income	0.63	0.55	0.15
Net Realized and Unrealized Gain (Loss) on Investment Allocated from Portfolio	0.75	(0.88)	0.14
Total from Investment Operations	1.38	(0.33)	0.29
Less Distributions to Shareholders from			
Net Investment Income	(0.63)	(0.55)	(0.15)
Net Realized Gain	--	(0.03)	--
Total Distributions to Shareholders	(0.63)	(0.58)	(0.15)
Net Asset Value, End of Period	\$ 9.98	\$ 9.23	\$ 10.14
Total Return	15.50%	(3.33)%	2.90% (a)
Ratios and Supplemental Data			
Net Assets at End of Period (in thousands)	\$ 438,610	\$ 253,174	\$ 43,711
Ratios to Average Net Assets:			
Expenses	0.47%	0.50%	0.50% (b)

Net Investment Income	6.62%	6.00%	4.83%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursements by Morgan	0.05%	0.19%	0.39%(b)

</TABLE>

(a) Not annualized.

(b) Annualized.

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

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THE JPM INSTITUTIONAL BOND FUND
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1995

1. Organization and Significant Accounting Policies

The JPM Institutional Bond Fund (the "Fund") is a separate series of The JPM Institutional 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 12, 1993.

The Fund invests all of its investable assets in The U.S. Fixed Income 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 (75% 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 \$49,295. These costs were deferred and are being amortized by the Fund 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

THE JPM INSTITUTIONAL BOND FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OCTOBER 31, 1995

statement was to increase Undistributed Net Investment Income by \$437,851, increase Paid-in Capital by \$25,794 and decrease Accumulated Net Realized Gain on Investment by \$463,645. 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 utilized approximately \$4,333,572 of capital loss carryforwards to offset the Fund's net taxable gains realized and recognized in the year ended October 31, 1995.

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 daily net assets of the Fund. For the fiscal year ended October 31, 1995, Signature's fee for these services amounted to \$85,904.

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 receive a fee, based on the percentage 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 0.05% of the Fund's average daily net assets. For the period November 1, 1994 through August 31, 1995, Morgan agreed to reimburse the Fund \$35,078 for the 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 of the services that were outlined under the prior agreement and that Morgan shall bear all of its expenses incurred in 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 0.50% of the average daily net assets of the Fund through February 28, 1997. For the fiscal year ended October 31, 1995, Morgan has agreed to reimburse the Fund \$111,321 for expenses under this agreement.

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 0.05% of the average daily net assets of the Fund. For the fiscal year ended October 31, 1995, the fee for these services amounted to \$161,357.

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 \$29,276 for the 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 \$3,800.

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>

	For the Fiscal Year Ended October 31,	
	1995	1994
<S>	<C>	<C>
Shares sold	20,689,217	24,639,271
Reinvestments of dividends and distributions	1,000,811	551,323
Shares redeemed	(5,143,975)	(2,084,575)
	16,546,053	23,106,019
Net increase		

</TABLE>

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees and Shareholders of
The JPM Institutional 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 JPM Institutional Bond Fund (one of the series constituting part of the JPM Institutional 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 12, 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.

[LOGO]

PRICE WATERHOUSE LLP
New York, New York
December 22, 1995

Annual Report October 31, 1995

(The following pages should be read in conjunction with The JPM Institutional Bond Fund Annual Financial Statements)

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THE U.S. FIXED INCOME PORTFOLIO
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1995

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION	MOODY'S/S&P RATING (UNAUDITED)	VALUE
COLLATERALIZED MORTGAGE OBLIGATIONS AND ASSET BACKED SECURITIES (3.6%)			
FINANCE (3.6%)			
\$ 79,701	Advanta Home Equity Loan Trust, Series 92-2, Class A1, 7.15% due 06/25/08.....	Aaa/AAA	\$ 80,383
229,122	Case Equipment Loan Trust, Series 94-A, Class A2, 4.65% due 08/15/99.....	Aaa/AAA	226,831
4,599,555	Collateralized Mortgage Obligation Trust II Class E, 9.00% due 06/20/17....	Aaa/AAA	4,824,152
3,000,000	Criimi Mae Financial Corporation Class A, 7.00% due 01/01/33.....	NR/AAA	2,936,250
2,476	Fical Home Equity Loan Trust, Series 90-1 Class A, 8.90% due 10/15/15.....	Aaa/NR	2,476
8,855,000	GE Capital Mortgage Services, Inc., Series 94-17, Class A5, 7.00% due 05/25/24.....	Aaa/AAA	8,943,107
1,854,087	Green Tree Financial Corp., Series 95-A Class A, 7.25% due 07/15/05.....	Baa3/BBB+	1,865,096
589,307	Green Tree Financial Corp., Series 94-A Class A, 6.90% due 02/15/04.....	Baa3/BBB+	589,491
37,297	Premier Auto Trust, Series 92-3, Class A, 5.90% due 11/17/97.....	Aaa/AAA	37,275
1,258,125	Prudential Home Loan Mortgage Securities, Remic: PAC(11), Series 93-54, Class A2, 6.50% due 01/25/24.....	Aaa/AAA	1,254,175
196,691	Resolution Trust Corp., Remic: ARM Determined Interest Rate, Series 91-6, Class A1, 6.9473% due 05/25/19.....	Aaa/AAA	187,840
3,588	Sears Mortgage Securities, Remic: TAC(11), Series 92-3, Class T5, 7.75% due 02/25/20.....	NR/AAA	3,573
112,243	The Money Store Home Equity Trust, Series 92-A, Class A, 6.95% due 12/15/07.....	Aaa/AAA	112,650
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS AND ASSET BACKED SECURITIES (COST \$20,270,036).....			21,063,299
CORPORATE OBLIGATIONS (37.9%)			
AUTOMOTIVE (1.3%)			
7,325,000	Ford Motor Co., 9.50% due 05/30/97.....	A1/A+	7,708,683
BANKING (10.7%)			
1,925,000	BankAmerica Corp., 9.50% due 04/01/01.....	A3/A-	2,188,359
1,300,000	BankAmerica Corp., 7.50% due 03/15/97.....	A2/A	1,326,104
1,925,000	Capital One Bank, 8.625% due 01/15/97.....	Baa3/BBB-	1,984,405
6,000,000	Central Fidelity Banks, Inc., 8.15% due 11/15/02.....	Baa2/BBB	6,476,820
1,600,000	Chemical Banking Corp., 10.125% due 11/01/00.....	A3/A-	1,855,520
5,000,000	First Chicago Corp., 8.25% due 06/15/02.....	A3/A-	5,507,850
1,745,000	First Chicago Corp., 6.875% due 06/15/03.....	A3/A-	1,769,866
100,000	Fleet Financial Group Inc., 7.125% due 05/01/00.....	A2/A-	102,542
2,000,000	Mellon Bank, N.A., 6.75% due 06/01/03.....	A2/A	2,003,060
4,660,000	NationsBank Corp., 10.20% due 07/15/15.....	A3/A-	5,989,218
13,700,000	Norwest Corp., 6.75% due 05/12/00.....	Aa3/AA-	13,888,649

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

THE U.S. FIXED INCOME PORTFOLIO
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1995

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION	MOODY'S/S&P RATING (UNAUDITED)	VALUE
BANKING (CONTINUED)			
<C>	<S>	<C>	<C>
\$ 7,500,000	Shawmut National Corp., 8.625% due 12/15/99.....	Baa2/BBB-	\$ 8,029,800
11,000,000	Trans Financial Bank, 6.48% due 10/23/98.....	A1/A+	10,973,270
			62,095,463
CHEMICALS, OIL & GAS (3.5%)			
2,277,000	E. I. Du Pont de Nemours & Co., 8.65% due 12/01/97.....	Aa2/AA	2,389,415
5,000,000	Occidental Petroleum Corp., 5.85% due 11/09/98.....	Baa3/BBB	4,932,250
1,000,000	Occidental Petroleum Corp., 5.84% due 11/09/98.....	Baa3/BBB	986,180
1,125,000	SFP Pipeline Holdings, Inc., 11.16% due 08/15/10.....	Baa3/NR	1,406,250
6,600,000	Texaco Capital, 9.00% due 11/15/96.....	A1/A+	6,809,286
4,000,000	Texas Eastern Corp., 8.50% due 02/04/97.....	NR/NR	4,100,000
			20,623,381
DEPARTMENT STORES (1.1%)			
2,200,000	Sears Roebuck & Co., 8.52% due 05/13/02.....	A2/BBB	2,427,788
4,000,000	Sears Roebuck & Co., 7.25% due 08/05/97.....	A2/BBB	4,080,920
			6,508,708
ELECTRICAL EQUIPMENT (0.8%)			
2,000,000	Legrand S.A., 8.50% due 02/15/25.....	A2/A	2,287,960
2,000,000	Mark IV Industries Inc., 8.75% due 04/01/03.....	Ba3/BB+	2,085,000
			4,372,960
FINANCE (12.5%)			
100,000	Associates Corp., N.A., 8.125% due 01/15/98.....	Aa3/AA-	104,158
400,000	Associates Corp., N.A., 7.30% due 03/15/98.....	Aa3/AA-	410,564
95,196	Chevy Chase Auto Receivables Trust, 6.00% due 12/15/01.....	Aaa/AAA	95,192
18,250,000	Chrysler Financial Corp., Series MTNN, 7.36% due 03/14/97.....	A3/BBB	18,530,320
1,000,000	Chrysler Financial Corp., 7.20% due 03/17/97.....	A2/A-	1,013,380
25,000	Commercial Credit Group Inc., 7.375% due 11/15/96.....	A1/A+	25,351
2,620,761	Fleetwood Credit Corp Grantor Trust, Series 95-B 6.55% due 05/15/11.....	Aaa/AAA	2,630,301
17,550,000	Ford Motor Credit Co., 6.25% due 11/08/00.....	A1/A+	17,499,644
400,000	General Motors Acceptance Corp., 7.85% due 11/17/97.....	Baa1/BBB+	413,136
300,000	General Motors Acceptance Corp., 7.55% due 01/14/97.....	Baa1/BBB+	305,322
100,000	General Motors Acceptance Corp., 7.375% due 02/27/97.....	Baa1/BBB+	101,640
800,000	General Motors Acceptance Corp., 7.30% due 02/02/98.....	Baa1/BBB+	819,088
5,175,000	General Motors Acceptance Corp., 6.90% due 09/09/97.....	Baa1/BBB+	5,245,794
5,000,000	General Motors Acceptance Corp., 6.75% due 07/10/97.....	Baa1/BBB+	5,052,300
2,200,000	General Motors Acceptance Corp., 6.70% due 04/18/97.....	Baa1/BBB+	2,219,888
3,000,000	General Motors Acceptance Corp., 6.70% due 04/21/97.....	Baa1/BBB+	3,015,630
4,500,000	General Motors Acceptance Corp., 6.625% due 05/15/98.....	Baa1/BBB+	4,536,720
6,500,000	General Motors Acceptance Corp., 5.25% due 12/06/96.....	Baa1/BBB+	6,448,130
4,000,000	USL Capital Corp., 7.76% due 03/29/02.....	A1/A+	4,226,680

</TABLE>

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

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THE U.S. FIXED INCOME PORTFOLIO
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1995

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION	MOODY'S/S&P RATING (UNAUDITED)	VALUE
FINANCE (CONTINUED)			
<C>	<S>	<C>	<C>
\$ 90,000	Western Financial Grantor Trust, Series 95-3, Class A1 6.05% due 11/01/00.....	Aaa/AAA	\$ 90,058
			72,783,296

LUMBER & OTHER CONSTRUCTION MATERIALS (2.2%)

5,600,000	Georgia Pacific Corp., 9.95% due 06/15/02.....	Baa2/BBB-	6,561,520
1,000,000	Schuller International Group Inc., 10.875% due 12/15/04.....	Ba3/BB-	1,112,500
4,000,000	USG Corp., 9.25% due 09/15/01.....	Ba3/BB	4,200,000
1,000,000	USG Corp., 8.50% due 08/01/05.....	Ba3/BB	1,031,250

			12,905,270

TRANSPORTATION (1.2%)			
6,719,014	Union Tank Car Co., 6.50% due 04/15/08.....	A2/A+	6,732,788

UTILITIES (4.6%)			
1,500,000	Cleveland Electric Illumination, 7.625% due 08/01/02.....	Ba2/BB	1,416,555
1,000,000	Cleveland Electric Illumination, 7.375% due 06/01/03.....	Ba2/BB	945,050
3,000,000	Commonwealth Edison Co., 7.00% due 02/15/97.....	Baa3/BBB-	3,026,190
3,000,000	Commonwealth Edison Co., 6.50% due 07/15/97.....	Baa3/BBB-	3,009,630
200,000	Commonwealth Edison Co., 6.50% due 04/15/00.....	Baa3/BBB-	199,186
500,000	Commonwealth Edison Co., Series 87, 6.25% due 10/01/97.....	Baa2/BBB	499,340
1,972,000	Connecticut Light & Power Co., Series UU, 7.625% due 04/01/97.....	Baa1/BBB+	2,019,131
2,400,000	GTE Corp., 8.85% due 03/01/98.....	Baa1/BBB+	2,528,568
7,240,000	Hydro-Quebec, 8.05% due 07/07/24.....	A1/A+	7,969,430
500,000	Jersey Central Power & Light, 6.70% due 12/19/97.....	Baa1/BBB+	506,945
4,250,000	United Telephone Company of Florida, 8.375% due 01/15/25.....	A2/A	4,850,015

			26,970,040

	TOTAL CORPORATE OBLIGATIONS (COST \$215,980,630).....		220,700,589

</TABLE>

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

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THE U.S. FIXED INCOME PORTFOLIO
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1995

<TABLE>			
<CAPTION>			
PRINCIPAL AMOUNT	SECURITY DESCRIPTION		VALUE
<C>	<S>	<C>	<C>
U.S. GOVERNMENT AGENCY OBLIGATIONS (15.5%)			
FHA Insured			
\$ 3,368,477	7.43% due 03/01/22.....		\$ 3,292,341
Federal Home Loan Mortgage Corp.			
1,391	12.50% due 08/01/14.....		1,527
29,688	Series 600, 10.00% due 04/01/09.....		31,899
200,000	Series 39, Class F, 10.00% due 05/15/20.....		223,946
21,122	9.00% due 04/01/03.....		21,935
11,000,000	Gold, 8.506% due 12/01/04.....		12,213,438
126,355	Gold, 8.50% due 11/01/24.....		130,979
52,835	Gold, 8.50% due 01/01/25.....		54,773
315,485	Gold, 8.50% due 04/01/25.....		327,057
990,000	Gold, 8.50% due 04/01/25.....		1,026,244
1,422,376	Gold, 8.50% due 04/01/25.....		1,474,236
523,366	Gold, 8.50% due 05/01/25.....		542,238
1,398,426	Gold, 8.50% due 05/01/25.....		1,449,538
1,414,012	Gold, 8.50% due 06/01/25.....		1,465,878
764,315	Gold, 8.50% due 07/01/24.....		791,937
990,000	Gold, 8.50% due 08/01/25.....		1,025,977
34,259	Gold, 8.50% due 09/01/25.....		35,522
269,998	Gold, 8.50% due 09/01/25.....		279,953
311,576	Gold, 8.50% due 10/01/25.....		323,067
10,910,000	Gold, 8.00% TBA (t).....		11,179,341
405,078	Gold, 7.00% due 04/01/24.....		402,198
518,824	Gold, 7.00% due 06/01/24.....		515,192
4,042,023	Gold, 7.00% due 07/01/25.....		4,013,001
1,210,316	Gold, 7.00% due 08/01/25.....		1,201,626
1,446,433	Gold, 7.00% due 08/01/25.....		1,436,048
1,672,089	Gold, 7.00% due 08/01/25.....		1,660,083
1,995,638	Gold, 7.00% due 08/01/25.....		1,981,309
1,998,301	Gold, 7.00% due 08/01/25.....		1,983,953
1,578,063	Gold, 7.00% due 09/01/25.....		1,566,732
6,978,071	Gold, 6.50% due 06/01/04.....		6,973,710

1,807,135	Gold, 6.00% due 08/01/10.....	1,765,517
28,029	Gold, 6.00% due 09/01/10.....	27,372
76,609	Gold, 6.00% due 09/01/10.....	74,814
806,079	Gold, 6.00% due 09/01/10.....	787,187
849,092	Gold, 6.00% due 09/01/10.....	829,495
3,654,307	Gold, 6.00% due 09/01/10.....	3,569,965
524,301	Gold, 6.00% due 10/01/10.....	512,013
541,800	Gold, 6.00% due 10/01/10.....	529,102
618,468	Gold, 6.00% due 10/01/10.....	604,169
710,441	Gold, 6.00% due 10/01/10.....	694,016
1,299,980	Gold, 6.00% due 10/01/10.....	1,269,512
1,564,469	Gold, 6.00% due 10/01/10.....	1,527,802
1,800	Remic: Series 1977, Class A, 8.05% due 03/15/07.....	1,747
100,000	Remic: Series 1290, Class L, 7.50% due 10/15/09.....	105,581
32,000	Remic: PAC-1(11), Series 1168, Class H, 7.50% due 11/15/21.....	33,196

</TABLE>

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

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THE U.S. FIXED INCOME PORTFOLIO
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1995

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION	VALUE

Federal Home Loan Mortgage Corp. (continued)		
<C>	<S>	<C>
\$ 300,000	Remic: Series 102, Class I, 7.00% due 12/15/20.....	\$ 297,132
165,000	Remic: PAC-1(11), Series 1207, Class J, 6.75% due 07/15/19.....	164,050
1,600,000	Remic: SCH(22), Series 1701, Class B, 6.50% due 03/15/09.....	1,522,384
Federal National Mortgage Association		
778,552	10.00% due 06/01/20.....	846,099
4,434,478	8.70% due 02/01/05.....	4,936,128
25,499	8.50% due 06/01/10.....	26,348
98,647	8.00% due 01/01/02.....	101,365
71,267	8.00% due 05/01/02.....	73,239
479,919	8.00% due 07/01/02.....	493,208
44,577	8.00% due 07/01/02.....	45,810
6,602	8.00% due 08/01/22.....	6,764
1,569,893	Remic: PAC, Series 1991-64, Class Z, 8.50% due 06/25/06.....	1,627,289
1,083,547	Remic: PAC, Series 1991-101, Class C, 8.50% due 08/25/18.....	1,093,233
22,062	Remic: PAC(11), Series 1991-9, Class H, 8.30% due 11/25/04.....	22,136
1,966,862	Remic: PAC-2(23), Series 1994-50, Class Z, 6.50% due 03/25/24.....	1,633,085
3,100,000	Remic: PAC (11), Series 1993-041, Class PE, 5.75% due 04/25/19.....	3,048,478
Government National Mortgage Association		
5,723	13.50% due 10/15/14.....	6,436
28,263	11.50% due 07/15/13.....	31,588
874,042	7.00% due 01/15/23.....	869,182
371,355	7.00% due 03/15/23.....	369,283
47,402	7.00% due 07/15/23.....	47,142
343,324	7.00% due 07/15/23.....	341,435
134,072	7.00% due 07/15/23.....	133,331
445,906	7.00% due 07/15/23.....	443,435
24,471	7.00% due 09/15/23.....	24,328
342,135	7.00% due 09/15/23.....	340,133
23,084	7.00% due 10/15/23.....	22,954
31,942	7.00% due 10/15/23.....	31,763
393,630	7.00% due 10/15/23.....	391,462
903,266	7.00% due 10/15/23.....	897,991
67,382	7.00% due 12/15/23.....	66,998
TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS (COST \$87,699,415).....		89,911,375

U.S. TREASURY OBLIGATIONS (41.1%)		
U.S. Treasury Bonds		
4,060,000	12.00% due 08/15/13.....	6,086,833
44,165,000	10.75% due 02/15/03.....	56,549,308
18,130,000	10.375% due 11/15/09.....	23,383,349
16,010,000	10.375% due 11/15/12.....	21,512,477
11,455,000	8.875% due 02/15/19.....	14,803,869
6,860,000	8.50% due 02/15/20.....	8,578,224
10,000,000	8.125% due 08/15/19.....	12,029,300

4,705,000 7.875% due 02/15/21..... 5,538,632
 </TABLE>

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

THE U.S. FIXED INCOME PORTFOLIO
 SCHEDULE OF INVESTMENTS (CONTINUED)
 OCTOBER 31, 1995

<TABLE>
 <CAPTION>

PRINCIPAL AMOUNT	SECURITY DESCRIPTION	VALUE
U.S. Treasury Notes		
<C>	<S>	<C>
\$ 5,000,000	8.50% due 11/15/00.....	\$ 5,579,250
13,350,000	7.25% due 02/15/98.....	13,792,286
1,055,000	7.25% due 08/15/04.....	1,141,763
17,820,000	7.125% due 02/29/00.....	18,699,061
4,905,000	5.50% due 04/15/00.....	4,854,135
9,200,000	5.125% due 11/30/98.....	9,049,396
15,295,000	4.75% due 02/15/97.....	15,124,920
U.S. Treasury Strip		
33,025,000	Due 05/15/02 (Principal Only).....	22,565,322
TOTAL U.S. TREASURY OBLIGATIONS (COST \$228,949,847).....		239,288,125

<CAPTION>

SHARES		MOODY'S/S&P RATING (UNAUDITED)	
<C>	<S>	<C>	<C>
CONVERTIBLE PREFERRED STOCKS (0.3%)			
NATURAL GAS (0.3%)			
74,600	Lasmo PLC, Sponsored ADR, 10.00%, Series A.....	Ba1/BBB-	1,799,725
TOTAL CONVERTIBLE PREFERRED STOCKS (COST \$1,659,850).....			1,799,725

<CAPTION>

PRINCIPAL AMOUNT			
<C>	<S>	<C>	<C>
REPURCHASE AGREEMENT (0.4%)			
\$ 2,066,000	Goldman Sachs Repurchase Agreement, dated 10/31/95 due 11/01/95, at 5.880%, proceeds \$2,066,142 (collateralized by U.S. Treasury Note, 5.875% due 07/31/97, valued at \$2,077,406) (cost \$2,066,000).....	P1/A1+	\$ 2,066,000
TOTAL INVESTMENTS (COST \$556,625,778) (98.8%).....			574,829,113
OTHER ASSETS IN EXCESS OF LIABILITIES (1.2%).....			7,050,882
TOTAL NET ASSETS (100.0%).....			\$581,879,995

</TABLE>

Note: Based on the cost of investments of \$556,629,476 for Federal Income Tax purposes at October 31, 1995, the aggregate gross unrealized appreciation and depreciation was \$18,337,903 and \$138,266, respectively, resulting in net unrealized appreciation of \$18,199,637.

(t) TBA securities are purchased on a forward commitment basis with an approximate principal amount and no definite maturity date. The actual principal amount and maturity date will be determined upon settlement.

Abbreviations used in the schedule of investments are as follows:

ADR - American Depository Receipt; ARM - Adjustable Rate Mortgage; FHA - Federal Housing Administration;

PAC - Planned Amortization Class; Remic - Real Estate Mortgage Investment
Conduit;

NR - Not Rated; TAC - Targeted Amortization Class; SCH - Scheduled Payment Bond

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

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THE U.S. FIXED INCOME PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1995

<TABLE>	
<S>	<C>
ASSETS	
Investments at Value (Cost \$556,625,778)	\$574,829,113
Receivable for Investments Sold	73,638,034
Interest Receivable	8,686,770
Other Receivables	6,408
Prepaid Expenses	5,770

Total Assets	657,166,095

LIABILITIES	
Payable for Securities Purchased	74,362,206
Unrealized Depreciation on Open Foreign Currency Contracts	606,109
Advisory Fee Payable	178,438
Custodian Fees and Expenses Payable	81,524
Payable to Custodian	8,328
Fund Services Fee Payable	3,788
Administration Fee Payable	2,691
Accrued Expenses	43,016

Total Liabilities	75,286,100

NET ASSETS	
Applicable to Investors' Beneficial Interests	\$581,879,995

</TABLE>

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

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THE U.S. FIXED INCOME PORTFOLIO
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995

<TABLE>		
<S>	<C>	<C>
INVESTMENT INCOME		
Interest Income		\$31,358,157
Dividend Income		132,975

Total Investment Income		31,491,132
EXPENSES		
Advisory Fee	\$1,339,147	
Financial and Fund Accounting Services Fee	167,081	
Custodian Fees and Expenses	83,838	
Fund Services Fee	40,729	
Administration Fee	27,436	
Trustees' Fees and Expenses	11,096	
Miscellaneous	67,774	

Total Expenses		(1,737,101)

NET INVESTMENT INCOME		
		29,754,031
NET REALIZED GAIN ON INVESTMENTS (including \$621,192 of net realized gains		

from forward contracts)	7,762,316
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS (including \$606,109 of net unrealized depreciation of forward contracts)	26,604,322
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$64,120,669

</TABLE>

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

22

THE U.S. FIXED INCOME PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

INCREASE (DECREASE) IN NET ASSETS	FOR THE FISCAL YEAR ENDED OCTOBER 31,	
	1995	1994
<S>	<C>	<C>
FROM OPERATIONS		
Net Investment Income	\$ 29,754,031	\$ 13,708,591
Net Realized Gain (Loss) on Investments	7,762,316	(8,930,226)
Net Change in Unrealized Appreciation (Depreciation) of Investments	26,604,322	(11,045,898)
Net Increase (Decrease) in Net Assets Resulting from Operations	64,120,669	(6,267,533)
TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS		
Contributions	241,455,035	298,426,651
Withdrawals	(89,561,736)	(73,416,442)
Net Increase from Investors' Transactions	151,893,299	225,010,209
Total Increase in Net Assets	216,013,968	218,742,676
NET ASSETS		
Beginning of Fiscal Year	365,866,027	147,123,351
End of Fiscal Year	\$581,879,995	\$365,866,027

SUPPLEMENTARY DATA:

</TABLE>

<TABLE>
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RATIOS TO AVERAGE NET ASSETS	FOR THE FISCAL YEAR ENDED OCTOBER 31,		FOR THE PERIOD JULY 12, 1993 (COMMENCEMENT OF OPERATIONS) THROUGH OCTOBER 31, 1993
	1995	1994	
<S>	<C>	<C>	<C>
Expenses	0.39%	0.46%	0.48% (a)
Net Investment Income	6.68%	5.88%	4.91% (a)
Portfolio Turnover	293%	234%	295%+

(a) Annualized.

(+) Portfolio turnover is for the twelve month period ended October 31, 1993, and includes the portfolio activity of the Portfolio's predecessor entity, The Pierpont Bond Fund, for the period November 1, 1992 through July 11,

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

THE U.S. FIXED INCOME PORTFOLIO
 NOTES TO FINANCIAL STATEMENTS
 OCTOBER 31, 1995

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The U.S. Fixed Income 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. The Portfolio commenced operations on July 12, 1993 and received a contribution of certain assets and liabilities, including securities, with a value of \$91,653,371 on that date from The Pierpont Bond Fund in exchange for a beneficial interest in the Portfolio. At that date, net unrealized appreciation of \$1,731,405 was included in the contributed securities. 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) 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.
- c) The Portfolio may enter into forward and spot foreign currency contracts to protect securities and related receivables against fluctuations in future foreign currency rates. A forward contract is an agreement to buy or sell currencies of different countries on a specified future date at a specified rate. Risks associated with such contracts include the movement in the value of the foreign currency relative to the U.S. Dollar and the ability of the counterparty to perform.

The market value of the contract will fluctuate with changes in currency exchange rates. Contracts are valued daily based on procedures established by and under the general supervision of the

THE U.S. FIXED INCOME PORTFOLIO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 OCTOBER 31, 1995

Portfolio's Trustees and the change in the market value is recorded by the Portfolio as unrealized appreciation or depreciation of forward and spot foreign currency contract translations. At October 31, 1995 the Portfolio had open forward foreign currency contracts as follows:

SUMMARY OF OPEN CONTRACTS

<TABLE>
 <CAPTION>

U.S. DOLLAR	NET UNREALIZED
VALUE	VALUE

FOREIGN CURRENCY SALE CONTRACTS	PROCEEDS	AT 10/31/95	DEPRECIATION
<S>	<C>	<C>	<C>
German Mark, 5,281,000, expiring 12/5/95	\$ 3,588,367	\$ 3,757,729	\$ (169,362)
German Mark, 2,410,000, expiring 12/5/95	1,642,920	1,714,851	(71,931)
Danish Krone, 4,683,000, expiring 12/5/95	817,306	857,297	(39,991)
Danish Krone, 22,420,000, expiring 12/5/95	3,923,010	4,104,333	(181,323)
<CAPTION>			
FOREIGN CURRENCY PURCHASE CONTRACTS	COST		
<S>	<C>	<C>	<C>
German Mark, 7,691,000, expiring 12/5/95	5,573,188	5,472,580	(100,608)
Danish Krone, 27,103,000, expiring 12/5/95	5,004,524	4,961,630	(42,894)
Net Unrealized Depreciation on Foreign Currency Contracts			\$ (606,109)

</TABLE>

- d) 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 requirements of Subchapter M of the Internal Revenue Code.
- e) The Portfolio's custodian takes possession of the collateral pledged for investments in repurchase agreements on behalf of the Portfolio. It is the policy of the Portfolio to value the underlying collateral daily on a mark-to-market basis to determine that the value, including accrued interest, is at least equal to the repurchase price plus accrued interest. In the event of default of the obligation to repurchase, the Portfolio has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

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 0.30% of the Portfolio's average daily net assets. For the fiscal year ended October 31, 1995, this fee amounted to \$1,339,147.
- b) The Portfolio retains 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

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THE U.S. FIXED INCOME PORTFOLIO NOTES TO FINANCIAL STATEMENTS (CONTINUED) OCTOBER 31, 1995

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 \$27,436.

- 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 received 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 at 0.10% of the Portfolio's average daily net assets up to \$200 million, 0.05% of the next \$200 million of

average daily net assets, and 0.03% of average daily net assets thereafter. For the period November 1, 1994, through August 31, 1995, the fee for these services amounted to \$167,081. 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 shareholders of Group. The Portfolio's allocated portion of Group's costs in performing its services amounted to \$40,729 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 \$5,200.

3. INVESTMENT TRANSACTIONS

Investment transactions (excluding short-term investments) for the fiscal year ended October 31, 1995 were as follows:

<TABLE>
<CAPTION>

	COST OF PURCHASES	PROCEEDS FROM SALES
	-----	-----
<S>	<C>	<C>
U.S. Treasury and Agency Obligations	\$ 1,171,503,087	\$ 1,078,447,543
Corporate and Collateralized Obligations	298,968,392	207,445,656
	-----	-----
	\$ 1,470,471,479	\$ 1,285,893,199
	-----	-----

</TABLE>

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees and Investors of
The U.S. Fixed Income 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 U.S. Fixed Income 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 12, 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.

[SIGNATURE]

THE JPM INSTITUTIONAL BOND FUND

JPM INSTITUTIONAL MONEY MARKET FUND
JPM INSTITUTIONAL TAX EXEMPT MONEY MARKET FUND
JPM INSTITUTIONAL TREASURY MONEY MARKET FUND
JPM INSTITUTIONAL SHORT TERM BOND FUND
JPM INSTITUTIONAL BOND FUND
JPM INSTITUTIONAL TAX EXEMPT BOND FUND
JPM INSTITUTIONAL NEW YORK TOTAL RETURN BOND FUND
JPM INSTITUTIONAL INTERNATIONAL BOND FUND
JPM INSTITUTIONAL DIVERSIFIED FUND
JPM INSTITUTIONAL SELECTED U.S. EQUITY FUND
JPM INSTITUTIONAL U.S. SMALL COMPANY FUND
JPM INSTITUTIONAL INTERNATIONAL EQUITY FUND
JPM INSTITUTIONAL EMERGING MARKETS EQUITY FUND

FOR MORE INFORMATION ON THE JPM INSTITUTIONAL FAMILY OF FUNDS, CALL J.P. MORGAN
FUNDS SERVICES AT (800) 766-7722.

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