SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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JPM ADVISOR FUNDS
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As filed with the U.S. Securities and Exchange Commission on August 26, 1996
Registration Nos. 33-84798 and 811-8794

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
POST-EFFECTIVE AMENDMENT NO. 8

REGISTRATION STATEMENT
UNDER THE INVESTMENT COMPANY ACT OF 1940
AMENDMENT NO. 10

THE JPM ADVISOR FUNDS

(Exact Name of Registrant as Specified in Charter)

60 State Street, Suite 1300, Boston, Massachusetts 02109
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (617) 557-0700

John E. Pelletier
60 State Street, Suite 1300, Boston, Massachusetts 02109
(Name and Address of Agent for Service)

Copy to:
Stephen K. West, Esq.
Sullivan & Cromwell
125 Broad Street, New York, New York 10004

It is proposed that this filing will become effective (check appropriate box):

[X] Immediately upon filing pursuant to paragraph (b)
[ ] on (date) pursuant to paragraph (b)
[ ] 60 days after filing pursuant to paragraph (a)(i)
[ ] on (date) pursuant to paragraph (a)(i)
[ ] 75 days after filing pursuant to paragraph (a)(ii)
[ ] on (date) pursuant to paragraph (a)(ii) of rule 485.

If appropriate, check the following box:

[ ] this post-effective amendment designates a new effective date for a previously filed post-effective amendment.

The Registrant has previously registered an indefinite number of its shares under the Securities Act of 1933, as amended, pursuant to Rule 24f-2 under the Investment Company Act of 1940, as amended. The Registrant has not filed Rule 24f-2 notices with respect to The JPM Advisor International Fixed Income Fund (for the Fiscal Year ended September 30, 1995); The JPM Advisor U.S. Equity Fund and The JPM Advisor U.S. Small Cap Equity Fund (for their Fiscal Years ended May 31, 1995); The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Equity Fund and The JPM Advisor Emerging Markets Equity Fund (for their Fiscal Years ended October 31, 1995); and The JPM Advisor European Equity Fund, The JPM Advisor Japan Equity Fund and The JPM Advisor Asia Growth Fund (for their Fiscal Years ended December 31, 1995) because the Registrant has not sold any securities to the public with respect to those series during the fiscal years indicated. The Registrant filed a Rule 24f-2 notice with respect to its series as follows: The JPM Advisor U.S. Equity Fund and The JPM Advisor U.S. Small Cap Equity Fund (for their Fiscal Years ended May 31, 1996) on July 30, 1996. The Registrant expects to file Rule 24f-2 notices with respect to its other series as follows: The JPM Advisor Diversified Fund (for the Fiscal Year ending June 30, 1997) on or before August 30, 1997; The JPM Advisor International Fixed Income Fund (for the Fiscal Year ending September 30, 1996) on or before November 30, 1996; The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Equity Fund and The JPM Advisor

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Emerging Markets Equity Fund (for their Fiscal Years ending October 31, 1996) or before December 30, 1996; and The JPM Advisor European Equity Fund, The JPM Advisor Japan Equity Fund and The JPM Advisor Asia Growth Fund (for their Fiscal Years ending December 31, 1996) on or before February 28, 1997.

The U.S. Fixed Income Portfolio, The Non-U.S. Fixed Income Portfolio, The Selected U.S. Equity Portfolio, The U.S. Small Company Portfolio, The Non-U.S. Equity Portfolio, The Emerging Markets Equity Portfolio, The Series Portfolio and The Diversified Portfolio have also executed this Registration Statement.

JPM510

THE JPM ADVISOR FUNDS
CROSS-REFERENCE SHEET
(As Required by Rule 495)

PART A ITEM NO.: Prospectus Headings.

1. COVER PAGE: Cover Page.

2. SYNOPSIS: Investors for Whom the Fund is Designed.

3. CONDENSED FINANCIAL INFORMATION: Financial Highlights, where applicable.

4. GENERAL DESCRIPTION OF REGISTRANT: Cover Page; Investors for Whom the Fund is Designed; Investment Objective and Policies; Risk Factors and Additional Investment Information; Investment Restrictions; Special Information Concerning Investment Structure; Organization; Appendix.

5. MANAGEMENT OF THE FUND: Management of the Trust and the Portfolio; Shareholder Transactions; Additional Information.

5A. MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE: Not applicable.

6. CAPITAL STOCK AND OTHER SECURITIES: Special Information Concerning Investment Structure; Shareholder Transactions; Net Asset Value; Purchase of Shares; Taxes; Dividends and Distributions; Organization.

7. PURCHASE OF SECURITIES BEING OFFERED: Purchase of Shares; Exchange of Shares; Investors for Whom the Fund is Designed; Dividends and Distributions; Net Asset Value.

8. REDEMPTION OR REPURCHASE: Redemption of Shares; Exchange of Shares; Net Asset Value.

9. PENDING LEGAL PROCEEDINGS: Not applicable.

PART B ITEM NO.: Statement of Additional Information Headings.

10. COVER PAGE: Cover Page.

11. TABLE OF CONTENTS: Table of Contents.

12. GENERAL INFORMATION AND HISTORY: General.

13. INVESTMENT OBJECTIVES AND POLICIES: Investment Objectives and Policies; Additional Investments; Investment Restrictions; Quality and Diversification Requirements; Appendices A and B.

14. MANAGEMENT OF THE FUND: Trustees and Officers.

15. CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES: Description of Shares.

16. INVESTMENT ADVISORY AND OTHER SERVICES: Investment Advisor; Co-Administrator and Distributor; Services Agent; Custodian; Independent Accountants; Expenses.

17. BROKERAGE ALLOCATION AND OTHER PRACTICES: Portfolio Transactions.

18. CAPITAL STOCK AND OTHER SECURITIES: Massachusetts Trust; Description of Shares.

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19. PURCHASE, REDEMPTION AND PRICING OF SECURITIES BEING OFFERED: Net Asset Value; Purchase of Shares; Redemption of Shares; Exchange of Shares; Dividends and Distributions.

20. TAX STATUS: Taxes.

21. UNDERWRITERS: Co-Administrator and Distributor.

22. CALCULATION OF PERFORMANCE DATA: Performance Data.

23. FINANCIAL STATEMENTS: Financial Statements.

PART C

Information required to be included in Part C is set forth under the appropriately numbered items included in Part C of this registration statement.

EXPLANATORY NOTE

This post-effective amendment no. 8 (the "Amendment") to the Registrant's registration statement (File nos. 33-84798 and 811-8794) on Form N-1A (the "Registration Statement") is being filed (i) with respect to The JPM Advisor U.S. Equity Fund and The JPM Advisor U.S. Small Cap Equity Fund (each a series of shares of the Registrant), pursuant to the Registrant's undertaking to file a post-effective amendment to the Registration Statement, using financials which need not be certified, within four to six months following the date of commencement of public investment operations ("comply with the 4- to 6-month undertaking") and to update the Registration Statement with financial information for the fiscal year ended May 31, 1996; (ii) with respect to The JPM Advisor European Equity Fund, The JPM Advisor Japan Equity Fund and The JPM Advisor Asia Growth Fund (each is also a series of shares of the Registrant), to comply with the 4- to 6- month undertaking; and (iii) with respect to the above series and all other series of shares of the Registrant, to make other nonmaterial changes to the disclosure in the Registrant's statement of additional information and Part C to the Registration Statement. As a result, the Amendment does not affect any of the Registrant's currently effective prospectuses, each of which is incorporated herein by reference as most recently filed pursuant to Rule 497 under the Securities Act of 1933, as amended.

PROSPECTUS

The JPM Advisor U.S. Equity Fund

60 State Street

Boston, Massachusetts 02109

For information call (800) JPM-3637

The JPM Advisor U.S. Equity Fund (the "Fund") seeks to provide a high total return from a portfolio of selected equity securities. It is designed for investors who want an actively managed portfolio of selected equity securities that seeks to outperform the S&P 500 Index.

The Fund is a diversified no-load mutual fund for which there are no sales charges or exchange or redemption fees. The Fund is a series of The JPM Advisor Funds, an open-end management investment company organized as a Massachusetts business trust (the "Trust").

UNLIKE OTHER MUTUAL FUNDS WHICH DIRECTLY ACQUIRE AND MANAGE THEIR OWN PORTFOLIO OF SECURITIES, THE FUND SEEKS TO ACHIEVE ITS INVESTMENT OBJECTIVE BY INVESTING ALL OF ITS INVESTABLE ASSETS IN THE SELECTED U.S. EQUITY PORTFOLIO (THE "PORTFOLIO"), A CORRESPONDING DIVERSIFIED OPEN-END MANAGEMENT INVESTMENT COMPANY HAVING THE SAME INVESTMENT OBJECTIVE AS THE FUND. THE FUND INVESTS IN THE PORTFOLIO THROUGH A TWO-TIER MASTER-FEEDER STRUCTURE. SEE SPECIAL INFORMATION CON-

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CERNING INVESTMENT STRUCTURE ON PAGE 3.

The Portfolio is advised by Morgan Guaranty Trust Company of New York ("Morgan" or the "Advisor").

This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing and it should be retained for future reference. Additional information about the Fund has been filed with the Securities and Exchange Commission in a Statement of Additional Information dated August 26, 1996 (as supplemented from time to time). This information is incorporated herein by reference and is available without charge upon written request from the Fund's Distributor, Funds Distributor, Inc. ("FDI"), 60 State Street, Suite 1300, Boston, Massachusetts 02109, Attention: The JPM Advisor Funds, or by calling (800) 221-7930.

INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK 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. AN INVESTMENT IN THE FUND IS SUBJECT TO RISK THAT MAY CAUSE THE VALUE OF THE INVESTMENT TO FLUCTUATE, AND WHEN THE INVESTMENT IS REDEEMED, THE VALUE MAY BE HIGHER OR LOWER THAN THE AMOUNT ORIGINALLY INVESTED BY THE INVESTOR.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS AUGUST 26, 1996

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The JPM Advisor U.S. Equity Fund

INVESTORS FOR WHOM THE FUND IS DESIGNED

The Fund is designed for investors who wish to participate primarily in the

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U.S. equity markets. The Fund seeks to achieve its investment objective by investing all of its investable assets in The Selected U.S. Equity Portfolio, a diversified open-end management investment company having the same investment objective as the Fund. Since the investment characteristics and experience of the Fund will correspond directly with those of the Portfolio, the discussion in this Prospectus focuses on the investments and investment policies of the Portfolio. The net asset value of shares in the Fund fluctuates with changes in the value of the investments in the Portfolio.

The Portfolio may make various types of investments in seeking its objective. Among the permissible investments and investment techniques for the Portfolio are futures contracts, options and forward contracts on foreign currencies. The potential risks of investing in these derivative instruments are discussed in Risk Factors and Additional Investment Information and the Appendix. The Portfolio may also purchase certain privately placed securities. For further information about these investments, see Investment Objective and Policies below.

The Fund requires a minimum initial investment of $5,000. See Purchase of Shares.

This Prospectus describes the investment objective and policies, management and operation of the Fund to enable investors to decide if the Fund suits their needs. The Fund operates in a two-tier master-feeder investment fund structure. The Trustees of the Trust believe that the Fund may achieve economies of scale over time by utilizing this investment structure.

The following table illustrates that investors in the Fund incur no shareholder transaction expenses; their investment in the Fund is subject only to the operating expenses set forth below for the Fund and the Portfolio, as a percentage of average net assets of the Fund. The Trustees of the Trust believe that the aggregate per share expenses of the Fund and the Portfolio will be approximately equal to and may be less than the expenses that the Fund would incur if it retained the services of an investment adviser and invested its assets directly in portfolio securities. Fund and Portfolio expenses are discussed below under the heading Management of the Trust and the Portfolio.

SHAREHOLDER TRANSACTION EXPENSES	
Sales Load Imposed on Purchases	None
Sales Load Imposed on Reinvested Dividends	None
Deferred Sales Load	None
Redemption Fees	None
Exchange Fees	None

EXPENSE TABLE

ANNUAL OPERATING EXPENSES*

Advisory Fees	0.40%
Rule 12b-1 Fees	None
Other Expenses (after expense reimbursement)	0.81%
Total Operating Expenses (after expense reimbursement)	1.21%

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* These expenses are based on the expenses and average net assets of the Fund and the Portfolio for the period reflected in Financial Highlights below, after any applicable expense reimbursement. Without such reimbursement, Other Expenses and Total Operating Expenses (after application of state expense limitations) would have been equal on an annual basis to 2.10% and 2.50%, respectively, of the average daily net assets of the Fund. See Management of the Trust and the Portfolio.

EXAMPLE

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An investor would pay the following expenses on a $1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period:

<TABLE>

<S>	<C>
1 Year	$ 12
3 Years	$ 38
5 Years	$ 66
10 Years	$147

</TABLE>

The above expense table is designed to assist investors in understanding the various direct and indirect costs and expenses that investors in the Fund bear. The fees and expenses included in Other Expenses are the fees paid to Morgan under the Portfolio's Administrative Services Agreement and the Trust's Services Agreement, the fees paid to Pierpont Group, Inc. under the Portfolio Fund Services Agreement, the fees paid to FDI under the Portfolio's Co-Administration Agreement, organizational expenses, the fees paid to State Street Bank and Trust Company as custodian of the Portfolio, and other usual and customary expenses of the Portfolio. For a more detailed description of contractual fee arrangements, including expense reimbursements, see Management of the Trust and the Portfolio. In connection with the above example, please note that $1,000 is less than the Fund's minimum investment requirement and that there are no redemption or exchange fees of any kind. See Purchase of Shares and Redemption of Shares. THE EXAMPLE IS HYPOTHETICAL; IT IS INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. IT SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE PERFORMANCE; ACTUAL EXPENSES MAY BE MORE OR LESS THAN THOSE SHOWN.

FINANCIAL HIGHLIGHTS

The following selected data for a share outstanding for the indicated period have been audited by independent accountants. The Fund's annual report will include a discussion of those factors, strategies and techniques that materially affected its performance during the period of the report, as well as certain related information. A copy of the Fund's annual report will be made available without charge upon request.

<TABLE>
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<S>	FOR THE PERIOD FEBRUARY 5, 1996 (COMMENCEMENT OF OPERATIONS) TO MAY 31, 1996 <C>
Net Asset Value, Beginning of Period	$10.00
Income from Investment Operations:	
Net Investment Income	0.02
Net Realized and Unrealized Gain on Investment	0.71
Total from Investment Operations	0.73
Net Asset Value, End of Period	$10.73
Total Return	$ 7.30%(a)
Ratios and Supplemental Data:	
Net Assets, End of Period (in thousands)	$ 139
Ratios to Average Net Assets:	
Expenses	1.21%(b)
Net Investment Income	1.76%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement	1.29%(c)

</TABLE>

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(a) Not annualized.

(b) Annualized.

(c) After consideration of certain state limitations.

SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE

Unlike other mutual funds which directly acquire and manage their own portfolio of securities, the Fund is an open-end management investment company which seeks to achieve its investment objective by investing all of its investable assets in the Portfolio, a separate registered investment company with the same investment objective as the Fund. The investment objective of the Fund or Portfolio may be changed only with the approval of the holders of the outstanding shares of the Fund and the Portfolio. The master-feeder investment fund structure has been developed relatively recently, so shareholders should carefully consider this investment approach.

In addition to selling a beneficial interest to the Fund, the Portfolio may sell beneficial interests to other mutual funds or institutional investors. Such investors will invest in the Portfolio on the same terms and conditions and will bear a proportionate share of the Portfolio's expenses. However, the other investors investing in the Portfolio may sell shares of their own fund using a different pricing structure than the Fund. Such different pricing structures may result in differences in returns experienced by investors in other funds that invest in the Portfolio. Such differences in returns are not uncommon and are present in other mutual fund structures. Information concerning other holders of interests in the Portfolio is available from Morgan at (800) JPM-3637.

The Trust may withdraw the investment of the Fund from the Portfolio at any time if the Board of Trustees of the Trust determines that it is in the best interests of the Fund to do so. Upon any such withdrawal, the Board of Trustees would consider what action might be taken, including the investment of all the assets of the Fund in another pooled investment entity having the same investment objective and restrictions as the Fund or the retaining of an investment adviser to manage the Fund's assets in accordance with the investment policies described below with respect to the Portfolio.

Certain changes in the Portfolio's investment objective, policies or restrictions, or a failure by the Fund's shareholders to approve a change in the Portfolio's investment objective or restrictions, may require withdrawal of the Fund's interest in the Portfolio. Any such withdrawal could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) from the Portfolio which may or may not be readily marketable. The distribution in kind may result in the Fund having a less diversified portfolio of investments or adversely affect the Fund's liquidity, and the Fund could incur brokerage, tax or other charges in converting the securities to cash. Notwithstanding the above, there are other means for meeting shareholder redemption requests, such as borrowing.

Smaller funds investing in the Portfolio may be materially affected by the actions of larger funds investing in the Portfolio. For example, if a large fund withdraws from the Portfolio, the remaining funds may subsequently experience higher pro rata operating expenses, thereby producing lower returns. Additionally, because the Portfolio would become smaller, it may become less diversified, resulting in potentially increased portfolio risk (however, these possibilities also exist for traditionally structured funds which have large or institutional investors who may withdraw from a fund). Also, funds with a greater pro rata ownership in the Portfolio could have effective voting control of the

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operations of the Portfolio. Whenever the Fund is requested to vote on matters pertaining to the Portfolio (other than a vote by the Fund to continue the operation of the Portfolio upon the withdrawal of another investor in the Portfolio), the Trust will hold a meeting of shareholders of the Fund and will cast all of its votes proportionately as instructed by the Fund's shareholders. The Trust will vote the shares held by Fund shareholders who do not give voting instructions in the same proportion as the shares of Fund shareholders who do give voting instructions. Shareholders of the Fund who do not vote will have no effect on the outcome of such matters.

For more information about the Portfolio's investment objective, policies and restrictions, see Investment Objective and Policies, Risk Factors and Additional Investment Information and Investment Restrictions. For more information about the Portfolio's management and expenses, see Management of the Trust and the Portfolio. For more information about changing the investment objective, policies and restrictions of the Fund or the Portfolio, see Investment Restrictions.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund and the Portfolio is described below, together with the policies they employ in their efforts to achieve this objective. Additional information about the investment policies of the Fund and the Portfolio appears in the Statement of Additional Information under Investment Objectives and Policies. There can be no assurance that the investment objective of the Fund or the Portfolio will be achieved.

The Fund's investment objective is to provide a high total return from a portfolio of selected equity securities. Total return will consist of realized and unrealized capital gains and losses plus income. The Fund attempts to achieve its investment objective by investing all of its investable assets in The Selected U.S. Equity Portfolio, a diversified open-end management investment company having the same investment objective as the Fund. The Portfolio invests primarily in the common stock of large and medium sized U.S. corporations.

The Fund is designed for investors who want an actively managed portfolio of selected equity securities that seeks to outperform the S&P 500 Index.

Morgan seeks to enhance the Portfolio's total return relative to that of the universe of large and medium sized U.S. companies, typically represented by the S&P 500 Index, through fundamental analysis, systematic stock valuation and disciplined portfolio construction. Based on internal fundamental research, Morgan uses a dividend discount model to rank companies within economic sectors according to their relative value. From the universe of securities this model shows as undervalued, Morgan selects stocks for the Portfolio based on a variety of criteria including the company's managerial strength, prospects for growth and competitive position. Morgan may modestly under or over-weight selected economic sectors against the S&P 500 Index's sector weightings to seek to enhance the Portfolio's total return or reduce the fluctuation in its market value relative to the Index.

The Portfolio intends to manage its portfolio actively in pursuit of its investment objective. The Portfolio does not intend to respond to short-term market fluctuations or to acquire securities for the purpose of short-term trading; however, it may take advantage of short-term trading opportunities that are consistent with its objective. To the extent the Portfolio engages in short-term trading, it may realize short-term capital gains or losses and incur increased transaction costs. See Taxes below. The estimated annual portfolio turnover rate for the Portfolio is generally not expected to exceed 100%.

EQUITY INVESTMENTS. During ordinary market conditions, the Advisor intends to keep the Portfolio essentially fully invested with at least 65% of the Portfolio's net assets invested in equity securities consisting of common stocks and other securities with equity characteristics comprised of preferred stock, warrants, rights, convertible securities, trust certificates, limited partnership interests and equity participations. The Portfolio's primary equity investments are the common stock of large and medium-sized U.S. corporations and, to a limited extent, similar securities of foreign corporations. The common stock in which the Portfolio may invest includes the common stock of any class or series or any similar equity interest, such as trust or limited partnership interests.

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These equity investments may or may not pay dividends and may or may not carry voting rights. The Portfolio invests in securities listed on domestic or foreign securities exchanges and securities traded in domestic or foreign over-the-counter (OTC) markets, and may invest in certain restricted or unlisted securities.

FOREIGN INVESTMENTS. The Portfolio may invest in equity securities of foreign corporations included in the S&P 500 Index or listed on a national securities exchange. However, the Portfolio does not expect to invest more than 5% of its assets at the time of purchase in securities of foreign issuers. For further information on foreign investments and foreign currency exchange transactions, see Risk Factors and Additional Investment Information.

The Portfolio may also invest in securities on a when-issued or delayed delivery basis, enter into repurchase and reverse repurchase agreements, loan its portfolio securities, purchase certain privately placed securities and money market instruments, and enter into certain hedging transactions that may involve options on securities and securities indexes, futures contracts and options on futures contracts. Forward foreign currency exchange contracts, options and futures contracts are derivative instruments. For a discussion of these investments and investment techniques, see Risk Factors and Additional Investment Information.

RISK FACTORS AND ADDITIONAL INVESTMENT INFORMATION

CONVERTIBLE SECURITIES. The convertible securities in which the Portfolio may invest include any debt securities or preferred stock which may be converted into common stock or which carry the right to purchase common stock. Convertible securities entitle the holder to exchange the securities for a specified number of shares of common stock, usually of the same company, at specified prices within a certain period of time.

COMMON STOCK WARRANTS. The Portfolio may invest in common stock warrants that entitle the holder to buy common stock from the issuer of the warrant at a specific price (the strike price) for a specific period of time. The market price of warrants may be substantially lower than the current market price of the underlying common stock, yet warrants are subject to similar price fluctuations. As a result, warrants may be more volatile investments than the underlying common stock.

Warrants generally do not entitle the holder to dividends or voting rights with respect to the underlying common stock and do not represent any rights in the assets of the issuer company. A warrant will expire worthless if it is not exercised on or prior to the expiration date.

WHEN-ISSUED AND DELAYED DELIVERY SECURITIES. The Portfolio may purchase money market instruments on a when- issued or delayed delivery basis. Delivery of and payment for these securities may take as long as a month or more after the date of the purchase commitment. The value of these securities is subject to market fluctuation during this period and for fixed income investments no interest accrues to the Portfolio until settlement. At the time of settlement, a when- issued security may be valued at less than its purchase price. The Portfolio maintains with the Custodian a separate account with a segregated portfolio of securities in an amount at least equal to these commitments. When entering into a when-issued or delayed delivery transaction, the Portfolio will rely on the other party to consummate the transaction; if the other party fails to do so, the Portfolio may be disadvantaged. It is the current policy of the Portfolio not to enter into when-issued commitments exceeding in the aggregate 15% of the market value of the Portfolio's total assets less liabilities other than the obligations created by these commitments.

REPURCHASE AGREEMENTS. The Portfolio may engage in repurchase agreement transactions with brokers, dealers or banks that meet the credit guidelines established by the Portfolio's Trustees. In a repurchase agreement, the Portfolio buys a security from a seller that has agreed to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. The term of these agreements is usually from overnight

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to one week. A repurchase agreement may be viewed as a fully collateralized loan of money by the Portfolio to the seller. The Portfolio always receives securities as collateral with a market value at least equal to the purchase price plus accrued interest and this value is maintained during the term of the agreement. If the seller defaults and the collateral value declines, the Portfolio might incur a loss. If bankruptcy proceedings are commenced with respect to the seller, the Portfolio's realization upon the disposition of collateral may be delayed or limited. Investments in certain repurchase agreements and certain other investments which may be considered illiquid are limited. See Illiquid Investments; Privately Placed and other Unregistered Securities below.

LOANS OF PORTFOLIO SECURITIES. Subject to applicable investment restrictions, the Portfolio is permitted to lend its securities in an amount up to 33 1/3% of the value of the Portfolio's net assets. The Portfolio may lend its securities if such loans are secured continuously by cash or equivalent collateral or by a letter of credit in favor of the Portfolio at least equal at all times to 100% of the market value of the securities loaned, plus accrued interest. While such securities are on loan, the borrower will pay the Portfolio any income accruing thereon. Loans will be subject to termination by the Portfolio in the normal settlement time, generally three business days after notice, or by the borrower on one day's notice. Borrowed securities must be returned when the loan is terminated. Any gain or loss in the market price of the borrowed securities which occurs during the term of the loan inures to the Portfolio and its respective investors. The Portfolio may pay reasonable finders' and custodial fees in connection with a loan. In addition, the Portfolio will consider all facts and circumstances, including the creditworthiness of the borrowing financial institution, and the Portfolio will not make any loans in excess of one year.

Loans of portfolio securities may be considered extensions of credit by the Portfolio. The risks to the Portfolio with respect to borrowers of its portfolio securities are similar to the risks to the Portfolio with respect to sellers in repurchase agreement transactions. See Repurchase Agreements above. The Portfolio will not lend its securities to any officer, Trustee, Director, employee or other affiliate of the Portfolio, the Advisor or the Distributor, unless otherwise permitted by applicable law.

REVERSE REPURCHASE AGREEMENTS. The Portfolio is permitted to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Portfolio sells a security and agrees to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. For purposes of the Investment Company Act of 1940, as amended (the "1940 Act"), it is considered a form of borrowing by the Portfolio and, therefore, is a form of leverage.

Leverage may cause any gains or losses of the Portfolio to be magnified. See Investment Restrictions for investment limitations applicable to reverse repurchase agreements and other borrowings. For more information, see Investment Objectives and Policies in the Statement of Additional Information.

ILLIQUID INVESTMENTS; PRIVATELY PLACED AND OTHER UNREGISTERED SECURITIES. The Portfolio may not acquire any illiquid securities if, as a result thereof, more than 15% of the market value of the Portfolio's total assets would be in illiquid investments. Subject to this non-fundamental policy limitation, the Portfolio may acquire investments that are illiquid or have limited liquidity, such as private placements or investments that are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and cannot be offered for public sale in the United States without first being registered under the 1933 Act. An illiquid investment is any investment that cannot be disposed of within seven days in the normal course of business at approximately the amount at which it is valued by the Portfolio. The price the Portfolio pays for illiquid securities or receives upon resale may be lower than the price paid or received for similar securities with a more liquid market. Accordingly the valuation of these securities will reflect any limitations on their liquidity.

The Portfolio may also purchase Rule 144A securities sold to institutional investors without registration under the 1933 Act. These securities may be determined to be liquid in accordance with guidelines established by the Advisor

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and approved by the Trustees of the Portfolio. The Trustees will monitor the Advisor's implementation of these guidelines on a periodic basis.

FUTURES AND OPTIONS TRANSACTIONS. The Portfolio may (a) purchase exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities, and (c) purchase put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging purposes. The Portfolio may not use futures contracts and options for speculation.

The Portfolio may utilize options and futures contracts to manage its exposure to changing interest rates and/or security prices. Some options and futures strategies, including selling futures contracts and buying puts, tend to hedge the Portfolio's investments against price fluctuations. Other strategies, including buying futures contracts and buying calls, tend to increase market exposure. Options and futures contracts may be combined with each other or with forward contracts in order to adjust the risk and return characteristics of the Portfolio's overall strategy in a manner deemed appropriate to the Advisor and consistent with the Portfolio's objective and policies. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

The use of options and futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Portfolio's return. While the use of these instruments by the Portfolio may reduce certain risks associated with owning its portfolio securities, these techniques themselves entail certain other risks. If the Advisor applies a strategy at an inappropriate time or judges market conditions or trends incorrectly, options and futures strategies may lower the Portfolio's return. Certain strategies limit the Portfolio's possibilities to realize gains as well as limiting its exposure to losses. The Portfolio could also experience losses if the prices of its options and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid secondary market. In addition, the Portfolio will incur transaction costs, including trading commissions and option premiums, in connection with its futures and options transactions and these transactions could significantly increase the Portfolio's turnover rate.

The Portfolio may purchase put and call options on securities, indexes of securities and futures contracts, or purchase and sell futures contracts, only if such options are written by other persons and if (i) the aggregate premiums paid on all such options which are held at any time do not exceed 20% of the Portfolio's net assets, and (ii) the aggregate margin deposits

required on all such futures or options thereon held at any time do not exceed 5% of the Portfolio's total assets. For more detailed information about these transactions, see the Appendix to this Prospectus and Investment Objectives and Policies in the Statement of Additional Information.

FOREIGN INVESTMENT INFORMATION. The Portfolio may invest in certain foreign securities. Investment in securities of foreign issuers involves somewhat different investment risks from those affecting securities of U.S. domestic issuers. There may be limited publicly available information with respect to foreign issuers, and foreign issuers are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to domestic companies. Dividends and interest paid by foreign issuers may be subject to withholding and other foreign taxes which may decrease the net return on foreign investments as compared to dividends and interest paid to the Portfolio by domestic companies.

Investors should realize that the value of the Portfolio's investments in foreign securities may be adversely affected by changes in political or social conditions, diplomatic relations, confiscatory taxation, expropriation, nationalization, limitation on the removal of funds or assets, or imposition of (or change in) exchange control or tax regulations in those foreign countries. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depre-

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ciation of portfolio securities and could favorably or unfavorably affect the Portfolio's operations. Furthermore, the economies of individual foreign nations may differ from the U.S. economy, whether favorably or unfavorably, in areas such as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position; it may also be more difficult to obtain and enforce a judgment against a foreign issuer. Any foreign investments made by the Portfolio must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments.

In addition, while the volume of transactions effected on foreign stock exchanges has increased in recent years, in most cases it remains appreciably below that of domestic security exchanges. Accordingly, the Portfolio's foreign investments may be less liquid and their prices may be more volatile than comparable investments in securities of U.S. companies. Moreover, the settlement periods for foreign securities, which are often longer than those for securities of U.S. issuers, may affect portfolio liquidity. In buying and selling securities on foreign exchanges, purchasers normally pay fixed commissions that are generally higher than the negotiated commissions charged in the United States. In addition, there is generally less government supervision and regulation of securities exchanges, brokers and issuers located in foreign countries than in the United States.

The Portfolio may invest in securities of foreign issuers directly or in the form of American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") or other similar securities of foreign issuers. These securities may not necessarily be denominated in the same currency as the securities they represent. ADRs are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying foreign securities. Certain such institutions issuing ADRs may not be sponsored by the issuer of the underlying foreign securities. A non-sponsored depository may not provide the same shareholder information that a sponsored depository is required to provide under its contractual arrangements with the issuer of the underlying foreign securities. EDRs are receipts issued by a European financial institution evidencing a similar arrangement. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets, and EDRs, in bearer form, are designed for use in European securities markets.

Since the Portfolio's investments in foreign securities involve foreign currencies, the value of its assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, including currency blockage. See Foreign Currency Exchange Transactions.

FOREIGN CURRENCY EXCHANGE TRANSACTIONS. Because the Portfolio may buy and sell securities and receive interest and dividends in currencies other than the U.S. dollar, the Portfolio may enter from time to time into foreign currency

exchange transactions. The Portfolio either enters into these transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market or uses forward contracts to purchase or sell foreign currencies. The cost of the Portfolio's spot currency exchange transactions is generally the difference between the bid and offer spot rate of the currency being purchased or sold.

A forward foreign currency exchange contract is an obligation by the Portfolio to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract. Forward foreign currency exchange contracts establish an exchange rate at a future date. These contracts are derivative instruments, as their value derives from the spot exchange rates of the currencies underlying the contract. These contracts are entered into in the interbank market directly between currency traders (usually large commercial banks) and their customers. A forward foreign currency exchange contract generally has no deposit requirement and is traded at a net price without commission. The Portfolio will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward foreign currency exchange contracts eliminate fluctuations in the prices of the Portfolio's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

The Portfolio may enter into foreign currency exchange transactions in an attempt to protect against changes in foreign currency exchange rates between

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the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Portfolio may also enter into forward contracts to hedge against a change in foreign currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a foreign currency. To do this, the Portfolio would enter into a forward contract to sell the foreign currency in which the investment is denominated or principally traded in exchange for U.S. dollars or in exchange for another foreign currency. The Portfolio will only enter into forward contracts to sell a foreign currency in exchange for another foreign currency if the Advisor expects the foreign currency purchased to appreciate against the U.S. dollar.

Although these transactions are intended to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realized should the value of the hedged currency increase. In addition, forward contracts that convert a foreign currency into another foreign currency will cause the Portfolio to assume the risk of fluctuations in the value of the currency purchased against the hedged currency and the U.S. dollar. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of such securities between the date the forward contract is entered into and the date it matures. The projection of currency market movements is extremely difficult, and the successful execution of a hedging strategy is highly uncertain.

MONEY MARKET INSTRUMENTS. The Portfolio is permitted to invest in money market instruments although it intends to stay invested in equity securities to the extent practical in light of its objective and long-term investment perspective. The Portfolio may invest in money market instruments of domestic or foreign issuers denominated in U.S. dollars. Under normal circumstances the Portfolio will purchase these securities to invest temporary cash balances or to maintain liquidity to meet redemptions. However, the Portfolio may also invest in money market instruments without limitation as a temporary defensive measure taken in the Advisor's judgment during, or in anticipation of, adverse market conditions. For more detailed information about these money market investments, see Investment Objectives and Policies in the Statement of Additional Information.

INVESTMENT RESTRICTIONS

As a diversified investment company, 75% of the assets of the Portfolio are subject to the following fundamental limitations: (a) the Portfolio may not invest more than 5% of its total assets in the securities of any one issuer, except U.S. government securities, and (b) the Portfolio may not own more than 10% of the outstanding voting securities of any one issuer.

The investment objective of the Fund and the Portfolio, together with the investment restrictions described below and in the Statement of Additional Information, except as noted, are deemed fundamental policies, i.e., they may be changed only with the approval of the holders of a majority of the outstanding voting securities of the Fund and the Portfolio. The Fund has the same investment restrictions as the Portfolio, except that the Fund may invest all of its investable assets in another open-end investment company with the same investment objective and restrictions (such as the Portfolio). References below to the Portfolio's investment restrictions also include the Fund's investment restrictions.

The Portfolio may not (i) borrow money, except from banks for extraordinary or emergency purposes and then only in amounts up to 10% of the value of the Portfolio's total assets, taken at cost at the time of borrowing, or purchase securities while borrowings exceed 5% of its total assets; or mortgage, pledge or hypothecate any assets except in connection with any such borrowings in amounts up to 10% of the value of the Portfolio's net assets at the time of borrowing; (ii) purchase securities or other obligations of issuers conducting their principal business activity in the same industry if its investments in such industry would exceed 25% of the value of the Portfolio's total assets, except this limitation shall not apply to investments in U.S. Government securities; or (iii) purchase securities of any issuer if, as a result of the purchase, more than 5% of the total assets of the Portfolio would be invested in securities of companies with fewer than three years of operating history (in-

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cluding predecessors).

For a more detailed discussion of the above investment restrictions, as well as a description of certain other investment restrictions, see Investment Restrictions in the Statement of Additional Information.

MANAGEMENT OF THE TRUST AND THE PORTFOLIO

TRUSTEES. Pursuant to the Declaration of Trust for the Trust, the Trustees of the Trust decide upon matters of general policy and review the actions of the Trust's service providers and the performance of the Portfolio's Advisor. Pursuant to the Declaration of Trust for the Portfolio, the Trustees of the Portfolio (who are not the same as the Trustees of the Trust) have the same responsibilities for the Portfolio including overseeing its service providers.

The Portfolio has entered into a Fund Services Agreement with Pierpont Group, Inc. to assist the Trustees of the Portfolio in exercising their overall supervisory responsibilities for the Portfolio's affairs. The fee to be paid by the Portfolio under the agreement approximates the reasonable cost of Pierpont Group, Inc. in providing these services. Pierpont Group, Inc. was organized in 1989 at the request of the Trustees of The Pierpont Family of Funds for the purpose of providing these services at cost to those funds. The principal offices of Pierpont Group, Inc. are located at 461 Fifth Avenue, New York, New York 10017. For more information concerning the Trust's and the Portfolio's Trustees and officers, see Trustees and Officers in the Statement of Additional Information.

ADVISOR. The Fund has not retained the services of an investment adviser because the Fund seeks to achieve its investment objective by investing all of its investable assets in the Portfolio. The Portfolio has retained the services of Morgan as Investment Advisor. Morgan, with principal offices at 60 Wall Street, New York, New York 10260, is a New York trust company which conducts a general banking and trust business. Morgan is a wholly owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"), a bank holding company organized under the laws of Delaware. Through offices in New York City and abroad, J.P. Morgan, through the Advisor and other subsidiaries, offers a wide range of services to governmental, institutional, corporate and individual customers and acts as investment adviser to individual and institutional clients with combined assets under management of over $179 billion (of which the Advisor advises over $28 billion). Morgan provides investment advice and portfolio management services to the Portfolio. Subject to the supervision of the Portfolio's Trustees, Morgan makes the Portfolio's day-to-day investment decisions, arranges for the execution of portfolio transactions and generally manages the Portfolio's investments. See Investment Advisor in the Statement of Additional Information.

Morgan uses a sophisticated, disciplined, collaborative process for managing all asset classes. For equity portfolios, this process utilizes fundamental research, systematic stock selection and disciplined portfolio construction. Morgan has managed portfolios of U.S. equity securities on behalf of its clients for over forty years. The portfolio managers making investments in U.S. equity securities work in conjunction with Morgan's domestic equity analysts, as well as capital market, credit and economic research analysts, traders and administrative officers. The U.S. equity analysts each cover a different industry, monitoring a universe of 700 predominantly large and medium-sized U.S. companies.

The following persons are primarily responsible for the day-to-day management and implementation of Morgan's process for the Portfolio (the inception date of each person's responsibility for the Portfolio and his business experience for the past five years is indicated parenthetically): William B. Petersen, Managing Director (since February, 1993, employed by Morgan since prior to 1991 as a portfolio manager of U.S. equity investments) and William M. Riegel, Jr., Vice President (since February, 1993, employed by Morgan since prior to 1991 as a portfolio manager of U.S. equity investments).

As compensation for the services rendered and related expenses borne by Morgan under the Investment Advisory Agreement with the Portfolio, the Portfolio has agreed to pay Morgan a fee, which is computed daily and may be paid monthly, at the annual rate of 0.40% of the Portfolio's average daily net assets.

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Under separate agreements, Morgan also provides certain financial, fund accounting and administrative services to the Fund and the Portfolio and shareholder services to Fund shareholders. See Services Agent below. INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK OR ANY OTHER BANK.

CO-ADMINISTRATOR AND DISTRIBUTOR. Under Co-Administration Agreements with the Trust and the Portfolio, FDI serves as the Co-Administrator for the Trust and the Portfolio and in that capacity FDI (i) provides office space, equipment and clerical personnel for maintaining the organization and books and records of the Trust and the Portfolio; (ii) provides officers for the Trust and the Portfolio; (iii) prepares and files documents required in connection with the Trust's state securities law registrations; (iv) reviews and files Trust marketing and sales literature; (v) files Portfolio regulatory documents and mails Portfolio communications to Trustees and investors; and (vi) maintains related books and records. Under the terms of the Trust's Services Agreement with Morgan, the fees of the Co-Administrator for its services to the Trust are covered by Morgan's expense undertakings described under Services Agent below.

FDI, a registered broker-dealer, also serves as the Distributor of shares of the Fund and exclusive placement agent for the Portfolio. FDI is a wholly owned indirect subsidiary of Boston Institutional Group, Inc. FDI currently provides administration and distribution services for a number of other registered investment companies.

SERVICES AGENT. Under a Services Agreement with the Trust and an Administrative Services Agreement with the Portfolio, Morgan is responsible for certain financial, fund accounting and administrative services provided to the Fund and the Portfolio, respectively, including services related to taxes, financial statements, calculation of performance data, oversight of service providers, certain regulatory and Board of Trustees matters, and providing shareholder services to shareholders of the Fund.

In addition, as provided in the Trust's Services Agreement, Morgan is responsible for the annual costs of certain usual and customary expenses incurred by the Fund (the "expense undertaking"). The expenses covered by the expense undertaking include, but are not limited to, transfer, registrar, and dividend disbursing costs, legal and accounting expenses, fees of the Co-Administrator for services to the Trust, insurance, the compensation and expenses of the Trust's Trustees, the expenses of printing and mailing reports, notices, and proxies to Fund shareholders, and registration fees under federal or state securities laws. The Fund will pay these expenses directly and such amounts will be deducted from the fees to be paid to Morgan under the agreement. If such amounts are more than the amount of Morgan's fees under the agreement,

Morgan will reimburse the Fund for such excess amounts. Under the agreement, the following expenses are not included in the expense undertaking: the services agent fee, organization expenses and extraordinary expenses as defined in this agreement.

The Trust's Services Agreement provides for the Fund to pay Morgan a fee for these services, which is computed daily and may be paid monthly, equal on an annual basis to 0.69% of the Fund's average daily net assets.

As noted above, the fee levels of the Fund are expense undertakings and reflect payments made directly to third parties by the Fund for services rendered, as well as payments to Morgan for services rendered. The Trustees of the Trust regularly review amounts paid to and accounted for by Morgan pursuant to the Services Agreement. See Expenses below.

Under the Portfolio's Administrative Services Agreement and Co-Administration Agreement effective August 1, 1996, the Portfolio has agreed to pay to Morgan and FDI fees equal to the Portfolio's allocable share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of

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the Portfolio and the other portfolios (collectively the "Master Portfolios") in which series of the Trust, The Pierpont Funds or The JPM Institutional Funds invest. This charge is calculated in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets, and 0.04% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

CUSTODIAN. State Street Bank and Trust Company ("State Street"), 225 Franklin Street, Boston, Massachusetts 02101, serves as the Fund's and the Portfolio's Custodian and the Fund's Transfer and Dividend Disbursing Agent. State Street also keeps the books of account for the Fund and the Portfolio.

EXPENSES. In addition to the fees payable to Pierpont Group, Inc., Morgan and FDI under the various agreements discussed under Trustees, Advisor, Co-Administrator and Distributor, and Services Agent above, the Portfolio is responsible for usual and customary expenses associated with its operations. Such expenses include organization expenses, legal fees, accounting expenses, insurance costs, the compensation and expenses of its Trustees, registration fees under federal and foreign securities laws, custodian fees, brokerage expenses and extraordinary expenses applicable to the Portfolio.

In addition to the expenses of the Fund that Morgan assumes under the Trust's Services Agreement, Morgan has agreed that it will reimburse the Fund through at least September 30, 1997 to the extent necessary to maintain the Fund's total operating expenses (which includes expenses of the Fund and the Portfolio) at the annual rate of 1.21% of the Fund's average daily net assets. This limit does not cover extraordinary expenses during the period. There is no assurance that Morgan will continue this waiver beyond the specified period, except as required by the following sentence. Morgan has agreed to waive fees as necessary if in any fiscal year the sum of the Fund's expenses exceeds the limits set by applicable regulations of state securities commissions. Such annual limits are currently 2.5% of the first $30 million of average net assets, 2% of the next $70 million of such net assets and 1.5% of such net assets in excess of $100 million for any fiscal year.

SHAREHOLDER TRANSACTIONS

Investors may request either Morgan or their Eligible Institution, as defined below, for assistance in placing orders to purchase, redeem or exchange shares of the Fund.

Shareholders should address all inquiries to J.P. Morgan Funds Services, Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036 or call (800) JPM-3637.

The business days of the Fund and the Portfolio are the days the New York Stock Exchange is open.

PURCHASE OF SHARES

METHOD OF PURCHASE. Investors may open accounts with the Fund only through the Distributor. All purchase transactions in Fund accounts are processed by Morgan as Services Agent and the Fund is authorized to accept any instructions relating to a Fund account from Morgan as agent for the customer. All purchase orders must be accepted by the Fund's Distributor. Investors must be customers of Morgan or an eligible institution which is a customer of Morgan (an "Eligible Institution"). Investors may also be employer-sponsored retirement plans that have designated the Fund as an investment option for the plans. Prospective investors who are not already customers of Morgan may apply to become customers of Morgan for the sole purpose of Fund transactions. There are no charges associated with becoming a Morgan customer for this purpose. Morgan reserves the right to determine the customers that it will accept, and the Fund reserves the right to determine the purchase orders that it will accept.

The Fund requires a minimum initial investment of $5,000.

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PURCHASE PRICE AND SETTLEMENT. The Fund's shares are sold on a continuous basis without a sales charge at the net asset value per share next determined after receipt of an order. Prospective investors may purchase shares with the assistance of an Eligible Institution that may establish its own terms, conditions and charges.

To purchase shares in the Fund, investors should request their Morgan representative (or a representative of their Eligible Institution) to assist them in placing a purchase order with the Fund's Distributor and to transfer immediately available funds to the Fund's Distributor on the next business day. If the Fund or its agent receives a purchase order prior to 4:00 P.M. New York time on any business day, the purchase of Fund shares is effective and is made at the net asset value determined that day, and the purchaser generally becomes a holder of record on the next business day upon the Fund's receipt of payment. If the Fund receives a purchase order after 4:00 P.M. New York time, the purchase is effective and is made at the net asset value determined on the next business day, and the purchaser becomes a holder of record on the following business day upon the Fund's receipt of payment.

ELIGIBLE INSTITUTIONS. The services provided by Eligible Institutions may include establishing and maintaining shareholder accounts, processing purchase and redemption transactions, arranging for bank wires, performing shareholder subaccounting, answering client inquiries regarding the Trust, assisting clients in changing dividend options, account designations and addresses, providing periodic statements showing the client's account balance and integrating these statements with those of other transactions and balances in the client's other accounts serviced by the Eligible Institution, transmitting proxy statements, periodic reports, updated prospectuses and other communications to shareholders and, with respect to meetings of shareholders, collecting, tabulating and forwarding executed proxies and obtaining such other information and performing such other services as Morgan or the Eligible Institution's clients may reasonably request and agree upon with the Eligible Institution. Eligible Institutions may separately establish their own terms, conditions and charges for providing the aforementioned services and for providing other services.

REDEMPTION OF SHARES

METHOD OF REDEMPTION. To redeem shares in the Fund, an investor may instruct Morgan or his or her Eligible Institution, as appropriate, to submit a redemption request to the Fund. The Fund executes effective redemption requests at the next determined net asset value per share. See Net Asset Value. See Additional Information below for an explanation of the telephone redemption policy of The JPM Advisor Funds.

A redemption request received by the Fund or its agent prior to 4:00 P.M. New York time is effective on that day. A redemption request received after that time becomes effective on the next business day. Proceeds of an effective redemption are generally deposited on the next business day in immediately available funds to the shareholder's account at Morgan or at his or her Eligible Institution or, in the case of certain Morgan customers, are mailed by check or wire trans-

ferred in accordance with the customer's instructions and, subject to Further Redemption Information below, in any event are paid within seven days.

FURTHER REDEMPTION INFORMATION. Investors should be aware that redemptions from the Fund may not be processed if a redemption request is not submitted in proper form. To be in proper form, the Fund must have received the shareholder's taxpayer identification number and address. As discussed under Taxes below, the Fund may be required to impose "back-up" withholding of federal income tax on dividends, distributions and redemption proceeds when noncorporate investors have not provided a certified taxpayer identification number. In addition, if a shareholder sends a check for the purchase of Fund shares and shares are purchased before the check has cleared, the transmittal of redemption proceeds from the shares will occur upon clearance of the check which may take up to 15 days.

The Fund reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for up to seven days and for such other pe-

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riods as the 1940 Act or the Securities and Exchange Commission may permit. See Redemption of Shares in the Statement of Additional Information.

EXCHANGE OF SHARES

An investor may exchange shares from the Fund into any other JPM Advisor Fund, without charge. Shares are exchanged on the basis of relative net asset value per share. Exchanges are in effect redemptions from one fund and purchases of another fund and the usual purchase and redemption procedures and requirements are applicable to exchanges. See Purchase of Shares and Redemption of Shares in this Prospectus and in the prospectuses for the other JPM Advisor Funds. See also Additional Information below for an explanation of the telephone exchange policy of The JPM Advisor Funds.

Shareholders subject to federal income tax who exchange shares in one fund for shares in another fund may recognize capital gain or loss for federal income tax purposes. The Fund reserves the right to discontinue, alter or limit its exchange privilege at any time. For investors in certain states, state securities laws may restrict the availability of the exchange privilege.

DIVIDENDS AND DISTRIBUTIONS

Dividends consisting of substantially all of the Fund's net investment income, if any, are declared and paid twice a year. The Fund may also declare an additional dividend of net investment income in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund.

Substantially all the realized net capital gains, if any, of the Fund are declared and paid on an annual basis, except that an additional capital gains distribution may be made in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund. Declared dividends and distributions are payable to shareholders of record on the record date.

Dividends and capital gains distributions paid for the Fund are automatically reinvested in additional shares of the Fund unless the shareholder has elected to have them paid in cash. Dividends and distributions to be paid in cash are credited to the shareholder's account at Morgan or at his Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions. The Fund reserves the right to discontinue, alter or limit the automatic reinvestment privilege at any time.

NET ASSET VALUE

Net asset value per share for the Fund is determined by subtracting from the value of the Fund's total assets (i.e., the value of its investment in the Portfolio and other assets) the amount of its liabilities and dividing the remainder by the

number of its outstanding shares, rounded to the nearest cent. Expenses, including the fees payable to Morgan, are accrued daily. See Net Asset Value in the Statement of Additional Information for information on valuation of portfolio securities for the Portfolio.

The Fund computes its net asset value once daily at 4:15 P.M. New York time on Monday through Friday, except that the net asset value is not computed for the Fund on the holidays listed under Net Asset Value in the Statement of Additional Information.

ORGANIZATION

The Trust was organized on September 16, 1994 as an unincorporated business trust under Massachusetts law and is an entity commonly known as a "Massachusetts business trust". The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares ($0.001 par value) of one or more series. To date, nine series of shares have been authorized and are available for sale to the public. Only shares of the Fund are offered through this Prospectus. No series of shares has any preference over any other series of shares. See Massachusetts Trust in the Statement of Additional Information.

The Declaration of Trust for the Trust provides that no Trustee, shareholder, officer, employee, or agent of the Fund shall be held to any personal liabili-

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ty, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of the Fund, but that the Trust property only shall be liable.

Shareholders of the Fund are entitled to one vote for each share and to the appropriate fractional vote for each fractional share. There is no cumulative voting. Shares have no preemptive or conversion rights. Shares are fully paid and non- assessable by the Fund. The Trust has adopted a policy of not issuing share certificates. The Trust does not intend to hold meetings of shareholders annually. As of July 26, 1996, Steve J. Serdar as guardian for the estate of Ashley Serdar technically met the definition of a control person of the Fund. The Trustees may call meetings of shareholders for action by shareholder vote as may be required by either the 1940 Act or the Declaration of Trust. The Trustees will call a meeting of shareholders to vote on removal of a Trustee upon the written request of the record holders of ten percent of Trust shares and will assist shareholders in communicating with each other as prescribed in Section 16(c) of the 1940 Act. For further organization information, including certain shareholder rights, see Description of Shares in the Statement of Additional Information.

The Portfolio is organized as a trust under the laws of the State of New York. The Portfolio's Declaration of Trust provides that the Fund and other entities investing in the Portfolio (e.g., other investment companies, insurance company separate accounts and common and commingled trust funds) will each be liable for all obligations of the Portfolio. However, the risk of the Fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance existed and the Portfolio itself was unable to meet its obligations. Accordingly, the Trustees of the Trust believe that neither the Fund nor its shareholders will be adversely affected by reason of the Fund's investing in the Portfolio.

TAXES

The following discussion of tax consequences is based on U.S. federal tax laws in effect on the date of this Prospectus. These laws and regulations are subject to change by legislative or administrative action. Investors are urged to consult their own tax advisors with respect to specific questions as to federal taxes and with respect to the applicability of state or local taxes. See Taxes in the Statement of Additional Information. Annual statements as to the current federal tax status of distributions, if applicable, are mailed to shareholders after the end of the taxable year for the Fund.

The Trust intends to qualify the Fund as a separate regulated investment company under Subchapter M of the Code. For the Fund to qualify as a regulated investment company, the Portfolio, in addition to other requirements, limits its invest

ments so that at the close of each quarter of its taxable year (a) no more than 25% of its total assets are invested in the securities of any one issuer, except U.S. Government securities, and (b) with regard to 50% of its total assets, no more than 5% of its total assets are invested in the securities of a single issuer, except U.S. Government securities. As a regulated investment company, the Fund should not be subject to federal income taxes or federal excise taxes if substantially all of its net investment income and capital gains less any available capital loss carryforwards are distributed to shareholders within allowable time limits. The Portfolio intends to qualify as an association treated as a partnership for federal income tax purposes. As such, the Portfolio should not be subject to tax. The Fund's status as a regulated investment company is dependent on, among other things, the Portfolio's continued qualification as a partnership for federal income tax purposes.

If a correct and certified taxpayer identification number is not on file, the Fund is required, subject to certain exemptions, to withhold 31% of certain payments made or distributions declared to noncorporate shareholders.

Distributions of net investment income and realized net short-term capital gains in excess of net long-term capital losses are taxable as ordinary income

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to shareholders of the Fund whether such distributions are taken in cash or reinvested in additional shares. The Fund expects a portion of the distributions of this type to corporate shareholders of the Fund to be eligible for the dividends-received deduction.

Distributions of net long-term capital gains in excess of net short-term capital losses are taxable to shareholders of the Fund as long-term capital gains regardless of how long a shareholder has held shares in the Fund and regardless of whether taken in cash or reinvested in additional shares. Long-term capital gains distributions to corporate shareholders are not eligible for the dividends-received deduction.

Any distribution of net investment income or capital gains will have the effect of reducing the net asset value of the Fund's shares held by a shareholder by the same amount as the distribution. If the net asset value of the shares is reduced below a shareholder's cost as a result of such a distribution, the distribution, although constituting a return of capital to the shareholder, will be taxable as described above.

Any gain or loss realized on the redemption or exchange of the Fund's shares by a shareholder who is not a dealer in securities will be treated as long-term capital gain or loss if the shares have been held for more than one year, and otherwise as short-term capital gain or loss. However, any loss realized by a shareholder upon the redemption or exchange of shares in the Fund held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received by the shareholder with respect to such shares.

ADDITIONAL INFORMATION

The Fund sends to its shareholders annual and semi-annual reports. The financial statements appearing in annual reports are audited by independent accountants. Shareholders also will be sent confirmations of each purchase and redemption and monthly statements, reflecting all other account activity, including dividends and any distributions reinvested in additional shares or credited as cash.

All shareholders are given the privilege to initiate transactions automatically by telephone upon opening an account. However, an investor should be aware that a transaction authorized by telephone and reasonably believed to be genuine by the Fund, Morgan, his or her Eligible Institution or the Distributor may subject the investor to risk of loss if such instruction is subsequently found not to be genuine. The Fund will employ reasonable procedures, including requiring investors to give their Personal Identification Number and tape recording of telephone instructions, to confirm that instructions communicated from investors by telephone are genuine; if it does not, the Fund, the Services Agent or a shareholder's Eligible Institution may be liable for any losses due to unauthorized or fraudulent instructions.

The Fund may make historical performance information available and may compare its performance to other investments or relevant indexes, including data from Lipper Analytical Services, Inc., Micropal Inc., Morningstar Inc., Ibbotson Associ-

ates, Standard & Poor's 500 Composite Stock Price Index, the Dow Jones Industrial Average, the Frank Russell Indexes and other industry publications.

The Fund may advertise "total return" and non-standardized total return data. The total return shows what an investment in the Fund would have earned over a specified period of time (one, five or ten years or since commencement of operations, if less) assuming that all distributions and dividends by the Fund were reinvested on the reinvestment dates during the period and less all recurring fees. This method of calculating total return is required by regulations of the Securities and Exchange Commission. Total return data similarly calculated, unless otherwise indicated, over other specified periods of time may also be used. See Performance Data in the Statement of Additional Information. All performance figures are based on historical earnings and are not intended to indicate future performance. Shareholders may obtain performance information by calling Morgan at (800) JPM-3637.

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APPENDIX

The Portfolio may (a) purchase exchange traded and (OTC) put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities and (c) purchase put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging purposes. The Portfolio may not use futures contracts and options for speculation.

OPTIONS

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the Portfolio obtains the right (but not the obligation) to sell the instrument underlying the option at a fixed strike price. In return for this right, the Portfolio pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indexes of securities, indexes of securities prices, and futures contracts. The Portfolio may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. The Portfolio may also close out a put option position by entering into an offsetting transaction, if a liquid market exists. If the option is allowed to expire, the Portfolio will lose the entire premium it paid. If the Portfolio exercises a put option on a security, it will sell the instrument underlying the option at the strike price. If the Portfolio exercises an option on an index, settlement is in cash and does not involve the actual sale of securities. If an option is American style, it may be exercised on any day up to its expiration date. A European style option may be exercised only on its expiration date.

The buyer of a typical put option can expect to realize a gain if the price of the underlying instrument falls substantially. However, if the price of the instrument underlying the option does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the instrument underlying the option at the option's strike price. A call buyer typically attempts to participate in potential price increases of the instrument underlying the option with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

OPTIONS ON INDEXES. The Portfolio may purchase put and call options on any securities index based on securities in which the Portfolio may invest. Options on securities indexes are similar to options on securities, except that the exercise of securities index options is settled by cash payment and does not involve the actual purchase or sale of securities. In addition, these options are designed to reflect price fluctuations in a group of securities or segment of the securities market rather than price fluctuations in a single security. The Portfolio, in purchasing index options, is subject to the risk that the value of its portfolio securities may not change as much as an index because the Portfolio's investments generally will not match the composition of an index.

For a number of reasons, a liquid market may not exist and thus the Portfolio may not be able to close out an option position that it has previously entered into. When the Portfolio purchases an OTC option, it will be relying on its counterparty to perform its obligations, and the Portfolio may incur additional losses if the counterparty is unable to perform.

FUTURES CONTRACTS

When the Portfolio purchases a futures contract, it agrees to purchase a specified quantity of an underlying instrument at a specified future date or to make a cash payment based on the value of a securities index. When the Portfolio sells a

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futures contract, it agrees to sell a specified quantity of the underlying instrument at a specified future date or to receive a cash payment based on the value of a securities index. The price at which the purchase and sale will take place is fixed when the Portfolio enters into the contract. Futures can be held until their delivery dates or the position can be (and normally is) closed out before then. There is no assurance, however, that a liquid market will exist when the Portfolio wishes to close out a particular position.

When the Portfolio purchases a futures contract, the value of the futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase the Portfolio's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When the Portfolio sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the value of the underlying instrument. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, when the Portfolio buys or sells a futures contract it will be required to deposit "initial margin" with its Custodian in a segregated account in the name of its futures broker, known as a futures commission merchant (FCM). Initial margin deposits are typically equal to a small percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments equal to the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. The Portfolio may be obligated to make payments of variation margin at a time when it is disadvantageous to do so. Furthermore, it may not always be possible for the Portfolio to close out its futures positions. Until it closes out a futures position, the Portfolio will be obligated to continue to pay variation margin. Initial and variation margin payments do not constitute purchasing on margin for purposes of the Portfolio's investment restrictions. In the event of the bankruptcy of an FCM that holds margin on behalf of the Portfolio, the Portfolio may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Portfolio.

The Portfolio will segregate liquid assets in connection with its use of options and futures contracts to the extent required by the staff of the Securities and Exchange Commission. Securities held in a segregated account cannot be sold while the futures contract or option is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of the Portfolio's assets could impede portfolio management or the Portfolio's ability to meet redemption requests or other current obligations.

For further information about the Portfolio's use of futures and options and a more detailed discussion of associated risks, see Investment Objectives and Policies in the Statement of Additional Information.

THE JPM ADVISOR FUNDS

The JPM Advisor U.S. Fixed Income Fund

The JPM Advisor International Fixed Income Fund

The JPM Advisor U.S. Equity Fund

The JPM Advisor U.S. Small Cap Equity Fund

The JPM Advisor International Equity Fund

The JPM Advisor European Equity Fund

The JPM Advisor Asia Growth Fund

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The JPM Advisor Japan Equity Fund

The JPM Advisor Emerging Markets Equity Fund

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorized by the Trust or the Distributor. This Prospectus does not constitute an offer by the Trust or by the Distributor to sell or a solicitation of any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Trust or the Distributor to make such offer in such jurisdiction.

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The
JPM Advisor
U.S. Equity
Fund

PROSPECTUS

August 26, 1996

PROSPECTUS

The JPM Advisor U.S. Small Cap Equity Fund

60 State Street

Boston, Massachusetts 02109

For information call (800) JPM-3637

The JPM Advisor U.S. Small Cap Equity Fund (the "Fund") seeks to provide a high total return from a portfolio of equity securities of small companies. It is designed for investors who are willing to assume the somewhat higher risk of investing in small companies in order to seek a higher total return over time than might be expected from a portfolio of stocks of large companies.

The Fund is a diversified no-load mutual fund for which there are no sales charges or exchange or redemption fees. The Fund is a series of The JPM Advisor Funds, an open-end management investment company organized as a Massachusetts business trust (the "Trust").

UNLIKE OTHER MUTUAL FUNDS WHICH DIRECTLY ACQUIRE AND MANAGE THEIR OWN PORTFOLIO OF SECURITIES, THE FUND SEEKS TO ACHIEVE ITS INVESTMENT OBJECTIVE BY INVESTING ALL OF ITS INVESTABLE ASSETS IN THE U.S. SMALL COMPANY PORTFOLIO (THE "PORTFOLIO"), A CORRESPONDING DIVERSIFIED OPEN-END MANAGEMENT INVESTMENT COMPANY HAVING THE SAME INVESTMENT OBJECTIVE AS THE FUND. THE FUND INVESTS IN THE PORTFOLIO THROUGH A TWO-TIER MASTER-FEEDER STRUCTURE. SEE SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE ON PAGE 3.

The Portfolio is advised by Morgan Guaranty Trust Company of New York ("Morgan" or the "Advisor").

This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing and it should be retained for future reference. Additional information about the Fund has been filed with the Securities and Exchange Commission in a Statement of Additional Information dated August 26, 1996 (as supplemented from time to time). This in-

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formation is incorporated herein by reference and is available without charge upon written request from the Fund's Distributor, Funds Distributor, Inc. ("FDI"), 60 State Street, Suite 1300, Boston, Massachusetts 02109, Attention: The JPM Advisor Funds, or by calling (800) 221-7930.

INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK 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. AN INVESTMENT IN THE FUND IS SUBJECT TO RISK THAT MAY CAUSE THE VALUE OF THE INVESTMENT TO FLUCTUATE, AND WHEN THE INVESTMENT IS REDEEMED, THE VALUE MAY BE HIGHER OR LOWER THAN THE AMOUNT ORIGINALLY INVESTED BY THE INVESTOR.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS AUGUST 26, 1996

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The JPM Advisor U.S. Small Cap Equity Fund

INVESTORS FOR WHOM THE FUND IS DESIGNED

The Fund is designed for investors who wish to invest in a portfolio of equity securities of small companies. The Fund seeks to achieve its investment objective by investing all of its investable assets in The U.S. Small Company Portfolio, a diversified open-end management investment company having the same investment objective as the Fund. Since the investment characteristics and experience of the Fund will correspond directly with those of the Portfolio, the discussion in this Prospectus focuses on the investments and investment policies of the Portfolio. The net asset value of shares in the Fund fluctuates with changes in the value of the investments in the Portfolio.

The Portfolio may make various types of investments in seeking its objective. Among the permissible investments and investment techniques for the Portfolio are futures contracts, options and forward contracts on foreign currencies. The

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potential risks of investing in these derivative instruments are discussed in Risk Factors and Additional Investment Information and the Appendix. The Portfolio may also purchase certain privately placed securities. In view of the capitalization of the companies in which the Portfolio invests, the risks of investment in the Fund and the volatility of the value of its shares may be greater than the general equity markets. For further information about these investments, see Investment Objective and Policies below.

The Fund requires a minimum initial investment of $5,000. See Purchase of Shares.

This Prospectus describes the investment objective and policies, management and operation of the Fund to enable investors to decide if the Fund suits their needs. The Fund operates in a two-tier master-feeder investment fund structure. The Trustees of the Trust believe that the Fund may achieve economies of scale over time by utilizing this investment structure.

The following table illustrates that investors in the Fund incur no shareholder transaction expenses; their investment in the Fund is subject only to the operating expenses set forth below for the Fund and the Portfolio, as a percentage of average net assets of the Fund. The Trustees of the Trust believe that the aggregate per share expenses of the Fund and the Portfolio will be approximately equal to and may be less than the expenses that the Fund would incur if it retained the services of an investment adviser and invested its assets directly in portfolio securities. Fund and Portfolio expenses are discussed below under the heading Management of the Trust and the Portfolio.

SHAREHOLDER TRANSACTION EXPENSES	
Sales Load Imposed on Purchases	None
Sales Load Imposed on Reinvested Dividends	None
Deferred Sales Load	None
Redemption Fees	None
Exchange Fees	None

EXPENSE TABLE

ANNUAL OPERATING EXPENSES*

Advisory Fees	0.60%
Rule 12b-1 Fees	None
Other Expenses (after expense reimbursement)	0.70%
Total Operating Expenses (after expense reimbursement)	1.30%

----

* These expenses are based on the expenses and average net assets of the Fund and the Portfolio for the period reflected in Financial Highlights below, after any applicable expense reimbursement. Without such reimbursement, Other Expenses and Total Operating Expenses (after application of state expense limitations) would have been equal on an annual basis to 1.90% and 2.50%, respectively, of the average daily net assets of the Fund. See Management of the Trust and the Portfolio.

EXAMPLE

An investor would pay the following expenses on a $1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period:

1 Year	$ 13
3 Years	$ 41
5 Years	$ 71
10 Years	$157

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</TABLE>

The above expense table is designed to assist investors in understanding the various direct and indirect costs and expenses that investors in the Fund bear. The fees and expenses included in Other Expenses are the fees paid to Morgan under the Portfolio's Administrative Services Agreement and the Trust's Services Agreement, the fees paid to Pierpont Group, Inc. under the Portfolio Fund Services Agreement, the fees paid to FDI under the Portfolio's Co-Administration Agreement, organizational expenses, the fees paid to State Street Bank and Trust Company as custodian of the Portfolio, and other usual and customary expenses of the Portfolio. For a more detailed description of contractual fee arrangements, including expense reimbursements, see Management of the Trust and the Portfolio. In connection with the above example, please note that $1,000 is less than the Fund's minimum investment requirement and that there are no redemption or exchange fees of any kind. See Purchase of Shares and Redemption of Shares. THE EXAMPLE IS HYPOTHETICAL; IT IS INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. IT SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE PERFORMANCE; ACTUAL EXPENSES MAY BE MORE OR LESS THAN THOSE SHOWN.

FINANCIAL HIGHLIGHTS

The following selected data for a share outstanding for the indicated period have been audited by independent accountants. The Fund's annual report will include a discussion of those factors, strategies and techniques that materially affected its performance during the period of the report, as well as certain related information. A copy of the Fund's annual report will be made available without charge upon request.

<TABLE>

<S>	<C> FOR THE PERIOD FROM JANUARY 19, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH MAY 31, 1996
Net Asset Value, Beginning of Period....................	$11.32
Income from Investment Operations:	
Net Investment Loss....................................	(0.02)
Net Realized and Unrealized Gain on Investment..........	2.08
Total from Investment Operations........................	2.06
Net Asset Value, End of Period..........................	$13.38
Total Return..	18.20% (a)
Ratios and Supplemental Data:	
Net Assets, End of Period (in thousands)................	$71
Ratios to Average Net Assets:	
Expenses..	1.30% (b)
Net Investment Loss...................................	(0.44%)(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement...	1.20% (b)(c)

</TABLE>

(a)Not annualized.

(b)Annualized.

(c)After consideration of certain state limitations.

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SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE

Unlike other mutual funds which directly acquire and manage their own portfolio of securities, the Fund is an open-end management investment company which seeks to achieve its investment objective by investing all of its investable assets in the Portfolio, a separate registered investment company with the same investment objective as the Fund. The investment objective of the Fund or Portfolio may be changed only with the approval of the holders of the outstanding shares of the Fund and the Portfolio. The master-feeder investment fund structure has been developed relatively recently, so shareholders should carefully consider this investment approach.

In addition to selling a beneficial interest to the Fund, the Portfolio may sell beneficial interests to other mutual funds or institutional investors. Such investors will invest in the Portfolio on the same terms and conditions and will bear a proportionate share of the Portfolio's expenses. However, the other investors investing in the Portfolio may sell shares of their own fund using a different pricing structure than the Fund. Such different pricing structures may result in differences in returns experienced by investors in other funds that invest in the Portfolio. Such differences in returns are not uncommon and are present in other mutual fund structures. Information concerning other holders of interests in the Portfolio is available from Morgan at (800) JPM-3637.

The Trust may withdraw the investment of the Fund from the Portfolio at any time if the Board of Trustees of the Trust determines that it is in the best interests of the Fund to do so. Upon any such withdrawal, the Board of Trustees would consider what action might be taken, including the investment of all the assets of the Fund in another pooled investment entity having the same investment objective and restrictions as the Fund or the retaining of an investment adviser to manage the Fund's assets in accordance with the investment policies described below with respect to the Portfolio.

Certain changes in the Portfolio's investment objective, policies or restrictions, or a failure by the Fund's shareholders to approve a change in the Portfolio's investment objective or restrictions, may require withdrawal of the Fund's interest in the Portfolio. Any such withdrawal could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) from the Portfolio which may or may not be readily marketable. The distribution in kind may result in the Fund having a less diversified portfolio of investments or adversely affect the Fund's liquidity, and the Fund could incur brokerage, tax or other charges in converting the securities to cash. Notwithstanding the above, there are other means for meeting shareholder redemption requests, such as borrowing.

Smaller funds investing in the Portfolio may be materially affected by the actions of larger funds investing in the Portfolio. For example, if a large fund withdraws from the Portfolio, the remaining funds may subsequently experience higher pro rata operating expenses, thereby producing lower returns. Additionally, because the Portfolio would become smaller, it may become less diversified, resulting in potentially increased portfolio risk (however, these possibilities also exist for traditionally structured funds which have large or institutional investors who may withdraw from a fund). Also, funds with a greater pro rata ownership in the Portfolio could have effective voting control of the operations of the Portfolio. Whenever the Fund is requested to vote on matters pertaining to the Portfolio (other than a vote by the Fund to continue the operation of the Portfolio upon the withdrawal of another investor in the Portfolio), the Trust will hold a meeting of shareholders of the Fund and will cast all of its votes proportionately as instructed by the Fund's shareholders. The Trust will vote the shares held by Fund shareholders who do not give voting instructions in the same proportion as the shares of Fund shareholders who do give voting instructions. Shareholders of the Fund who do not vote will have no effect on the outcome of such matters.

For more information about the Portfolio's investment objective, policies and restrictions, see Investment Objective and Policies, Risk Factors and Addi-

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tional Investment Information and Investment Restrictions. For more information about the Portfolio's management and expenses, see Management of the Trust and the Portfolio. For more information about changing the investment objective, policies and restrictions of the Fund or the Portfolio, see Investment Restrictions.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund and the Portfolio is described below, together with the policies they employ in their efforts to achieve this objective. Additional information about the investment policies of the Fund and the Portfolio appears in the Statement of Additional Information under Investment Objectives and Policies. There can be no assurance that the investment objective of the Fund or the Portfolio will be achieved.

The Fund's investment objective is to provide a high total return from a portfolio of equity securities of small companies. Total return will consist of realized and unrealized capital gains and losses plus income. The Fund attempts to achieve its investment objective by investing all of its investable assets in The U.S. Small Company Portfolio, a diversified open-end management investment company having the same investment objective as the Fund. The Portfolio invests primarily in the common stock of small U.S. companies. The small company holdings of the Portfolio are primarily companies included in the Russell 2500 Index.

The Fund is designed for investors who are willing to assume the somewhat higher risk of investing in small companies in order to seek a higher return over time than might be expected from a portfolio of stocks of large companies. The Fund may also serve as an efficient vehicle to diversify an existing portfolio by adding the equities of smaller U.S. companies.

Morgan seeks to enhance the Portfolio's total return relative to that of the U.S. small company universe. To do so, Morgan uses fundamental research, systematic stock valuation and a disciplined portfolio construction process. Morgan continually screens the universe of small capitalization companies to identify for further analysis those companies which exhibit favorable characteristics such as significant and predictable cash flow and high quality management. Based on fundamental research and using a dividend discount model, Morgan ranks these companies within economic sectors according to their relative value. Morgan then selects for purchase the most attractive companies within each economic sector.

Morgan uses a disciplined portfolio construction process to seek to enhance returns and reduce volatility in the market value of the Portfolio relative to that of the U.S. small company universe. Morgan believes that under normal market conditions, the Portfolio will have sector weightings comparable to that of the U.S. small company universe, although it may moderately under- or overweight selected economic sectors. In addition, as a company moves out of the market capitalization range of the small company universe, it generally becomes a candidate for sale by the Portfolio.

The Portfolio intends to manage its investments actively in pursuit of its investment objective. Since the Portfolio has a long-term investment perspective, it does not intend to respond to short-term market fluctuations or to acquire securities for the purpose of short-term trading; however, it may take advantage of short-term trading opportunities that are consistent with its objective. To the extent the Portfolio engages in short-term trading, it may realize short-term capital gains or losses and incur increased transaction costs. See Taxes below. The estimated annual portfolio turnover rate for the Portfolio is generally not expected to exceed 100%.

EQUITY INVESTMENTS. During ordinary market conditions, the Advisor intends to keep the Portfolio essentially fully invested with at least 65% of the Portfolio's net assets invested in equity securities consisting of common stocks and other securities with equity characteristics comprised of preferred stock, warrants, rights, convertible securities, trust certificates, limited partnership interests and equity participations. The Portfolio's primary equity investments are the common stock of small U.S. companies and, to a limited extent, similar securities of foreign corporations. The common stock in which the Portfolio may invest includes the common stock of any class or series or any similar equity interest, such as trust or limited partnership interests. The small company

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holdings of the Portfolio are primarily companies included in the Russell 2500 Index. These equity investments may or may not pay dividends and may or may not carry voting rights. The Portfolio invests in securities listed on domestic or foreign securities exchanges and securities traded in domestic or foreign over-the-counter (OTC) markets, and may invest in certain restricted or unlisted securities.

FOREIGN INVESTMENTS. The Portfolio may invest in equity securities of foreign issuers that are listed on a national securities exchange or denominated or principally traded in U.S. dollars. However, the Portfolio does not expect to invest more than 5% of its assets at the time of purchase in foreign equity securities. For further information on foreign investments and foreign currency exchange transactions, see Risk Factors and Additional Investment Information.

The Portfolio may also invest in securities on a when-issued or delayed delivery basis, enter into repurchase and reverse repurchase agreements, loan its portfolio securities, purchase certain privately placed securities and money market instruments, and enter into certain hedging transactions that may involve options on securities and securities indexes, futures contracts and options on futures contracts. Forward foreign currency exchange contracts, options and futures contracts are derivative instruments. For a discussion of these investments and investment techniques, see Risk Factors and Additional Investment Information.

RISK FACTORS AND ADDITIONAL INVESTMENT INFORMATION

CONVERTIBLE SECURITIES. The convertible securities in which the Portfolio may invest include any debt securities or preferred stock which may be converted into common stock or which carry the right to purchase common stock. Convertible securities entitle the holder to exchange the securities for a specified number of shares of common stock, usually of the same company, at specified prices within a certain period of time.

COMMON STOCK WARRANTS. The Portfolio may invest in common stock warrants that entitle the holder to buy common stock from the issuer of the warrant at a specific price (the strike price) for a specific period of time. The market price of warrants may be substantially lower than the current market price of the underlying common stock, yet warrants are subject to similar price fluctuations. As a result, warrants may be more volatile investments than the underlying common stock.

Warrants generally do not entitle the holder to dividends or voting rights with respect to the underlying common stock and do not represent any rights in the assets of the issuer company. A warrant will expire worthless if it is not exercised on or prior to the expiration date.

WHEN-ISSUED AND DELAYED DELIVERY SECURITIES. The Portfolio may purchase money market instruments on a when-issued or delayed delivery basis. Delivery of and payment for these securities may take as long as a month or more after the date of the purchase commitment. The value of these securities is subject to market fluctuation during this period and for fixed income investments no interest accrues to the Portfolio until settlement. At the time of settlement, a when-issued security may be valued at less than its purchase price. The Portfolio maintains with the Custodian a separate account with a segregated portfolio of securities in an amount at least equal to these commitments. When entering into a when-issued or delayed delivery transaction, the Portfolio will rely on the other party to consummate the transaction; if the other party fails to do so, the Portfolio may be disadvantaged. It is the current policy of the Portfolio not to enter into when-issued commitments exceeding in the aggregate 15% of the market value of the Portfolio's total assets less liabilities other than the obligations created by these commitments.

REPURCHASE AGREEMENTS. The Portfolio may engage in repurchase agreement transactions with brokers, dealers or banks that meet the credit guidelines established by the Portfolio's Trustees. In a repurchase agreement, the Portfolio buys a security from a seller that has agreed to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. The term of these agreements is usually from overnight

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to one week. A repurchase agreement may be viewed as a fully collateralized loan of money by the Portfolio to the seller. The Portfolio always receives securities as collateral with a market value at least equal to the purchase price plus accrued interest and this value is maintained during the term of the agreement. If the seller defaults and the collateral value declines, the Portfolio might incur a loss. If bankruptcy proceedings are commenced with respect to the seller, the Portfolio's realization upon the disposition of collateral may be delayed or limited. Investments in certain repurchase agreements and certain other investments which may be considered illiquid are limited. See Illiquid Investments; Privately Placed and other Unregistered Securities below.

LOANS OF PORTFOLIO SECURITIES. Subject to applicable investment restrictions, the Portfolio is permitted to lend its securities in an amount up to 33 1/3% of the value of the Portfolio's net assets. The Portfolio may lend its securities if such loans are secured continuously by cash or equivalent collateral or by a letter of credit in favor of the Portfolio at least equal at all times to 100% of the market value of the securities loaned, plus accrued interest. While such securities are on loan, the borrower will pay the Portfolio any income accruing thereon. Loans will be subject to termination by the Portfolio in the normal settlement time, generally three business days after notice, or by the borrower on one day's notice. Borrowed securities must be returned when the loan is terminated. Any gain or loss in the market price of the borrowed securities which occurs during the term of the loan inures to the Portfolio and its respective investors. The Portfolio may pay reasonable finders' and custodial fees in connection with a loan. In addition, the Portfolio will consider all facts and

circumstances, including the creditworthiness of the borrowing financial institution, and the Portfolio will not make any loans in excess of one year.

Loans of portfolio securities may be considered extensions of credit by the Portfolio. The risks to the Portfolio with respect to borrowers of its portfolio securities are similar to the risks to the Portfolio with respect to sellers in repurchase agreement transactions. See Repurchase Agreements above. The Portfolio will not lend its securities to any officer, Trustee, Director, employee or other affiliate of the Portfolio, the Advisor or the Distributor, unless otherwise permitted by applicable law.

REVERSE REPURCHASE AGREEMENTS. The Portfolio is permitted to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Portfolio sells a security and agrees to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. For purposes of the Investment Company Act of 1940, as amended (the "1940 Act"), it is considered a form of borrowing by the Portfolio and, therefore, is a form of leverage. Leverage may cause any gains or losses of the Portfolio to be magnified. See Investment Restrictions for investment limitations applicable to reverse repurchase agreements and other borrowings. For more information, see Investment Objectives and Policies in the Statement of Additional Information.

ILLIQUID INVESTMENTS; PRIVATELY PLACED AND OTHER UNREGISTERED SECURITIES. The Portfolio may not acquire any illiquid securities if, as a result thereof, more than 15% of the market value of the Portfolio's net assets would be in illiquid investments. Subject to this non-fundamental policy limitation, the Portfolio may acquire investments that are illiquid or have limited liquidity, such as private placements or investments that are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and cannot be offered for public sale in the United States without first being registered under the 1933 Act. An illiquid investment is any investment that cannot be disposed of within seven days in the normal course of business at approximately the amount at which it is valued by the Portfolio. The price the Portfolio pays for illiquid securities or receives upon resale may be lower than the price paid or received for similar securities with a more liquid market. Accordingly the valuation of these securities will reflect any limitations on their liquidity.

The Portfolio may also purchase Rule 144A securities sold to institutional investors without registration under the 1933 Act. These securities may be determined to be liquid in accordance with guidelines established by the Advisor and approved by the Trustees of the Portfolio. The Trustees will monitor the

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Advisor's implementation of these guidelines on a periodic basis.

FUTURES AND OPTIONS TRANSACTIONS. The Portfolio may (a) purchase exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities, and (c) purchase put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging purposes. The Portfolio may not use futures contracts and options for speculation.

The Portfolio may utilize options and futures contracts to manage its exposure to changing interest rates and/or security prices. Some options and futures strategies, including selling futures contracts and buying puts, tend to hedge the Portfolio's investments against price fluctuations. Other strategies, including buying futures contracts and buying calls, tend to increase market exposure. Options and futures contracts may be combined with each other or with forward contracts in order to adjust the risk and return characteristics of the Portfolio's overall strategy in a manner deemed appropriate to the Advisor and consistent with the Portfolio's objective and policies. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

The use of options and futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Portfolio's return. While the use of these instruments by the Portfolio may reduce certain risks associated with own-ing its portfolio securities, these techniques themselves entail certain other risks. If the Advisor applies a strategy at an

inappropriate time or judges market conditions or trends incorrectly, options and futures strategies may lower the Portfolio's return. Certain strategies limit the Portfolio's possibilities to realize gains as well as limiting its exposure to losses. The Portfolio could also experience losses if the prices of its options and futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid secondary market. In addition, the Portfolio will incur transaction costs, including trading commissions and option premiums, in connection with its futures and options transactions and these transactions could significantly increase the Portfolio's turnover rate.

The Portfolio may purchase put and call options on securities, indexes of securities and futures contracts, or purchase and sell futures contracts, only if such options are written by other persons and if (i) the aggregate premiums paid on all such options which are held at any time do not exceed 20% of the Portfolio's net assets, and (ii) the aggregate margin deposits required on all such futures or options thereon held at any time do not exceed 5% of the Portfolio's total assets. For more detailed information about these transactions, see the Appendix to this Prospectus and Investment Objectives and Policies in the Statement of Additional Information.

FOREIGN INVESTMENT INFORMATION. The Portfolio may invest in certain foreign securities. Investment in securities of foreign issuers involves somewhat different investment risks from those affecting securities of U.S. domestic issuers. There may be limited publicly available information with respect to foreign issuers, and foreign issuers are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to domestic companies. Dividends and interest paid by foreign issuers may be subject to withholding and other foreign taxes which may decrease the net return on foreign investments as compared to dividends and interest paid to the Portfolio by domestic companies.

Investors should realize that the value of the Portfolio's investments in foreign securities may be adversely affected by changes in political or social conditions, diplomatic relations, confiscatory taxation, expropriation, nationalization, limitation on the removal of funds or assets, or imposition of (or change in) exchange control or tax regulations in those foreign countries. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depre-

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ciation of portfolio securities and could favorably or unfavorably affect the Portfolio's operations. Furthermore, the economies of individual foreign nations may differ from the U.S. economy, whether favorably or unfavorably, in areas such as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position; it may also be more difficult to obtain and enforce a judgment against a foreign issuer. Any foreign investments made by the Portfolio must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments.

In addition, while the volume of transactions effected on foreign stock exchanges has increased in recent years, in most cases it remains appreciably below that of domestic security exchanges. Accordingly, the Portfolio's foreign investments may be less liquid and their prices may be more volatile than comparable investments in securities of U.S. companies. Moreover, the settlement periods for foreign securities, which are often longer than those for securities of U.S. issuers, may affect portfolio liquidity. In buying and selling securities on foreign exchanges, purchasers normally pay fixed commissions that are generally higher than the negotiated commissions charged in the United States. In addition, there is generally less government supervision and regulation of securities exchanges, brokers and issuers located in foreign countries than in the United States.

The Portfolio may invest in securities of foreign issuers directly or in the form of American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") or other similar securities of foreign issuers. These securities may not necessarily be denominated in the same currency as the securities they represent. ADRs are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying foreign securities. Certain such institutions issuing ADRs may not be sponsored by the issuer of the underlying foreign securities. A non-sponsored depository may not provide the same shareholder information that a sponsored depository is required to provide under its contractual arrangements with the issuer of the underlying foreign securities. EDRs are receipts issued by a European financial institu-

tion evidencing a similar arrangement. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets, and EDRs, in bearer form, are designed for use in European securities markets.

Since the Portfolio's investments in foreign securities involve foreign currencies, the value of its assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, including currency blockage. See Foreign Currency Exchange Transactions.

FOREIGN CURRENCY EXCHANGE TRANSACTIONS. Because the Portfolio may buy and sell securities and receive interest and dividends in currencies other than the U.S. dollar, the Portfolio may enter from time to time into foreign currency exchange transactions. The Portfolio either enters into these transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market or uses forward contracts to purchase or sell foreign currencies. The cost of the Portfolio's spot currency exchange transactions is generally the difference between the bid and offer spot rate of the currency being purchased or sold.

A forward foreign currency exchange contract is an obligation by the Portfolio to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract. Forward foreign currency exchange contracts establish an exchange rate at a future date. These contracts are derivative instruments, as their value derives from the spot exchange rates of the currencies underlying the contract. These contracts are entered into in the interbank market directly between currency traders (usually large commercial banks) and their customers. A forward foreign currency exchange contract generally has no deposit requirement and is traded at a net price without commission. The Portfolio will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward foreign currency exchange contracts eliminate fluctuations in the prices of the Portfolio's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

The Portfolio may enter into foreign currency exchange transactions in an attempt to protect against changes in foreign currency exchange rates between

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the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Portfolio may also enter into forward contracts to hedge against a change in foreign currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a foreign currency. To do this, the Portfolio would enter into a forward contract to sell the foreign currency in which the investment is denominated or principally traded in exchange for U.S. dollars or in exchange for another foreign currency. The Portfolio will only enter into forward contracts to sell a foreign currency in exchange for another foreign currency if the Advisor expects the foreign currency purchased to appreciate against the U.S. dollar.

Although these transactions are intended to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realized should the value of the hedged currency increase. In addition, forward contracts that convert a foreign currency into another foreign currency will cause the Portfolio to assume the risk of fluctuations in the value of the currency purchased against the hedged currency and the U.S. dollar. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of such securities between the date the forward contract is entered into and the date it matures. The projection of currency market movements is extremely difficult, and the successful execution of a hedging strategy is highly uncertain.

MONEY MARKET INSTRUMENTS. The Portfolio is permitted to invest in money market instruments although it intends to stay invested in equity securities to the extent practical in light of its objective and long-term investment perspective. The Portfolio may invest in money market instruments of domestic or foreign issuers denominated in U.S. dollars. Under normal circumstances the Portfolio will purchase these securities to invest temporary cash balances or to maintain liquidity to meet redemptions. However, the Portfolio may also invest in money market instruments without limitation as a

temporary defensive measure taken in the Advisor's judgment during, or in anticipation of, adverse market conditions. For more detailed information about these money market investments, see Investment Objectives and Policies in the Statement of Additional Information.

INVESTMENT RESTRICTIONS

As a diversified investment company, 75% of the assets of the Portfolio are subject to the following fundamental limitations: (a) the Portfolio may not invest more than 5% of its total assets in the securities of any one issuer, except U.S. government securities, and (b) the Portfolio may not own more than 10% of the outstanding voting securities of any one issuer.

The investment objective of the Fund and the Portfolio, together with the investment restrictions described below and in the Statement of Additional Information, except as noted, are deemed fundamental policies, i.e., they may be changed only with the approval of the holders of a majority of the outstanding voting securities of the Fund and the Portfolio. The Fund has the same investment restrictions as the Portfolio, except that the Fund may invest all of its investable assets in another open-end investment company with the same investment objective and restrictions (such as the Portfolio). References below to the Portfolio's investment restrictions also include the Fund's investment restrictions.

The Portfolio may not (i) borrow money, except from banks for extraordinary or emergency purposes and then only in amounts up to 10% of the value of the Portfolio's total assets, taken at cost at the time of borrowing, or purchase securities while borrowings exceed 5% of its total assets; or mortgage, pledge or hypothecate any assets except in connection with any such borrowings in amounts up to 10% of the value of the Portfolio's net assets at the time of borrowing; (ii) purchase securities or other obligations of issuers conducting their principal business activity in the same industry if its investments in such industry would exceed 25% of the value of the Portfolio's total assets, except this limitation shall not apply to investments in U.S. Government securities; or (iii) purchase securities of any issuer if, as a result of the purchase, more than 5% of the total assets of the Portfolio would be invested in securities of companies with fewer than three years of operating history (including predeces-

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sors).

For a more detailed discussion of the above investment restrictions, as well as a description of certain other investment restrictions, see Investment Restrictions in the Statement of Additional Information.

MANAGEMENT OF THE TRUST AND THE PORTFOLIO

TRUSTEES. Pursuant to the Declaration of Trust for the Trust, the Trustees of the Trust decide upon matters of general policy and review the actions of the Trust's service providers and the performance of the Portfolio's Advisor. Pursuant to the Declaration of Trust for the Portfolio, the Trustees of the Portfolio (who are not the same as the Trustees of the Trust) have the same responsibilities for the Portfolio including overseeing its service providers.

The Portfolio has entered into a Fund Services Agreement with Pierpont Group, Inc. to assist the Trustees of the Portfolio in exercising their overall supervisory responsibilities for the Portfolio's affairs. The fee to be paid by the Portfolio under the agreement approximates the reasonable cost of Pierpont Group, Inc. in providing these services. Pierpont Group, Inc. was organized in 1989 at the request of the Trustees of The Pierpont Family of Funds for the purpose of providing these services at cost to those funds. The principal offices of Pierpont Group, Inc. are located at 461 Fifth Avenue, New York, New York 10017. For more information concerning the Trust's and the Portfolio's Trustees and officers, see Trustees and Officers in the Statement of Additional Information.

ADVISOR. The Fund has not retained the services of an investment adviser because the Fund seeks to achieve its investment objective by investing all of its investable assets in the Portfolio. The Portfolio has retained the services of Morgan

as Investment Advisor. Morgan, with principal offices at 60 Wall Street, New York, New York 10260, is a New York trust company which conducts a general banking and trust business. Morgan is a wholly-owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"), a bank holding company organized under the laws of Delaware. Through offices in New York City and abroad, J.P. Morgan, through the Advisor and other subsidiaries, offers a wide range of services to governmental, institutional, corporate and individual customers and acts as investment adviser to individual and institutional clients with combined assets under management of over $179 billion (of which the Advisor advises over $28 billion). Morgan provides investment advice and portfolio management services to the Portfolio. Subject to the supervision of the Portfolio's Trustees, Morgan makes the Portfolio's day-to-day investment decisions, arranges for the execution of portfolio transactions and generally manages the Portfolio's investments. See Investment Advisor in the Statement of Additional Information.

Morgan uses a sophisticated, disciplined, collaborative process for managing all asset classes. For equity portfolios, this process utilizes fundamental research, systematic stock selection and disciplined portfolio construction. Morgan has invested in equity securities of small U.S. companies on behalf of its clients since the 1960s. The portfolio managers making investments in small U.S. companies work in conjunction with Morgan's domestic equity analysts, as well as capital market, credit and economic research analysts, traders and administrative officers. The U.S. equity analysts each cover a different industry, following both the small and large companies in their respective industries. They currently monitor a universe of over 300 small companies.

The following persons are primarily responsible for the day-to-day management and implementation of Morgan's process for the Portfolio (the inception date of each person's responsibility for the Portfolio and his business experience for the past five years is indicated parenthetically): James B. Otness, Managing Director (since February, 1993, employed by Morgan since prior to 1991 as a portfolio manager of equity securities of small and medium sized U.S. companies) and Michael J. Kelly, Vice President (since May, 1996, employed by Morgan since prior to 1991 as a portfolio manager of small and medium sized U.S. companies and an equity research analyst).

As compensation for the services rendered and related expenses borne by Morgan under the Investment Advisory Agreement with the Portfolio, the Portfolio has

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agreed to pay Morgan a fee, which is computed daily and may be paid monthly, at the annual rate of 0.60% of the Portfolio's average daily net assets.

Under separate agreements, Morgan also provides certain financial, fund accounting and administrative services to the Fund and the Portfolio and shareholder services to Fund shareholders. See Services Agent below. INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK OR ANY OTHER BANK.

CO-ADMINISTRATOR AND DISTRIBUTOR. Under Co-Administration Agreements with the Trust and the Portfolio, FDI serves as the Co-Administrator for the Trust and the Portfolio and in that capacity FDI (i) provides office space, equipment and clerical personnel for maintaining the organization and books and records of the Trust and the Portfolio; (ii) provides officers for the Trust and the Portfolio; (iii) prepares and files documents required in connection with the Trust's state securities law registrations; (iv) reviews and files Trust marketing and sales literature; (v) files Portfolio regulatory documents and mails Portfolio communications to Trustees and investors; and (vi) maintains related books and records. Under the terms of the Trust's Services Agreement with Morgan, the fees of the Co-Administrator for its services to the Trust are covered by Morgan's expense undertakings described under Services Agent below.

FDI, a registered broker-dealer, also serves as the Distributor of shares of the Fund and exclusive placement agent for the Portfolio. FDI is a wholly owned indirect subsidiary of Boston Institutional Group, Inc. FDI currently provides administration and distribution services for a number of other registered investment companies.

SERVICES AGENT. Under a Services Agreement with the Trust and an Administrative Services Agreement with the Portfolio, Morgan is responsible for certain financial, fund accounting and administrative services provided to the Fund and the Portfolio, respectively, including services related to taxes, financial statements, calculation of performance data, oversight of service providers, certain regulatory and Board of Trustees matters, and providing shareholder services to shareholders of the Fund.

In addition, as provided in the Trust's Services Agreement, Morgan is responsible for the annual costs of certain usual and customary expenses incurred by the Fund (the "expense undertaking"). The expenses covered by the expense undertaking include, but are not limited to, transfer, registrar, and dividend disbursing costs, legal and accounting expenses, fees of the Co-Administrator for services to the Trust, insurance, the compensation and expenses of the Trust's Trustees, the expenses of printing and mailing reports, notices, and proxies to Fund shareholders, and registration fees under federal or state securities laws. The Fund will pay these expenses directly and such amounts will be deducted from the fees to be paid to Morgan under the agreement. If such amounts are more than the amount of Morgan's fees under the agreement, Morgan will reimburse the Fund for such excess amounts. Under the agreement, the following expenses are not included in the expense undertaking: the services agent fee, organization expenses and extraordinary expenses as defined in this agreement.

The Trust's Services Agreement provides for the Fund to pay Morgan a fee for these services, which is computed daily and may be paid monthly, equal on an annual basis to 0.69% of the Fund's average daily net assets.

As noted above, the fee levels of the Fund are expense undertakings and reflect payments made directly to third parties by the Fund for services rendered, as well as payments to Morgan for services rendered. The Trustees of the Trust regularly review amounts paid to and accounted for by Morgan pursuant to the Services Agreement. See Expenses below.

Under the Portfolio's Administrative Services Agreement and the Co-Administra-

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tion Agreement effective August 1, 1996, the Portfolio has agreed to pay to Morgan and FDI fees equal to the Portfolio's allocable share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Portfolio and the other portfolios (collectively the "Master Portfolios") in which series of the Trust, The Pierpont Funds or The JPM Institutional Funds invest. This charge is calculated in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets, and 0.04% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

CUSTODIAN. State Street Bank and Trust Company ("State Street"), 225 Franklin Street, Boston, Massachusetts 02101, serves as the Fund's and the Portfolio's Custodian and the Fund's Transfer and Dividend Disbursing Agent. State Street also keeps the books of account for the Fund and the Portfolio.

EXPENSES. In addition to the fees payable to Pierpont Group, Inc., Morgan and FDI under the various agreements discussed under Trustees, Advisor, Co-Administrator and Distributor, and Services Agent above, the Portfolio is responsible for usual and customary expenses associated with its operations. Such expenses include organization expenses, legal fees, accounting expenses, insurance costs, the compensation and expenses of its Trustees, registration fees under federal and foreign securities laws, custodian fees, brokerage expenses and extraordinary expenses applicable to the Portfolio.

In addition to the expenses of the Fund that Morgan assumes under the Trust's Services Agreement, Morgan has agreed that it will reimburse the Fund through at least September 30, 1997 to the extent necessary to maintain the Fund's total operating expenses (which includes expenses of the Fund and the Portfolio) at the annual rate of 1.30% of the Fund's average daily net assets. This limit does not cover extraordinary expenses during the period. There is no assurance that Morgan will continue this waiver beyond the specified period, except as required by the following sentence. Morgan has

agreed to waive fees as necessary if in any fiscal year the sum of the Fund's expenses exceeds the limits set by applicable regulations of state securities commissions. Such annual limits are currently 2.5% of the first $30 million of average net assets, 2% of the next $70 million of such net assets and 1.5% of such net assets in excess of $100 million for any fiscal year.

SHAREHOLDER TRANSACTIONS

Investors may request either Morgan or their Eligible Institution, as defined below, for assistance in placing orders to purchase, redeem or exchange shares of the Fund.

Shareholders should address all inquiries to J.P. Morgan Funds Services, Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036 or call (800) JPM-3637.

The business days of the Fund and the Portfolio are the days the New York Stock Exchange is open.

PURCHASE OF SHARES

METHOD OF PURCHASE. Investors may open accounts with the Fund only through the Distributor. All purchase transactions in Fund accounts are processed by Morgan as Services Agent and the Fund is authorized to accept any instructions relating to a Fund account from Morgan as agent for the customer. All purchase orders must be accepted by the Fund's Distributor. Investors must be customers of Morgan or an eligible institution which is a customer of Morgan (an "Eligible Institution"). Investors may also be employer-sponsored retirement plans that have designated the Fund as an investment option for the plans. Prospective investors who are not already customers of Morgan may apply to become customers of Morgan for the sole purpose of Fund transactions. There are no charges associated with becoming a Morgan customer for this purpose. Morgan reserves the right to determine the customers that it will accept, and the Fund reserves the

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right to determine the purchase orders that it will accept.

The Fund requires a minimum initial investment of $5,000.

PURCHASE PRICE AND SETTLEMENT. The Fund's shares are sold on a continuous basis without a sales charge at the net asset value per share next determined after receipt of an order. Prospective investors may purchase shares with the assistance of an Eligible Institution that may establish its own terms, conditions and charges.

To purchase shares in the Fund, investors should request their Morgan representative (or a representative of their Eligible Institution) to assist them in placing a purchase order with the Fund's Distributor and to transfer immediately available funds to the Fund's Distributor on the next business day. If the Fund receives a purchase order prior to 4:00 P.M. New York time on any business day, the purchase of Fund shares is effective and is made at the net asset value determined that day, and the purchaser generally becomes a holder of record on the next business day upon the Fund's receipt of payment. If the Fund or its agent receives a purchase order after 4:00 P.M. New York time, the purchase is effective and is made at the net asset value determined on the next business day, and the purchaser becomes a holder of record on the following business day upon the Fund's receipt of payment.

ELIGIBLE INSTITUTIONS. The services provided by Eligible Institutions may include establishing and maintaining shareholder accounts, processing purchase and redemption transactions, arranging for bank wires, performing shareholder sub- accounting, answering client inquiries regarding the Trust, assisting clients in changing dividend options, account designations and addresses, providing periodic statements showing the client's account balance and integrating these statements with those of other transactions and balances in the client's other accounts serviced by the Eligible Institution, transmitting proxy statements, periodic reports, updated prospectuses and other communications to shareholders and, with respect to meetings of shareholders, collecting, tabulating and forwarding executed proxies and obtaining such other infor-

mation and performing such other services as Morgan or the Eligible Institution's clients may reasonably request and agree upon with the Eligible Institution. Eligible Institutions may separately establish their own terms, conditions and charges for providing the aforementioned services and for providing other services.

REDEMPTION OF SHARES

METHOD OF REDEMPTION. To redeem shares in the Fund, an investor may instruct Morgan or his or her Eligible Institution, as appropriate, to submit a redemption request to the Fund. The Fund executes effective redemption requests at the next determined net asset value per share. See Net Asset Value. See Additional Information below for an explanation of the telephone redemption policy of The JPM Advisor Funds.

A redemption request received by the Fund or its agent prior to 4:00 P.M. New York time is effective on that day. A redemption request received after that time becomes effective on the next business day. Proceeds of an effective redemption are generally deposited the next business day in immediately available funds to the shareholder's account at Morgan or at his or her Eligible Institution or, in the case of certain Morgan customers, are mailed by check or wire transferred in accordance with the customer's instructions and, subject to Further Redemption Information below, in any event are paid within seven days.

FURTHER REDEMPTION INFORMATION. Investors should be aware that redemptions from the Fund may not be processed if a redemption request is not submitted in proper form. To be in proper form, the Fund must have received the shareholder's taxpayer identification number and address. As discussed under Taxes below, the Fund may be required to impose "back-up" withholding of federal income tax on dividends, distributions and redemption proceeds when noncorporate investors have not provided a certified taxpayer identification number. In addition, if a shareholder sends a check for the purchase of Fund shares and shares are purchased before the check has cleared, the transmittal of redemption proceeds from the shares will occur upon clearance of the check which may

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take up to 15 days.

The Fund reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for up to seven days and for such other periods as the 1940 Act or the Securities and Exchange Commission may permit. See Redemption of Shares in the Statement of Additional Information.

EXCHANGE OF SHARES

An investor may exchange shares from the Fund into any other JPM Advisor Fund without charge. Shares are exchanged on the basis of relative net asset value per share. Exchanges are in effect redemptions from one fund and purchases of another fund and the usual purchase and redemption procedures and requirements are applicable to exchanges. See Purchase of Shares and Redemption of Shares in this Prospectus and in the prospectuses for the other JPM Advisor Funds. See also Additional Information below for an explanation of the telephone exchange policy of The JPM Advisor Funds.

Shareholders subject to federal income tax who exchange shares in one fund for shares in another fund may recognize capital gain or loss for federal income tax purposes. The Fund reserves the right to discontinue, alter or limit its exchange privilege at any time. For investors in certain states, state securities laws may restrict the availability of the exchange privilege.

DIVIDENDS AND DISTRIBUTIONS

Dividends consisting of substantially all of the Fund's net investment income, if any, are declared and paid twice a year. The Fund may also declare an additional dividend of net investment income in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund.

Substantially all the realized net capital gains, if any, of the Fund are declared and paid on an annual basis, except that an additional capital gains distribution may be made in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund. Declared dividends and distributions are payable to shareholders of record on the record date.

Dividends and capital gains distributions paid by the Fund are automatically reinvested in additional shares of the Fund unless the shareholder has elected to have them paid in cash. Dividends and distributions to be paid in cash are credited to the shareholder's account at Morgan or at his Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions. The Fund reserves the right to discontinue, alter or limit the automatic reinvestment privilege at any time.

NET ASSET VALUE

Net asset value per share for the Fund is determined by subtracting from the value of the Fund's total assets (i.e., the value of its investment in the Portfolio and other assets) the amount of its liabilities and dividing the remainder by the number of its outstanding shares, rounded to the nearest cent. Expenses, including the fees payable to Morgan, are accrued daily. See Net Asset Value in the Statement of Additional Information for information on valuation of portfolio securities for the Portfolio.

The Fund computes its net asset value once daily at 4:15 P.M. New York time on Monday through Friday, except that the net asset value is not computed for the Fund on the holidays listed under Net Asset Value in the Statement of Additional Information.

ORGANIZATION

The Trust was organized on September 16, 1994 as an unincorporated business trust under Massachusetts law and is an entity commonly known as a "Massachusetts business trust". The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares ($0.001 par value) of one or more series. To date, nine series of shares, have been authorized and are available for sale to the public. Only shares of the Fund are offered through this Prospectus. No series of shares has any preference over any other series of shares. See Massachusetts Trust in the Statement of Additional Information.

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The Declaration of Trust for the Trust provides that no Trustee, shareholder, officer, employee, or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of the Fund, but that the Trust property only shall be liable.

Shareholders of the Fund are entitled to one vote for each share and to the appropriate fractional vote for each fractional share. There is no cumulative voting. Shares have no preemptive or conversion rights. Shares are fully paid and non- assessable by the Fund. The Trust has adopted a policy of not issuing share certificates. The Trust does not intend to hold meetings of shareholders annually. As of July 26, 1996, John Thayer Sidel technically met the definition of a control person of the Fund. The Trustees may call meetings of shareholders for action by shareholder vote as may be required by either the 1940 Act or the Declaration of Trust. The Trustees will call a meeting of shareholders to vote on removal of a Trustee upon the written request of the record holders of ten percent of Trust shares and will assist shareholders in communicating with each other as prescribed in Section 16(c) of the 1940 Act. For further organization information, including certain shareholder rights, see Description of Shares in the Statement of Additional Information.

The Portfolio is organized as a trust under the laws of the State of New York. The Portfolio's Declaration of Trust provides that the Fund and other entities investing in the Portfolio (e.g., other investment companies, insurance company

separate accounts and common and commingled trust funds) will each be liable for all obligations of the Portfolio. However, the risk of the Fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance existed and the Portfolio itself was unable to meet its obligations. Accordingly, the Trustees of the Trust believe that neither the Fund nor its shareholders will be adversely affected by reason of the Fund's investing in the Portfolio.

TAXES

The following discussion of tax consequences is based on U.S. federal tax laws in effect on the date of this Prospectus. These laws and regulations are subject to change by legislative or administrative action. Investors are urged to consult their own tax advisors with respect to specific questions as to federal taxes and with respect to the applicability of state or local taxes. See Taxes in the Statement of Additional Information. Annual statements as to the current federal tax status of distributions, if applicable, are mailed to shareholders after the end of the taxable year for the Fund.

The Trust intends to qualify the Fund as a separate regulated investment company under Subchapter M of the Code. For the Fund to qualify as a regulated investment company, the Portfolio, in addition to other requirements, limits its investments so that at the close of each quarter of its taxable year (a) no more than 25% of its total assets are invested in the securities of any one issuer, except U.S. Government securities, and (b) with regard to 50% of its total assets, no more than 5% of its total assets are invested in the securities of a single issuer, except U.S. Government securities. As a regulated investment company, the Fund should not be subject to federal income taxes or federal excise taxes if substantially all of its net investment income and capital gains less any available capital loss carryforwards are distributed to shareholders within allowable time limits. The Portfolio intends to qualify as an association treated as a partnership for federal income tax purposes. As such, the Portfolio should not be subject to tax. The Fund's status as a regulated investment company is dependent on, among other things, the Portfolio's continued qualification as a partnership for federal income tax purposes.

If a correct and certified taxpayer identification number is not on file, the Fund is required, subject to certain exemptions, to withhold 31% of certain payments made or distributions declared to noncorporate shareholders.

Distributions of net investment income and realized net short-term capital gains in excess of net long-term capital losses are taxable as ordinary income to shareholders of the Fund whether such distributions are taken in cash or reinvested in additional shares. The Fund expects a portion of the distributions

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of this type to corporate shareholders of the Fund to be eligible for the dividends-received deduction.

Distributions of net long-term capital gains in excess of net short-term capital losses are taxable to shareholders of the Fund as long-term capital gains regardless of how long a shareholder has held shares in the Fund and regardless of whether taken in cash or reinvested in additional shares. Long-term capital gains distributions to corporate shareholders are not eligible for the dividends-received deduction.

Any distribution of net investment income or capital gains will have the effect of reducing the net asset value of the Fund's shares held by a shareholder by the same amount as the distribution. If the net asset value of the shares is reduced below a shareholder's cost as a result of such a distribution, the distribution, although constituting a return of capital to the shareholder, will be taxable as described above.

Any gain or loss realized on the redemption or exchange of the Fund's shares by a shareholder who is not a dealer in securities will be treated as long-term capital gain or loss if the shares have been held for more than one year, and otherwise as short-term capital gain or loss. However, any loss realized by a shareholder upon the redemption or ex-

change of shares in the Fund held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received by the shareholder with respect to such shares.

ADDITIONAL INFORMATION

The Fund sends to its shareholders annual and semi-annual reports. The financial statements appearing in annual reports are audited by independent accountants. Shareholders also will be sent confirmations of each purchase and redemption and monthly statements, reflecting all other account activity, including dividends and any distributions reinvested in additional shares or credited as cash.

All shareholders are given the privilege to initiate transactions automatically by telephone upon opening an account. However, an investor should be aware that a transaction authorized by telephone and reasonably believed to be genuine by the Fund, Morgan, his or her Eligible Institution or the Distributor may subject the investor to risk of loss if such instruction is subsequently found not to be genuine. The Fund will employ reasonable procedures, including requiring investors to give their Personal Identification Number and tape recording of telephone instructions, to confirm that instructions communicated from investors by telephone are genuine; if it does not, the Fund, the Services Agent or a shareholder's Eligible Institution may be liable for any losses due to unauthorized or fraudulent instructions.

The Fund may make historical performance information available and may compare its performance to other investments or relevant indexes, including data from Lipper Analytical Services, Inc., Micropal Inc., Morningstar Inc., Ibbotson Associates, Standard & Poor's 500 Composite Stock Price Index, the Dow Jones Industrial Average, the Frank Russell Indexes and other industry publications.

The Fund may advertise "total return" and non-standardized total return data. The total return shows what an investment in the Fund would have earned over a specified period of time (one, five or ten years or since commencement of operations, if less) assuming that all distributions and dividends by the Fund were reinvested on the reinvestment dates during the period and less all recurring fees. This method of calculating total return is required by regulations of the Securities and Exchange Commission. Total return data similarly calculated, unless otherwise indicated, over other specified periods of time may also be used. See Performance Data in the Statement of Additional Information. All performance figures are based on historical earnings and are not intended to indicate future performance. Shareholders may obtain performance information by calling Morgan at (800) JPM-3637.

APPENDIX

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The Portfolio may (a) purchase exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities and (c) purchase put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging purposes. The Portfolio may not use futures contracts and options for speculation.

OPTIONS

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the Portfolio obtains the right (but not the obligation) to sell the instrument underlying the option at a fixed strike price. In return for this right, the Portfolio pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indexes of securities, indexes of securities prices, and futures contracts. The Portfolio may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. The Portfolio may also close out a put option position by entering into an offsetting transaction, if a liquid market exists. If the option is allowed to expire, the Portfolio will lose the entire premium it paid. If the Portfolio exercises a put option on a security, it will sell the instrument underlying the option at the strike price. If the Portfolio exercises an option on an index, settlement is in cash and does not involve the actual sale of securities. If an option is American style, it may be exercised on any day up to its expiration date. A European style option may be exercised only on its expiration date.

The buyer of a typical put option can expect to realize a gain if the price of the underlying instrument falls substantially. However, if the price of the instrument underlying the option does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the instrument underlying the option at the option's strike price. A call buyer typically attempts to participate in potential price increases of the instrument underlying the option with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

OPTIONS ON INDEXES. The Portfolio may purchase put and call options on any securities index based on securities in which the Portfolio may invest. Options on securities indexes are similar to options on securities, except that the exercise of securities index options is settled by cash payment and does not involve the actual purchase or sale of securities. In addition, these options are designed to reflect price fluctuations in a group of securities or segment of the securities market rather than price fluctuations in a single security. The Portfolio, in purchasing index options, is subject to the risk that the value of its portfolio securities may not change as much as an index because the Portfolio's investments generally will not match the composition of an index.

For a number of reasons, a liquid market may not exist and thus the Portfolio may not be able to close out an option position that it has previously entered into. When the Portfolio purchases an OTC option, it will be relying on its counterparty to perform its obligations, and the Portfolio may incur additional losses if the counterparty is unable to perform.

FUTURES CONTRACTS

When the Portfolio purchases a futures contract, it agrees to purchase a specified quantity of an underlying instrument at a specified future date or to make a cash payment based on the value of a securities index. When the Portfolio sells a futures contract, it agrees to sell a specified quantity of the underlying instrument at a specified future date or to receive a

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cash payment based on the value of a securities index. The price at which the purchase and sale will take place is fixed when the Portfolio enters into the contract. Futures can be held until their delivery dates or the position can be (and normally is) closed out before then. There is no assurance, however, that a liquid market will exist when the Portfolio wishes to close out a particular position.

When the Portfolio purchases a futures contract, the value of the futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase the Portfolio's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When the Portfolio sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the value of the underlying instrument. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, when the Portfolio buys or sells a futures contract it will be required to deposit "initial margin" with its Custodian in a segregated account in the name of its futures broker, known as a futures commission merchant (FCM). Initial margin deposits are typically equal to a small percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments equal to the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. The Portfolio may be obligated to make payments of variation margin at a time when it is disadvantageous to do so. Furthermore, it may not always be possible for the Portfolio to close out its futures positions. Until it closes out a futures position, the Portfolio will be obligated to continue to pay variation margin. Initial and variation margin payments do not constitute purchasing on margin for purposes of the Portfolio's investment restrictions. In the event of the bankruptcy of an FCM that holds margin on behalf of the Portfolio, the Portfolio may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Portfolio.

The Portfolio will segregate liquid assets in connection with its use of options and futures contracts to the extent required by the staff of the Securities and Exchange Commission. Securities held in a segregated account cannot be sold while the futures contract or option is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of the Portfolio's assets could impede portfolio management or the Portfolio's ability to meet redemption requests or other current obligations.

For further information about the Portfolio's use of futures and options and a more detailed discussion of associated risks, see Investment Objectives and Policies in the Statement of Additional Information.

THE JPM ADVISOR FUNDS

The JPM Advisor U.S. Fixed Income Fund

The JPM Advisor International Fixed Income Fund

The JPM Advisor U.S. Equity Fund

The JPM Advisor U.S. Small Cap Equity Fund

The JPM Advisor International Equity Fund

The JPM Advisor European Equity Fund

The JPM Advisor Asia Growth Fund

The JPM Advisor Japan Equity Fund

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The JPM Advisor Emerging Markets Equity Fund

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorized by the Trust or the Distributor. This Prospectus does not constitute an offer by the Trust or by the Distributor to sell or a solicitation of any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Trust or the Distributor to make such offer in such jurisdiction.

ADVPROS404--968

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The JPM Advisor U.S. Small Cap Equity Fund

PROSPECTUS

August 26, 1996

PROSPECTUS

The JPM Advisor European Equity Fund

60 State Street

Boston, Massachusetts 02109

For information call (800) JPM-3637

The JPM Advisor European Equity Fund (the "Fund") seeks to provide a high total return from a portfolio of equity securities of European companies. The Fund is designed for investors who want an actively managed portfolio of European equity securities that seeks to outperform the Morgan Stanley Capital International Europe Index which is comprised of more than 500 companies in fourteen European countries.

The Fund is a diversified no-load mutual fund for which there are no sales charges or exchange or redemption fees. The Fund is a series of The JPM Advisor Funds, an open-end management investment company organized as a Massachusetts business trust (the "Trust").

UNLIKE OTHER MUTUAL FUNDS WHICH DIRECTLY ACQUIRE AND MANAGE THEIR OWN PORTFOLIO OF SECURITIES, THE FUND SEEKS TO ACHIEVE ITS INVESTMENT OBJECTIVE BY INVESTING ALL OF ITS INVESTABLE ASSETS IN THE EUROPEAN EQUITY PORTFOLIO (THE "PORTFOLIO"), A CORRESPONDING DIVERSIFIED OPEN-END MANAGEMENT INVESTMENT COMPANY HAVING THE SAME INVESTMENT OBJECTIVE AS THE FUND. THE FUND INVESTS IN THE PORTFOLIO THROUGH A TWO-TIER MASTER-FEEDER STRUCTURE. SEE SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE ON PAGE 3.

The Portfolio is advised by Morgan Guaranty Trust Company of New York ("Morgan" or the "Advisor").

This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing and it should be retained for future reference. Additional information about the Fund has been filed with the Securities and Exchange Commission in a Statement of Additional Information dated August 26, 1996 (as supplemented from time to time). This information is incorporated herein by reference and is available without charge upon written

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request from the Fund's Distributor, Funds Distributor, Inc. ("FDI"), 60 State Street, Suite 1300, Boston, Massachusetts 02109, Attention: The JPM Advisor Funds, or by calling (800) 221-7930.

INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK 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. AN INVESTMENT IN THE FUND IS SUBJECT TO RISK THAT MAY CAUSE THE VALUE OF THE INVESTMENT TO FLUCTUATE, AND WHEN THE INVESTMENT IS REDEEMED, THE VALUE MAY BE HIGHER OR LOWER THAN THE AMOUNT ORIGINALLY INVESTED BY THE INVESTOR.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS AUGUST 26, 1996.

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The JPM Advisor European Equity Fund

INVESTORS FOR WHOM THE FUND IS DESIGNED

The Fund is designed for investors who want an actively managed portfolio of European equity securities. The Fund seeks to achieve its investment objective by investing all of its investable assets in The European Equity Portfolio, a diversified open-end management investment company having the same investment objective as the Fund. Since the investment characteristics and experience of the Fund will correspond directly with those of the Portfolio, the discussion in this Prospectus focuses on the investments and investment policies of the Portfolio. The net asset value of shares in the Fund fluctuates with changes in the value of the investments in the Portfolio.

The Portfolio may make various types of investments in seeking its objective. Among the permissible investments and investment techniques for the Portfolio are futures contracts, options and forward contracts on foreign currencies. The potential risks of investing in these derivative instruments are discussed in

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Risk Factors and Additional Investment Information and the Appendix. The Portfolio may also purchase certain privately placed securities. The Portfolio's investments in securities of foreign issuers, including issuers in emerging European markets, involve foreign investment risks and may be more volatile and less liquid than domestic securities. For further information about these investments, see Investment Objective and Policies below.

The Fund requires a minimum initial investment of $5,000. See Purchase of Shares.

This Prospectus describes the investment objective and policies, management and operation of the Fund to enable investors to decide if the Fund suits their needs. The Fund operates in a two-tier master-feeder investment fund structure. The Trustees of the Trust believe that the Fund may achieve economies of scale over time by utilizing this investment structure.

The following table illustrates that investors in the Fund incur no shareholder transaction expenses; their investment in the Fund is subject only to the operating expenses set forth below for the Fund and the Portfolio, as a percentage of average net assets of the Fund. The Trustees of the Trust believe that the aggregate per share expenses of the Fund and the Portfolio will be approximately equal to and may be less than the expenses that the Fund would incur if it retained the services of an investment adviser and invested its assets directly in portfolio securities. Fund and Portfolio expenses are discussed below under the headings Management of the Trust and the Portfolio--Expenses.

SHAREHOLDER TRANSACTION EXPENSES	
Sales Load Imposed on Purchases	None
Sales Load Imposed on Reinvested Dividends	None
Deferred Sales Load	None
Redemption Fees	None
Exchange Fees	None

EXPENSE TABLE

ANNUAL OPERATING EXPENSES*

Advisory Fees	0.65%
Rule 12b-1 Fees	None
Other Expenses (after expense reimbursement)	1.05%
Total Operating Expenses (after expense reimbursement)	1.70%

----

* These expenses are based on the expenses and average net assets of the Fund and the Portfolio for the period reflected in Financial Highlights below, after any applicable expense reimbursement. Without such reimbursement, Other Expenses and Total Operating Expenses (after application of state expense limitations) would have been equal on an annual basis to 1.85% and 2.50%, respectively, of the average daily net assets of the Fund. See Management of the Trust and the Portfolio.

EXAMPLE

An investor would pay the following expenses on a $1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period:

1 Year	$ 17
3 Years	$ 54
5 Years	$ 92
10 Years	$201

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The above expense table is designed to assist investors in understanding the various direct and indirect costs and expenses that investors in the Fund bear. The fees and expenses included in Other Expenses are the fees paid to Morgan under the Portfolio's Administrative Services Agreement and the Trust's Services Agreement, the fees paid to Pierpont Group, Inc. under the Portfolio Fund Services Agreement, the fees paid to FDI under the Portfolio's Co-Administration Agreement, organizational expenses, the fees paid to State Street Bank and Trust Company as custodian of the Portfolio, and other usual and customary expenses of the Portfolio. For a more detailed description of contractual fee arrangements, including expense reimbursements, see Management of the Trust and the Portfolio. In connection with the above example, please note that $1,000 is less than the Fund's minimum investment requirement and that there are no redemption or exchange fees of any kind. See Purchase of Shares and Redemption of Shares. THE EXAMPLE IS HYPOTHETICAL; IT IS INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. IT SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE PERFORMANCE; ACTUAL EXPENSES MAY BE MORE OR LESS THAN THOSE SHOWN.

FINANCIAL HIGHLIGHTS

The following selected data for a share outstanding are unaudited. The Fund's semi-annual financial statements are part of the Statement of Additional Information and are incorporated herein. The financial statements and subsequent semi- annual reports are available without charge upon request. Future reports will include a discussion of those factors, strategies and techniques that materially affected the Fund's performance during the period of the report, as well as certain related information.

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	For the Period January 5, 1996 (commencement of operations) through June 30, 1996 (unaudited)
<S>	<C>
Net Asset Value, Beginning of Period	$11.35
Income From Investment Operations:	
Net Investment Income	0.08
Net Realized and Unrealized Gain on Investment and Foreign Currency	0.69
Total from Investment Operations	0.77
Net Asset Value, End of Period	$12.12
Total Return	6.78%(a)
Ratios and Supplemental Data:	
Net Assets, End of Period (in thousands)	$ 590
Ratios to Average Net Assets:	
Expenses	1.70%(b)
Net Investment Income	1.55%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement	.80%(b)(c)

</TABLE>

(a) Not Annualized.

(b) Annualized.

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(c) After consideration of certain state limitations.

SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE

Unlike other mutual funds which directly acquire and manage their own portfolio of securities, the Fund is an open-end management investment company which seeks to achieve its investment objective by investing all of its investable assets in the Portfolio, a separate registered investment company with the same investment objective as the Fund. The investment objective of the Fund or Portfolio may be changed only with the approval of the holders of the outstanding shares of the Fund and the Portfolio. The master-feeder investment fund structure has been developed relatively recently, so shareholders should carefully consider this investment approach.

In addition to selling a beneficial interest to the Fund, the Portfolio may sell beneficial interests to other mutual funds or institutional investors. Such investors will invest in the Portfolio on the same terms and conditions and will bear a proportionate share of the Portfolio's expenses. However, the other investors investing in the Portfolio may sell shares of their own fund using a different pricing structure than the Fund. Such different pricing structures may result in differences in returns experienced by investors in other funds that invest in the Portfolio. Such differences in returns are not uncommon and are present in other mutual fund structures. Information concerning other holders of interests in the Portfolio is available from Morgan at (800) JPM-3637.

The Trust may withdraw the investment of the Fund from the Portfolio at any time if the Board of Trustees of the Trust determines that it is in the best interests of the Fund to do so. Upon any such withdrawal, the Board of Trustees would consider what action might be taken, including the investment of all the assets of the Fund in another pooled investment entity having the same investment objective and restrictions as the Fund or the retaining of an investment adviser to manage the Fund's assets in accordance with the investment policies described below with respect to the Portfolio.

Certain changes in the Portfolio's investment objective, policies or restrictions, or a failure by the Fund's shareholders to approve a change in the Portfolio's investment objective or restrictions, may require withdrawal of the Fund's interest in the Portfolio. Any such withdrawal could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) from the Portfolio which may or may not be readily marketable. The distribution in kind may result in the Fund having a less diversified portfolio of investments or adversely affect the Fund's liquidity, and the Fund could incur brokerage, tax or other charges in converting the securities to cash. Notwithstanding the above, there are other means for meeting shareholder redemption requests, such as borrowing.

Smaller funds investing in the Portfolio may be materially affected by the actions of larger funds investing in the Portfolio. For example, if a large fund withdraws from the Portfolio, the remaining funds may subsequently experience higher pro rata operating expenses, thereby producing lower returns. Additionally, because the Portfolio would become smaller, it may become less diversified, resulting in potentially increased portfolio risk (however, these possibilities also exist for traditionally structured funds which have large or institutional investors who may withdraw from a fund). Also, funds with a greater pro rata ownership in the Portfolio could have effective voting control of the operations of the Portfolio. Whenever the Fund is requested to vote on matters pertaining to the Portfolio (other than a vote by the Fund to continue the operation of the Portfolio upon the withdrawal of another investor in the Portfolio), the Trust will hold a meeting of shareholders of the Fund and will cast all of its votes proportionately as instructed by the Fund's shareholders. The Trust will vote the shares held by Fund shareholders who do not give voting instructions in the same proportion as the shares of Fund shareholders who do give voting instructions. Shareholders of the Fund who do not vote will have no effect on the outcome of such matters.

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For more information about the Portfolio's investment objective, policies and restrictions, see Investment Objective and Policies, Risk Factors and Additional Investment Information and Investment Restrictions. For more information about the Portfolio's management and expenses, see Management of the Trust and the Portfolio. For more information about changing the investment objective, policies and restrictions of the Fund or the Portfolio, see Investment Restrictions.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund and the Portfolio is described below, together with the policies they employ in their efforts to achieve this objective. Additional information about the investment policies of the Fund and the Portfolio appears in the Statement of Additional Information under Investment Objectives and Policies. There can be no assurance that the investment objective of the Fund or the Portfolio will be achieved.

The Fund's investment objective is to provide a high total return from a portfolio of equity securities of European companies. Total return will consist of realized and unrealized capital gains and losses plus income. The Fund attempts to achieve its investment objective by investing all of its investable assets in The European Equity Portfolio, a diversified open-end management investment company having the same investment objective as the Fund.

The Fund is designed for investors who want an actively managed portfolio of European equity securities that seeks to outperform the Morgan Stanley Capital International Europe Index which is comprised of more than 500 companies in fourteen European countries. THE FUND DOES NOT REPRESENT A COMPLETE INVESTMENT PROGRAM NOR IS THE FUND SUITABLE FOR ALL INVESTORS.

The Portfolio seeks to achieve its investment objective through country allocation and stock valuation and selection. Based on fundamental research, quantitative valuation techniques, and experienced judgment, Morgan uses a structured decision-making process to allocate the Portfolio across European countries, consisting of Austria, Belgium, Denmark, Germany, Finland, France, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom.

A European company is one that: (i) has its principal securities trading market in a European country; or (ii) is organized under the laws of a European country; or (iii) derives 50% or more of its total revenue and/or profits from either goods produced, sales made or services performed in European countries; or (iv) has at least 50% of its assets located in European countries.

Using a dividend discount model and based on analysts' industry expertise, companies in each country are ranked within industrial sectors according to their relative value. Based on this valuation, Morgan selects the companies which appear the most attractive for the Portfolio. Morgan believes that under normal market conditions, industrial sector weightings generally will be similar to those of the Morgan Stanley Capital International Europe Index.

The Portfolio's investments are primarily denominated in foreign currencies but it may also invest in securities denominated in the U.S. dollar or multinational currency units such as the ECU. The Advisor will not routinely attempt to hedge the Portfolio's foreign currency exposure. However, the Advisor may from time to time engage in foreign currency exchange transactions if, based on fundamental research, technical factors, and the judgment of experienced currency managers, it believes the transactions would be in the Portfolio's best interest. For further information on foreign currency exchange transactions, see Risk Factors and Additional Investment Information.

The Portfolio intends to manage its portfolio actively in pursuit of its investment objective. The Portfolio does not intend to respond to short-term market fluctuations or to acquire securities for the purpose of short-term trading; however, it may take advantage of short-term trading opportunities that are consistent with its objective. To the extent the Portfolio engages in short-term trading, it may realize short-term capital gains or losses and incur increased transaction costs. See Taxes below. The estimated annual portfolio turnover rate for the Portfolio is generally not expected to exceed 100%.

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EQUITY INVESTMENTS. In normal circumstances, the Advisor intends to keep the Portfolio essentially fully invested with at least 65% of the value of its total assets in equity securities of European companies consisting of common stocks and other securities with equity characteristics comprised of preferred stock, warrants, rights, convertible securities, trust certificates, limited partnership interests and equity participations. The Portfolio's primary equity investments are the common stock of companies based in the developed countries of Europe. Such investments will be made in at least three European countries. The common stock in which the Portfolio may invest includes the common stock of any class or series or any similar equity interest, such as trust or limited partnership interests. These equity investments may or may not pay dividends and may or may not carry voting rights. In addition to its equity investments in European companies, the Portfolio may invest up to 5% of its assets in equity securities of issuers in emerging European markets such as Eastern European countries and Turkey. See Risk Factors and Additional Investment Information. The Portfolio invests in securities listed on foreign or domestic securities exchanges and securities traded in foreign or domestic over-the-counter (OTC) markets, and may invest in certain restricted or unlisted securities.

The Portfolio may also invest in money market instruments and bonds denominated in U.S. dollars and other currencies, purchase securities on a when-issued or delayed delivery basis, enter into repurchase and reverse repurchase agreements, loan its portfolio securities, purchase certain privately placed securities and enter into forward foreign currency exchange contracts. In addition, the Portfolio may use options on securities and indexes of securities, futures contracts and options on futures contracts for hedging and risk management purposes. Forward foreign currency exchange contracts, options

and futures contracts are derivative instruments. For a discussion of these investments and investment techniques, see Risk Factors and Additional Investment Information.

RISK FACTORS AND ADDITIONAL INVESTMENT INFORMATION

FOREIGN INVESTMENT INFORMATION. The Portfolio invests primarily in foreign securities. Investment in securities of foreign issuers involves somewhat different investment risks from those affecting securities of U.S. domestic issuers. There may be limited publicly available information with respect to foreign issuers, and foreign issuers are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to domestic companies. Dividends and interest paid by foreign issuers may be subject to withholding and other foreign taxes which may decrease the net return on foreign investments as compared to dividends and interest paid to the Portfolio by domestic companies.

Investors should realize that the value of the Portfolio's investments in foreign securities may be adversely affected by changes in political or social conditions, diplomatic relations, confiscatory taxation, expropriation, nationalization, limitation on the removal of funds or assets, or imposition of (or change in) exchange control or tax regulations in those foreign countries. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depreciation of portfolio securities and could favorably or unfavorably affect the Portfolio's operations. Furthermore, the economies of individual foreign nations may differ from the U.S. economy, whether favorably or unfavorably, in areas such as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position; it may also be more difficult to obtain and enforce a judgment against a foreign issuer. Any foreign investments made by the Portfolio must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments.

In addition, while the volume of transactions effected on foreign stock exchanges has increased in recent years, in most cases it remains appreciably below that of domestic security exchanges. Accordingly, the Portfolio's foreign investments may be less liquid and their prices may be more volatile than comparable investments in securities of U.S. companies. Moreover, the settlement periods for foreign securities, which are often longer than those for securities of U.S. issuers, may affect portfolio liquidity. In buying and selling securities on foreign exchanges, purchasers normally pay fixed commissions that are generally higher than the negotiated commissions charged in the United States. In addition, there is generally less government supervision and

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regulation of securities exchanges, brokers and issuers located in foreign countries than in the United States.

Although the Portfolio invests primarily in securities of established issuers in developed European countries, it may also invest in equity securities of companies in European emerging market countries. Investments in securities of issuers in European emerging market countries may involve a high degree of risk and many may be considered speculative. These investments carry all of the risks of investing in securities of foreign issuers outlined in this section to a heightened degree. These heightened risks include (i) greater risks of expropriation, confiscatory taxation, nationalization, and less social, political and economic stability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or nonexistent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict the Portfolio's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

The Portfolio may invest in securities of foreign issuers directly or in the form of American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") or other similar securities of foreign issuers. These securities may

not necessarily be denominated in the same currency as the securities they represent. ADRs are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying foreign securities. Certain such institutions issuing ADRs may not be sponsored by the issuer of the underlying foreign securities. A non-sponsored depository may not provide the same shareholder information that a sponsored depository is required to provide under its contractual arrangements with the issuer of the underlying foreign securities. EDRs are receipts issued by a European financial institution evidencing a similar arrangement. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets, and EDRs, in bearer form, are designed for use in European securities markets.

Since the Portfolio's investments in foreign securities involve foreign currencies, the value of its assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, including currency blockage. See Foreign Currency Exchange Transactions.

FOREIGN CURRENCY EXCHANGE TRANSACTIONS. Because the Portfolio buys and sells securities and receives interest and dividends in currencies other than the U.S. dollar, the Portfolio may enter from time to time into foreign currency exchange transactions. The Portfolio either enters into these transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market or uses forward contracts to purchase or sell foreign currencies. The cost of the Portfolio's spot currency exchange transactions is generally the difference between the bid and offer spot rate of the currency being purchased or sold.

A forward foreign currency exchange contract is an obligation by the Portfolio to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract. Forward foreign currency exchange contracts establish an exchange rate at a future date. These contracts are derivative instruments, as their value derives from the spot exchange rates of the currencies underlying under the contract. These contracts are entered into in the interbank market directly between currency traders (usually large commercial banks) and their customers. A forward foreign currency exchange contract generally has no deposit requirement and is traded at a net price without commission. The Portfolio will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward foreign currency exchange contracts eliminate fluctuations in the prices of the Portfolio's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

The Portfolio may enter into foreign currency exchange transactions in an attempt to protect against changes in foreign currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Portfolio may also enter into forward contracts to hedge against a change in foreign currency exchange rates that would

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cause a decline in the value of existing investments denominated or principally traded in a foreign currency. To do this, the Portfolio would enter into a forward contract to sell the foreign currency in which the investment is denominated or principally traded in exchange for U.S. dollars or in exchange for another foreign currency. The Portfolio will only enter into forward contracts to sell a foreign currency in exchange for another foreign currency if the Advisor expects the foreign currency purchased to appreciate against the U.S. dollar.

Although these transactions are intended to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realized should the value of the hedged currency increase. In addition, forward contracts that convert a foreign currency into another foreign currency will cause the Portfolio to assume the risk of fluctuations in the value of the currency purchased against the hedged currency and the U.S. dollar. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of such securities between the date the forward contract is entered into and the date it matures. The projection of currency market movements is extremely difficult, and the successful execution of a hedging strategy is highly uncertain.

CONVERTIBLE SECURITIES. The convertible securities in which the Portfolio may invest include any debt securities or preferred stock which may be converted into common stock or which carry the right to purchase common stock. Convertible securities entitle the holder to exchange the securities for a specified number of shares of common stock, usually of the same company, at specified prices within a certain period of time.

COMMON STOCK WARRANTS. The Portfolio may invest in common stock warrants that entitle the holder to buy common stock from the issuer of the warrant at a specific price (the strike price) for a specific period of time. The market price of warrants may be substantially lower than the current market price of the underlying common stock, yet warrants are subject to similar price fluctuations. As a result, warrants may be more volatile investments than the underlying common stock.

Warrants generally do not entitle the holder to dividends or voting rights with respect to the underlying common stock and do not represent any rights in the assets of the issuer company. A warrant will expire worthless if it is not exercised on or prior to the expiration date.

WHEN-ISSUED AND DELAYED DELIVERY SECURITIES. The Portfolio may purchase money market instruments on a when- issued or delayed delivery basis. Delivery of and payment for these securities may take as long as a month or more after the date of the purchase commitment. The value of these securities is subject to market fluctuation during this period and no income accrues to the Portfolio until settlement. At the time of settlement, a when-issued security may be valued at less than its purchase price. The Portfolio maintains with the Custodian a separate account with a segregated portfolio of securities in an amount at least equal to these commitments. When entering into a when-issued or delayed delivery transaction, the Portfolio will rely on the other party to consummate the transaction; if the other party fails to do so, the Portfolio may be disadvantaged. It is the current policy of the Portfolio not to enter into when-issued commitments exceeding in the aggregate 15% of the market value of the Portfolio's total assets less liabilities other than the obligations created by these commitments.

REPURCHASE AGREEMENTS. The Portfolio may engage in repurchase agreement transactions with brokers, dealers or banks that meet the credit guidelines established by the Portfolio's Trustees. In a repurchase agreement, the Portfolio buys a security from a seller that has agreed to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. The term of these agreements is usually from overnight to one week. A repurchase agreement may be viewed as a fully collateralized loan of money by the Portfolio to the seller. The Portfolio always receives securities as collateral with a market value at least equal to the purchase

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price plus accrued interest and this value is maintained during the term of the agreement. If the seller defaults and the collateral value declines, the Portfolio might incur a loss. If bankruptcy proceedings are commenced with respect to the seller, the Portfolio's realization upon the disposition of collateral may be delayed or limited. Investments in certain repurchase agreements and certain other investments which may be considered illiquid are limited. See Illiquid Investments; Privately Placed and other Unregistered Securities below. Other repurchase agreements are considered to be a type of money market instrument. See Risk Factors and Additional Investment Information--Fixed Income Investments.

LOANS OF PORTFOLIO SECURITIES. Subject to applicable investment restrictions, the Portfolio is permitted to lend its securities in an amount up to 33 1/3% of the value of the Portfolio's net assets. The Portfolio may lend its securities if such loans are secured continuously by cash or equivalent collateral or by a letter of credit in favor of the Portfolio at least equal at all times to 100% of the market value of the securities loaned, plus accrued interest. While such securities are on loan, the borrower will pay the Portfolio any income accruing thereon. Loans will be subject to termination by the Portfolio in the normal settlement time, generally three business days after notice, or by the borrower on one day's notice. Borrowed securities must be returned when the loan is terminated. Any gain or loss in the market price of the borrowed securities which occurs during the term of the loan inures to the Portfolio and its respective investors. The Portfolio may

pay reasonable finders' and custodial fees in connection with a loan. In addition, the Portfolio will consider all facts and circumstances, including the creditworthiness of the borrowing financial institution, and the Portfolio will not make any loans in excess of one year.

Loans of portfolio securities may be considered extensions of credit by the Portfolio. The risks to the Portfolio with respect to borrowers of its portfolio securities are similar to the risks to the Portfolio with respect to sellers in repurchase agreement transactions. See Repurchase Agreements above. The Portfolio will not lend its securities to any officer, Trustee, Director, employee or other affiliate of the Portfolio, the Advisor or the Distributor, unless otherwise permitted by applicable law.

REVERSE REPURCHASE AGREEMENTS. The Portfolio is permitted to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Portfolio sells a security and agrees to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. For the purposes of the Investment Company Act of 1940 (the "1940 Act"), it is considered as a form of borrowing by the Portfolio and, therefore, a form of leverage. Leverage may cause any gains or losses of the Portfolio to be magnified. See Investment Restrictions for investment limitations applicable to reverse repurchase agreements and other borrowings. For more information, see Investment Objectives and Policies in the Statement of Additional Information.

ILLIQUID INVESTMENTS; PRIVATELY PLACED AND OTHER UNREGISTERED SECURITIES. The Portfolio may not acquire any illiquid securities if, as a result thereof, more than 15% of the market value of the Portfolio's total assets would be in illiquid investments. Subject to this non-fundamental policy limitation, the Portfolio may acquire investments that are illiquid or have limited liquidity, such as private placements or investments that are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and cannot be offered for public sale in the United States without first being registered under the 1933 Act. An illiquid investment is any investment that cannot be disposed of within seven days in the normal course of business at approximately the amount at which it is valued by the Portfolio. The price the Portfolio pays for illiquid securities or receives upon resale may be lower than the price paid or received for similar securities with a more liquid market. Accordingly the valuation of these securities will reflect any limitations on their liquidity.

The Portfolio may also purchase Rule 144A securities sold to institutional investors without registration under the 1933 Act. These securities may be determined to be liquid in accordance with guidelines established by the Advisor and approved by the Trustees of the Portfolio. The Trustees will monitor the

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Advisor's implementation of these guidelines on a periodic basis.

FUTURES AND OPTIONS TRANSACTIONS. The Portfolio may (a) purchase and sell (write) exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities, and (c) purchase and sell (write) put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging and risk management purposes. The Portfolio may not use futures contracts and options for speculation.

The Portfolio may utilize options and futures contracts to manage its exposure to changing interest rates and/or security prices. Some options and futures strategies, including selling futures contracts and buying puts, tend to hedge the Portfolio's investments against price fluctuations. Other strategies, including buying futures contracts, writing puts and calls, and buying calls, tend to increase market exposure. Options and futures contracts may be combined with each other or with forward contracts in order to adjust the risk and return characteristics of the Portfolio's overall strategy in a manner deemed appropriate to the Advisor and consistent with the Portfolio's objective and policies. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

The use of options and futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Portfolio's return. While the use of these instruments by the Portfolio may reduce certain risks associated with own-

ing its portfolio securities, these techniques themselves entail certain other risks. If the Advisor applies a strategy at an inappropriate time or judges market conditions or trends incorrectly, options and futures strategies may lower the Portfolio's return. Certain strategies limit the Portfolio's possibilities to realize gains as well as limiting its exposure to losses. The Portfolio could also experience losses if the prices of its options and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid secondary market. In addition, the Portfolio will incur transaction costs, including trading commissions and option premiums, in connection with its futures and options transactions and these transactions could significantly increase the Portfolio's turnover rate.

The Portfolio may purchase put and call options on securities, indexes of securities and futures contracts, or purchase and sell futures contracts, only if such options are written by other persons and if (i) the aggregate premiums paid on all such options which are held at any time do not exceed 20% of the Portfolio's net assets, and (ii) the aggregate margin deposits required on all such futures or options thereon held at any time do not exceed 5% of the Portfolio's total assets. In addition, the Portfolio will not purchase or sell (write) futures contracts, options, or futures contracts or commodity options for risk management purposes if, as a result, the aggregate initial margin and options premiums required to establish these positions exceed 5% of the net asset value of the Portfolio. For more detailed information about these transactions, see the Appendix to this Prospectus and Investment Objectives and Policies--Risk Management in the Statement of Additional Information.

FIXED INCOME INVESTMENTS. The Portfolio is permitted to invest in money market instruments and bonds although it intends to stay invested in equity securities to the extent practical in light of its objective. The Portfolio may invest in fixed income instruments of foreign or domestic issuers denominated in U.S. dollars and other currencies. Under normal circumstances the Portfolio will purchase money market instruments to invest temporary cash balances or to maintain liquidity to meet redemptions. However, the Portfolio may also invest in money market instruments and bonds without limitation as a temporary defensive measure taken in the Advisor's judgment during, or in anticipation of, adverse market conditions. For more detailed information about these investments, see Investment Objectives and Policies in the Statement of Additional Information.

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INVESTMENT RESTRICTIONS

As a diversified investment company, 75% of the assets of the Portfolio are subject to the following fundamental limitations: (a) the Portfolio may not invest more than 5% of its total assets in the securities of any one issuer, except U.S. government securities, and (b) the Portfolio may not own more than 10% of the outstanding voting securities of any one issuer.

The investment objective of the Fund and the Portfolio, together with the investment restrictions described below and in the Statement of Additional Information, except as noted, are deemed fundamental policies, i.e., they may be changed only with the approval of the holders of a majority of the outstanding voting securities of the Fund and the Portfolio. The Fund has the same investment restrictions as the Portfolio, except that the Fund may invest all of its investable assets in another open-end investment company with the same investment objective and restrictions (such as the Portfolio). References below to the Portfolio's investment restrictions also include the Fund's investment restrictions.

The Portfolio may not purchase securities or other obligations of issuers conducting their principal business activity in the same industry if its investments in such industry would exceed 25% of the value of the Portfolio's total assets, except this limitation shall not apply to investments in U.S. Government securities. In addition, the Portfolio may not borrow money except that the Portfolio may (a) borrow money from banks for temporary or emergency purposes (not for leveraging purposes) and (b) enter into reverse repurchase agreements for any purpose, provided that (a) and (b) in total do not exceed one-third of the Portfolio's total assets less liabilities (other than borrowings); and the Portfolio may not

issue senior securities except as permitted by the 1940 Act or any rule, order or interpretation thereunder. See Risk Factors and Additional Investment Information--Loans of Portfolio Securities and Reverse Repurchase Agreements.

For a more detailed discussion of the above investment restrictions, as well as a description of certain other investment restrictions, see Investment Restrictions in the Statement of Additional Information.

MANAGEMENT OF THE TRUST AND THE PORTFOLIO

TRUSTEES. Pursuant to the Declaration of Trust for the Trust, the Trustees of the Trust decide upon matters of general policy and review the actions of the Trust's service providers and the performance of the Portfolio's Advisor. Pursuant to the Declaration of Trust for the Portfolio, the Trustees of the Portfolio (who are not the same as the Trustees of the Trust) have the same responsibilities for the Portfolio including overseeing its service providers.

The Portfolio has entered into a Fund Services Agreement with Pierpont Group, Inc. to assist the Trustees of the Portfolio in exercising their overall supervisory responsibilities for the Portfolio's affairs. The fee to be paid by the Portfolio under the agreement approximates the reasonable cost of Pierpont Group, Inc. in providing these services. Pierpont Group, Inc. was organized in 1989 at the request of the Trustees of The Pierpont Family of Funds for the purpose of providing these services at cost to those funds. The principal offices of Pierpont Group, Inc. are located at 461 Fifth Avenue, New York, New York 10017. For more information concerning the Trust's and the Portfolio's Trustees and officers, see Trustees and Officers in the Statement of Additional Information.

ADVISOR. The Fund has not retained the services of an investment adviser because the Fund seeks to achieve its investment objective by investing all of its investable assets in the Portfolio. The Portfolio has retained the services of Morgan as Investment Advisor. Morgan, with principal offices at 60 Wall Street, New York, New York 10260, is a New York trust company which conducts a general banking and trust business. Morgan is a wholly-owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"), a bank holding company organized under the laws of Delaware. Through offices in New York City and abroad, J.P. Morgan, through the Advisor and other subsidiaries, offers a wide range of services to governmental, institutional, corporate and individual customers and acts as investment adviser to individual and institutional cli-

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ents with combined assets under management of over $179 billion (of which the Advisor advises over $28 billion). Morgan provides investment advice and portfolio management services to the Portfolio. Subject to the supervision of the Portfolio's Trustees, Morgan makes the Portfolio's day-to-day investment decisions, arranges for the execution of portfolio transactions and generally manages the Portfolio's investments. See Investment Advisor in the Statement of Additional Information.

Morgan uses a sophisticated, disciplined, collaborative process for managing all asset classes. For equity portfolios, this process utilizes fundamental research, systematic stock selection, disciplined portfolio construction and, in the case of foreign equities, country exposure and currency management. Morgan has managed portfolios of equity securities of international, including European, companies on behalf of its clients since 1974. The portfolio managers making investments in European equity securities work in conjunction with Morgan's European equity analysts, as well as capital market, credit and economic research analysts, traders and administrative officers. The European equity analysts, located in London, each cover a different industry, monitoring a universe of approximately 600 companies in Europe.

The following persons are primarily responsible for the day-to-day management and implementation of Morgan's process for the Portfolio (the inception date of each person's responsibility for the Portfolio and his business experience for the past five years is indicated parenthetically): Paul A. Quinsee, Vice President (since March, 1995, employed by Morgan since February, 1992 and by Citibank, N.A. prior to 1992 as a portfolio manager of international equity investments) and Rudolph Leuthold, Managing Director (since March, 1995, employed by Morgan since prior to 1991 as a portfolio manager of international equity investments).

As compensation for the services rendered and related expenses borne by Morgan under the Investment Advisory Agreement with the Portfolio, the Portfolio has agreed to pay Morgan a fee, which is computed daily and may be paid monthly, at the annual rate of 0.65% of the Portfolio's average daily net assets.

Morgan also acts as Services Agent to the Trust and the Portfolio and provides shareholder services to shareholders of the Fund. See Services Agent below. INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK OR ANY OTHER BANK.

CO-ADMINISTRATOR AND DISTRIBUTOR. Under Co-Administration Agreements with the Trust and the Portfolio, FDI serves as the Co-Administrator for the Trust and the Portfolio and in that capacity FDI (i) provides office space, equipment and clerical personnel for maintaining the organization and books and records of the Trust and the Portfolio; (ii) provides officers for the Trust and the Portfolio; (iii) prepares and files documents required in connection with the Trust's state securities law registrations; (iv) reviews and files Trust marketing and sales literature; (v) files Portfolio regulatory documents and mails Portfolio communications to Trustees and investors; and (vi) maintains related books and records. Under the terms of the Trust's Services Agreement with Morgan, the fees of the Co-Administrator for its services to the Trust are covered by Morgan's expense undertakings described under Services Agent below.

FDI, a registered broker-dealer, also serves as the Distributor of shares of the Fund and exclusive placement agent for the Portfolio. FDI is a wholly owned indirect subsidiary of Boston Institutional Group, Inc. FDI currently provides administration and distribution services for a number of other registered investment companies.

SERVICES AGENT. Under a Services Agreement with the Trust and an Administrative Services Agreement with the Portfolio, Morgan is responsible for certain financial, fund accounting and administrative services provided to the Fund and the Portfolio, respectively, including services related to taxes, financial statements, calculation of performance data, oversight of service providers, certain regulatory and Board of Trustees matters, and providing shareholders services

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to shareholders of the Fund.

In addition, as provided in the Trust's Services Agreement, Morgan is responsible for the annual costs of certain usual and customary expenses incurred by the Fund (the "expense undertaking"). The expenses covered by the expense undertaking include, but are not limited to, transfer, registrar, and dividend disbursing costs, legal and accounting expenses, fees of the Co-Administrator for services to the Trust, insurance, the compensation and expenses of the Trust's Trustees, the expenses of printing and mailing reports, notices, and proxies to Fund shareholders, and registration fees under federal or state securities laws. The Fund will pay these expenses directly and such amounts will be deducted from the fees to be paid to Morgan under the agreement. If such amounts are more than the amount of Morgan's fees under the agreement, Morgan will reimburse the Fund for such excess amounts. Under the agreement, the following expenses are not included in the expense undertaking: the services agent fee, organizational expenses and extraordinary expenses as defined in this agreement.

The Trust's Services Agreement provides for the Fund to pay Morgan a fee for these services, which is computed daily and may be paid monthly, equal on an annual basis to 0.75% of the Fund's average daily net assets.

As noted above, the fee levels of the Fund are expense undertakings and reflect payments made directly to third parties by the Fund for services rendered, as well as payments to Morgan for services rendered. The Trustees of the Trust regularly review amounts paid to and accounted for by Morgan pursuant to the Services Agreement. See Expenses below.

Under the Portfolio's Administrative Services Agreement and the Co-Administrative Agreement effective August 1, 1996, the Portfolio has agreed to pay to Morgan and FDI fees equal to the Portfolio's allocable share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Portfolio and the other portfolios (collectively the "Master Portfolios") in which series of the Trust, The Pierpont Funds or The JPM Institutional Funds

invest. This charge is calculated in accordance with the following annual schedule: 0.9% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.04% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

CUSTODIAN. State Street Bank and Trust Company ("State Street"), 225 Franklin Street, Boston, Massachusetts 02101, serves as the Fund's and the Portfolio's Custodian and the Fund's Transfer and Dividend Disbursing Agent. State Street also keeps the books of account for the Fund and the Portfolio.

EXPENSES. In addition to the fees payable to Pierpont Group, Inc., Morgan and FDI under the various agreements discussed under Trustees, Advisor, Co-Administrator and Distributor, and Services Agent above, the Portfolio is responsible for usual and customary expenses associated with its operations. Such expenses include organization expenses, legal fees, accounting expenses, insurance costs, the compensation and expenses of its Trustees, registration fees under federal and foreign securities laws, custodian fees, brokerage expenses and extraordinary expenses applicable to the Portfolio.

In addition to the expenses of the Fund that Morgan assumes under the Trust's Services Agreement, Morgan has agreed that it will reimburse the Fund through at least April 30, 1997 to the extent necessary to maintain the Fund's total operating expenses (which includes expenses of the Fund and the Portfolio) at the annual rate of 1.70% of the Fund's average daily net assets. This limit does not cover extraordinary expenses during the period. There is no assurance that Morgan will continue this waiver beyond the specified period, except as required by the following sentence. Morgan has agreed to waive fees as neces-

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sary, if in any fiscal year the sum of the Fund's expenses exceeds the limits set by applicable regulations of state securities commissions. Such annual limits are currently 2.5% of the first $30 million of average net assets, 2% of the next $70 million of such net assets and 1.5% of such net assets in excess of $100 million for any fiscal year.

SHAREHOLDER TRANSACTIONS

Investors may request either Morgan or their Eligible Institution, as defined below, for assistance in placing orders to purchase, redeem or exchange shares of the Fund.

Shareholders should address all inquiries to J.P. Morgan Funds Services, Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036 or call (800) JPM-3637.

The business days of the Fund and the Portfolio are the days the New York Stock Exchange is open.

PURCHASE OF SHARES

METHOD OF PURCHASE. Investors may open accounts with the Fund only through the Distributor. All purchase transactions in Fund accounts are processed by Morgan as Services Agent and the Fund is authorized to accept any instructions relating to a Fund account from Morgan as agent for the customer. All purchase orders must be accepted by the Fund's Distributor. Investors must be customers of Morgan or an eligible institution which is a customer of Morgan (an "Eligible Institution"). Investors may also be employer-sponsored retirement plans that have designated the Fund as an investment option for the plans. Prospective investors who are not already customers of Morgan may apply to become customers of Morgan for the sole purpose of Fund transactions. There are no charges associated with becoming a Morgan customer for this purpose. Morgan reserves the right to determine the customers that it will accept, and the Fund reserves the right to determine the purchase orders that it will accept.

The Fund requires a minimum initial investment of $5,000.

PURCHASE PRICE AND SETTLEMENT. The Fund's shares are sold on a continuous basis without a sales charge at the net asset value per share next determined after receipt of an order. Prospective investors may purchase shares with the assistance of an Eligible Institution that may establish its own terms, conditions and charges.

To purchase shares in the Fund, investors should request their Morgan representative (or a representative of their Eligible Institution) to assist them in placing a purchase order with the Fund's Distributor and to transfer immediately available funds to the Fund's Distributor on the next business day. If the Fund receives a purchase order prior to 4:00 P.M. New York time on any business day, the purchase of Fund shares is effective and is made at the net asset value determined that day, and the purchaser generally becomes a holder of record on the next business day upon the Fund's receipt of payment. If the Fund or its agent receives a purchase order after 4:00 P.M. New York time, the purchase is effective and is made at the net asset value determined on the next business day, and the purchaser becomes a holder of record on the following business day upon the Fund's receipt of payment.

ELIGIBLE INSTITUTIONS. The services provided by Eligible Institutions may include establishing and maintaining shareholder accounts, processing purchase and redemption transactions, arranging for bank wires, performing shareholder subaccounting, answering client inquiries regarding the Trust, assisting clients in changing dividend options, account designations and addresses, providing periodic statements showing the client's account balance and integrating these statements with those of other transactions and balances in the client's other accounts serviced by the Eligible Institution, transmitting proxy statements, periodic reports, updated prospectuses and other communications to shareholders and, with respect to meetings of shareholders, collecting, tabulating and forwarding executed proxies and obtaining such other information and performing such other services as Morgan or the Eligible Institution's clients may reasonably request and agree upon with the Eligible Institution.

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Eligible Institutions may separately establish their own terms, conditions and charges for providing the aforementioned services and for providing other services.

REDEMPTION OF SHARES

METHOD OF REDEMPTION. To redeem shares in the Fund, an investor may instruct Morgan or his or her Eligible Institution, as appropriate, to submit a redemption request to the Fund. The Fund executes effective redemption requests at the next determined net asset value per share. See Net Asset Value. See Additional Information below for an explanation of the telephone redemption policy of The JPM Advisor Funds.

A redemption request received by the Fund or its agent prior to 4:00 P.M. New York time is effective on that day. A redemption request received after that time becomes effective on the next business day. Proceeds of an effective redemption are generally deposited on the next business day in immediately available funds to the shareholder's account at Morgan or at his or her Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions and, subject to Further Redemption Information below, in any event are paid within seven days.

FURTHER REDEMPTION INFORMATION. Investors should be aware that redemptions from the Fund may not be processed if a redemption request is not submitted in proper form. To be in proper form, the Fund must have received the shareholder's taxpayer identification number and address. As discussed under Taxes below, the Fund may be required to impose "back-up" withholding of federal income tax on dividends, distributions and redemption proceeds when noncorporate investors have not provided a certified taxpayer identification number. In addition, if a shareholder sends a check for the purchase of Fund shares and shares are purchased before the check has cleared, the transmittal of redemption proceeds from the shares will occur upon clearance of the check which may take up to 15 days.

The Fund reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for up to seven days and for such other periods as the 1940 Act or the Securities and Exchange Commission may permit. See Redemption of Shares in the Statement of Additional Information.

EXCHANGE OF SHARES

An investor may exchange shares from the Fund into any other JPM Advisor Fund without charge. Shares are exchanged on the basis of relative net asset value per share. Exchanges are in effect redemptions from one fund and purchases of another fund and the usual purchase and redemption procedures and requirements are applicable to exchanges. See Purchase of Shares and Redemption of Shares in this Prospectus and in the prospectuses for the other JPM Advisor Funds. See also Additional Information below for an explanation of the telephone exchange policy of The JPM Advisor Funds.

Shareholders subject to federal income tax who exchange shares in one fund for shares in another fund may recognize capital gain or loss for federal income tax purposes. The Fund reserves the right to discontinue, alter or limit its exchange privilege at any time. For investors in certain states, state securities laws may restrict the availability of the exchange privilege.

DIVIDENDS AND DISTRIBUTIONS

Dividends consisting of substantially all of the Fund's net investment income, if any, are declared and paid annually. The Fund may also declare an additional dividend of net investment income in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund.

Substantially all the realized net capital gains, if any, of the Fund are declared and paid on an annual basis, except that an additional capital gains distribution may be made in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund. Declared dividends and distributions are payable to shareholders of record on the record date.

Dividends and capital gains distributions paid by the Fund are automatically reinvested in additional shares of the Fund unless the shareholder has elected

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to have them paid in cash. Dividends and distributions to be paid in cash are credited to the shareholder's account at Morgan or at his Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions. The Fund reserves the right to discontinue, alter or limit the automatic reinvestment privilege at any time.

NET ASSET VALUE

Net asset value per share for the Fund is determined by subtracting from the value of the Fund's total assets (i.e., the value of its investment in the Portfolio and other assets) the amount of its liabilities and dividing the remainder by the number of its outstanding shares, rounded to the nearest cent. Expenses, including the fees payable to Morgan, are accrued daily. See Net Asset Value in the Statement of Additional Information for information on valuation of portfolio securities for the Portfolio.

The Fund computes its net asset value once daily at 4:15 P.M. New York time on Monday through Friday, except that the net asset value is not computed for the Fund on the holidays listed under Net Asset Value in the Statement of Additional Information.

ORGANIZATION

The Trust was organized on September 16, 1994 as an unincorporated business trust under Massachusetts law and is an entity commonly known as a "Massachusetts business trust." The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares ($0.001 par value) of one or more series. To date, nine series of shares have been authorized and are available for sale to the public. Only shares of the Fund are offered through this Prospectus. No series of shares has any preference over any other series of shares. See Massachusetts Trust in the Statement of Additional Information.

The Declaration of Trust for the Trust provides that no Trustee, shareholder, officer, employee, or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of the Fund, but that the Trust property only shall be liable.

Shareholders of the Fund are entitled to one vote for each share and to the appropriate fractional vote for each fractional share. There is no cumulative voting. Shares have no preemptive or conversion rights. Shares are fully paid and nonassessable by the Fund. The Trust has adopted a policy of not issuing share certificates. The Trust does not intend to hold meetings of shareholders annually. As of July 26, 1996, The American Hospital of Paris technically met the definition of a control person of the Fund. The Trustees may call meetings of shareholders for action by shareholder vote as may be required by either the 1940 Act or the Declaration of Trust. The Trustees will call a meeting of shareholders to vote on removal of a Trustee upon the written request of the record holders of ten percent of Trust shares and will assist shareholders in communicating with each other as prescribed in Section 16(c) of the 1940 Act. For further organization information, including certain shareholder rights, see Description of Shares in the Statement of Additional Information.

The Portfolio is a series (subtrust) of The Series Portfolio, a master trust organized under the laws of the State of New York. The Series Portfolio's Declaration of Trust provides that the Fund and other entities investing in the Portfolio (e.g., other investment companies, insurance company separate accounts and common and commingled trust funds) will each be liable for all obligations of the Portfolio. However, the risk of the Fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance existed and the Portfolio itself was unable to meet its obligations. Accordingly, the Trustees of the Trust believe that neither the Fund nor its shareholders will be adversely affected by reason of the Fund's investing in the Portfolio.

TAXES

The following discussion of tax consequences is based on U.S. federal tax laws in effect on the date of this Prospectus. These laws and regulations are sub-

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ject to change by legislative or administrative action. Investors are urged to consult their own tax advisors with respect to specific questions as to federal taxes and with respect to the applicability of state or local taxes. See Taxes in the Statement of Additional Information. Annual statements as to the current federal tax status of distributions, if applicable, are mailed to shareholders after the end of the taxable year for the Fund.

The Trust intends to qualify the Fund as a separate regulated investment company under Subchapter M of the Code. For the Fund to qualify as a regulated investment company, the Portfolio, in addition to other requirements, limits its investments so that at the close of each quarter of its taxable year (a) no more than 25% of its total assets are invested in the securities of any one issuer, except U.S. Government securities, and (b) with regard to 50% of its total assets, no more than 5% of its total assets are invested in the securities of a single issuer, except U.S. Government securities. As a regulated investment company, the Fund should not be subject to federal income taxes or federal excise taxes if substantially all of its net investment income and capital gains less any available capital loss carryforwards are distributed to shareholders within allowable time limits. The Portfolio intends to qualify as an association treated as a partnership for federal income tax purposes. As such, the Portfolio should not be subject to tax. The Fund's status as a regulated investment company is dependent on, among other things, the Portfolio's continued qualification as a partnership for federal income tax purposes.

If a correct and certified taxpayer identification number is not on file, the Fund is required, subject to certain exemptions, to withhold 31% of certain payments made or distributions declared to noncorporate shareholders.

Distributions of net investment income and realized net short-term capital gains in excess of net long-term capital losses are taxable as ordinary income to shareholders of the Fund whether such distributions are taken in cash or reinvested in

additional shares. Distributions of this type to corporate shareholders of the Fund will not qualify for the dividends- received deduction because the income of the Fund will not consist of dividends paid by U.S. corporations.

Distributions of net long-term capital gains in excess of net short-term capital losses are taxable to shareholders of the Fund as long-term capital gains regardless of how long a shareholder has held shares in the Fund and regardless of whether taken in cash or reinvested in additional shares. Long-term capital gains distributions to corporate shareholders are not eligible for the dividends-received deduction.

Any distribution of net investment income or capital gains will have the effect of reducing the net asset value of Fund shares held by a shareholder by the same amount as the distribution. If the net asset value of the shares is reduced below a shareholder's cost as a result of such a distribution, the distribution, although constituting a return of capital to the shareholder, will be taxable as described above.

Any gain or loss realized on the redemption or exchange of Fund shares by a shareholder who is not a dealer in securities will be treated as long-term capital gain or loss if the shares have been held for more than one year, and otherwise as short-term capital gain or loss. However, any loss realized by a shareholder upon the redemption or exchange of shares in the Fund held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received by the shareholder with respect to such shares.

The Fund is subject to foreign withholding taxes with respect to income received from sources within certain foreign countries. So long as more than 50% of the value of the Fund's total assets at the close of any taxable year consists of stock or securities of foreign corporations, the Fund may elect to treat any such foreign income taxes paid by it as paid directly by its shareholders. The Fund will make such an election only if it deems it to be in the best interests of its shareholders and will notify shareholders in writing each year if it makes the election and of the amount of foreign income taxes and gross income derived from sources within any foreign country or possession of the United States, if any, to be treated as paid by the shareholders. If the Fund makes the election, each shareholder will be required to include in income

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his proportionate share of the amount of foreign income taxes paid by the Fund and will be entitled to claim either a credit (which is subject to certain limitations) or, if the shareholder itemizes deductions, a deduction for his share of the foreign income taxes in computing his federal income tax liability. (No deduction will be permitted to individuals in computing their alternative minimum tax liability.)

ADDITIONAL INFORMATION

The Fund sends to its shareholders annual and semi-annual reports. The financial statements appearing in annual reports are audited by independent accountants. Shareholders also will be sent confirmations of each purchase and redemption and monthly statements, reflecting all other account activity, including dividends and any distributions reinvested in additional shares or credited as cash.

All shareholders are given the privilege to initiate transactions automatically by telephone upon opening an account. However, an investor should be aware that a transaction authorized by telephone and reasonably believed to be genuine by the Fund, Morgan, his or her Eligible Institution or the Distributor may subject the investor to risk of loss if such instruction is subsequently found not to be genuine. The Fund will employ reasonable procedures, including requiring investors to give their Personal Identification Number and tape recording of telephone instructions, to confirm that instructions communicated from investors by telephone are genuine; if it does not, it, the Services Agent or a shareholder's Eligible Institution may be liable for any losses due to unauthorized or fraudulent instructions.

The Fund may make historical performance information available and may compare its performance to other investments or relevant indexes, including data from Lipper Analytical Services, Inc., Micropal Inc., Morningstar Inc., Ibbotson

Associates, Standard & Poor's 500 Composite Stock Price Index, the Dow Jones Industrial Average, the Frank Russell Indexes, the Morgan Stanley Europe, Australia and Far East Index, Morgan Stanley Capital International Europe Index, the Financial Times World Stock Index and other industry publications.

The Fund may advertise "total return" and non-standardized total return data. The total return shows what an investment in the Fund would have earned over a specified period of time (one, five or ten years or since commencement of operations, if less) assuming that all distributions and dividends by the Fund were reinvested on the reinvestment dates during the period and less all recurring fees. This method of calculating total return is required by regulations of the Securities and Exchange Commission. Total return data similarly calculated, unless otherwise indicated, over other specified periods of time may also be used. See Performance Data in the Statement of Additional Information. All performance figures are based on historical earnings and are not intended to indicate future performance. Shareholders may obtain performance information by calling Morgan at (800) JPM-3637.

APPENDIX

The Portfolio may (a) purchase and sell (write) exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities and (c) purchase and sell (write) put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging and risk management purposes. See Risk Management in the Statement of Additional Information. The Portfolio may not use futures contracts and options for speculation.

OPTIONS

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the Portfolio obtains the right (but not the obligation) to sell the instrument underlying the option at a fixed strike price. In return for this right, the Portfolio pays

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the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indexes of securities, indexes of securities prices, and futures contracts. The Portfolio may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. The Portfolio may also close out a put option position by entering into an offsetting transaction, if a liquid market exists. If the option is allowed to expire, the Portfolio will lose the entire premium it paid. If the Portfolio exercises a put option on a security, it will sell the instrument underlying the option at the strike price. If the Portfolio exercises an option on an index, settlement is in cash and does not involve the actual sale of securities. If an option is American style, it may be exercised on any day up to its expiration date. A European style option may be exercised only on its expiration date.

The buyer of a typical put option can expect to realize a gain if the price of the underlying instrument falls substantially. However, if the price of the instrument underlying the option does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the instrument underlying the option at the option's strike price. A call buyer typically attempts to participate in potential price increases of the instrument underlying the option with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

SELLING (WRITING) PUT AND CALL OPTIONS. When the Portfolio writes a put option, it takes the opposite side of the transaction from the option's purchaser. In return for receipt of the premium, the Portfolio assumes the obligation to pay the strike price for the instrument underlying the option if the other party to the option chooses to exercise it. The Portfolio may seek to terminate its position in a put option it writes before exercise by purchasing an offsetting option in the market at its current price. If the market is not liquid for a put option the Portfolio has written, however, the Portfolio must continue to be prepared to pay the strike price while the option is outstanding, regardless of price changes, and must continue to post margin as discussed below.

If the price of the underlying instrument rises, a put writer would generally expect to profit, although its gain would be limited to the amount of the premium it received. If security prices remain the same over time, it is likely that the writer will also profit, because it should be able to close out the option at a lower price. If security prices fall, the put writer would expect to suffer a loss. This loss should be less than the loss from purchasing and holding the underlying instrument directly, however, because the premium received for writing the option should offset a portion of the decline.

Writing a call option obligates the Portfolio to sell or deliver the option's underlying instrument in return for the strike price upon exercise of the option. The characteristics of writing call options are similar to those of writing put options,

except that writing calls generally is a profitable strategy if prices remain the same or fall. Through receipt of the option premium a call writer offsets part of the effect of a price decline. At the same time, because a call writer must be prepared to deliver the underlying instrument in return for the strike price, even if its current value is greater, a call writer gives up some ability to participate in security price increases.

The writer of an exchange traded put or call option on a security, an index of securities or a futures contract is required to deposit cash or securities or a letter of credit as margin and to make mark to market payments of variation margin as the position becomes unprofitable.

OPTIONS ON INDEXES. The Portfolio may purchase and sell (write) put and call options on any securities index based on securities in which the Portfolio may invest. Options on securities indexes are similar to options on securities, except that the exercise of securities index options is settled by cash payment and does not involve the actual purchase or sale of securities. In addition, these options are designed to reflect price fluctuations in a group of securi-

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ties or segment of the securities market rather than price fluctuations in a single security. The Portfolio, in purchasing or selling index options, is subject to the risk that the value of its portfolio securities may not change as much as an index because the Portfolio's investments generally will not match the composition of an index.

For a number of reasons, a liquid market may not exist and thus the Portfolio may not be able to close out an option position that it has previously entered into. When the Portfolio purchases an OTC option, it will be relying on its counterparty to perform its obligations, and the Portfolio may incur additional losses if the counterparty is unable to perform.

FUTURES CONTRACTS

When the Portfolio purchases a futures contract, it agrees to purchase a specified quantity of an underlying instrument at a specified future date or to make a cash payment based on the value of a securities index. When the Portfolio sells a futures contract, it agrees to sell a specified quantity of the underlying instrument at a specified future date or to receive a cash payment based on the value of a securities index. The price at which the purchase and sale will take place is fixed when the Portfolio enters into the contract. Futures can be held until their delivery dates or the position can be (and normally is) closed out before then. There is no assurance, however, that a liquid market will exist when the Portfolio wishes to close out a particular position.

When the Portfolio purchases a futures contract, the value of the futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase the Portfolio's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When the Portfolio sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the value of the underlying instrument. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, when the Portfolio buys or sells a futures contract it will be required to deposit "initial margin" with its Custodian in a segregated account in the name of its futures broker, known as a futures commission merchant (FCM). Initial margin deposits are typically equal to a small percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments equal to the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. The Portfolio may be obligated to make payments of variation margin at a time when it is disadvantageous to do so. Furthermore, it may not always be possible for the Portfolio to close out its futures positions. Until it closes out a

futures position, the Portfolio will be obligated to continue to pay variation margin. Initial and variation margin payments do not constitute purchasing on margin for purposes of the Portfolio's investment restrictions. In the event of the bankruptcy of an FCM that holds margin on behalf of the Portfolio, the Portfolio may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Portfolio.

The Portfolio will segregate liquid assets in connection with its use of options and futures contracts to the extent required by the staff of the Securities and Exchange Commission. Securities held in a segregated account cannot be sold while the futures contract or option is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of the Portfolio's assets could impede portfolio management or the Portfolio's ability to meet redemption requests or other current obligations.

For further information about the Portfolio's use of futures and options and a more detailed discussion of associated risks, see Investment Objectives and Policies in the Statement of Additional Information.

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THE JPM ADVISOR FUNDS

The JPM Advisor U.S. Fixed Income Fund

The JPM Advisor International Fixed Income Fund

The JPM Advisor U.S. Equity Fund

The JPM Advisor U.S. Small Cap Equity Fund

The JPM Advisor International Equity Fund

The JPM Advisor European Equity Fund

The JPM Advisor Asia Growth Fund

The JPM Advisor Japan Equity Fund

The JPM Advisor Emerging Markets Equity Fund

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorized by the Trust or the Distributor. This Prospectus does not constitute an offer by the Trust or by the Distributor to sell or a solicitation of any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Trust or the Distributor to make such offer in such jurisdiction.

ADVPROS406-968
MST608026PRO

The JPM Advisor European Equity Fund

PROSPECTUS

August 26, 1996

PROSPECTUS

The JPM Advisor Japan Equity Fund

60 State Street
Boston, Massachusetts 02109

For information call (800) JPM-3637

The JPM Advisor Japan Equity Fund (the "Fund") seeks to provide a high total return from a portfolio of equity securities of Japanese companies. The Fund is designed for investors who want an actively managed portfolio of Japanese equity securities that seeks to outperform the Tokyo Stock Price Index ("TOPIX"), a composite market-capitalization weighted index of all common stocks listed on the First Section of the Tokyo Stock Exchange.

The Fund is a non-diversified no-load mutual fund for which there are no sales charges or exchange or redemption fees. The Fund is a series of The JPM Advisor Funds, an open-end management investment company organized as a Massachusetts business trust (the "Trust").

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UNLIKE OTHER MUTUAL FUNDS WHICH DIRECTLY ACQUIRE AND MANAGE THEIR OWN PORTFOLIO OF SECURITIES, THE FUND SEEKS TO ACHIEVE ITS INVESTMENT OBJECTIVE BY INVESTING ALL OF ITS INVESTABLE ASSETS IN THE JAPAN EQUITY PORTFOLIO (THE "PORTFOLIO"), A CORRESPONDING NON-DIVERSIFIED OPEN-END MANAGEMENT INVESTMENT COMPANY HAVING THE SAME INVESTMENT OBJECTIVE AS THE FUND. THE FUND INVESTS IN THE PORTFOLIO THROUGH A TWO-TIER MASTER-FEEDER STRUCTURE. SEE SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE ON PAGE 3.

The Portfolio is advised by Morgan Guaranty Trust Company of New York ("Morgan" or the "Advisor").

This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing and it should be retained for future reference. Additional information about the Fund has been filed with the Securities and Exchange Commission in a Statement of Additional Information dated August 26, 1996 (as supplemented from time to time). This information is incorporated herein by reference and is available without charge upon written request from the Fund's Distributor, Funds Distributor, Inc. ("FDI"), 60 State Street, Suite 1300, Boston, Massachusetts 02109, Attention: The JPM Advisor Funds, or by calling (800) 221-7930.

INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK 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. AN INVESTMENT IN THE FUND IS SUBJECT TO RISK THAT MAY CAUSE THE VALUE OF THE INVESTMENT TO FLUCTUATE, AND WHEN THE INVESTMENT IS REDEEMED, THE VALUE MAY BE HIGHER OR LOWER THAN THE AMOUNT ORIGINALLY INVESTED BY THE INVESTOR.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS AUGUST 26, 1996.

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The JPM Advisor Japan Equity Fund

INVESTORS FOR WHOM THE FUND IS DESIGNED

The Fund is designed for investors who seek to broaden their investments by adding exposure to Japanese equity securities. The Fund seeks to achieve its investment objective by investing all of its investable assets in The Japan Equity Portfolio, a non-diversified open-end management investment company having the same investment objective as the Fund. Since the investment characteristics and experience of the Fund will correspond directly with those of the Portfolio, the discussion in this Prospectus focuses on the investments and investment policies of the Portfolio. The net asset value of shares in the Fund fluctuates with changes in the value of the investments in the Portfolio.

The Portfolio may make various types of investments in seeking its objective. Among the permissible investments and investment techniques for the Portfolio are futures contracts, options and forward contracts on foreign currencies. The potential risks of investing in these derivative instruments are discussed in Risk Factors and Additional Investment Information and the Appendix. The Portfolio may also purchase certain privately placed securities. The Portfolio's investments in securities of Japanese issuers involve foreign investment risks and may be more volatile and less liquid than domestic securities. For further information about these investments, see Investment Objective and Policies below.

The Fund requires a minimum initial investment of $5,000. See Purchase of Shares.

This Prospectus describes the investment objective and policies, management and operation of the Fund to enable investors to decide if the Fund suits their needs. The Fund operates in a two-tier master-feeder investment fund structure. The Trustees of the Trust believe that the Fund may achieve economies of scale over time by utilizing this investment structure.

The following table illustrates that investors in the Fund incur no shareholder transaction expenses; their investment in the Fund is subject only to the operating expenses set forth below for the Fund and the Portfolio, as a percentage of average net assets of the Fund. The Trustees of the Trust believe that the aggregate per share expenses of the Fund and the Portfolio will be approximately equal to and may be less than the expenses that the Fund would incur if it retained the services of an investment adviser and invested its assets directly in portfolio securities. Fund and Portfolio expenses are discussed below under the headings Management of the Trust and the Portfolio--Expenses.

<TABLE>

<S>	<C>
SHAREHOLDER TRANSACTION EXPENSES	
Sales Load Imposed on Purchases	None
Sales Load Imposed on Reinvested Dividends	None
Deferred Sales Load	None
Redemption Fees	None
Exchange Fees	None

</TABLE>

EXPENSE TABLE

ANNUAL OPERATING EXPENSES*

<TABLE>

<S>	<C>
Advisory Fees	0.65%
Rule 12b-1 Fees	None
Other Expenses (after expense reimbursement)	1.05%
Total Operating Expenses (after expense reimbursement)	1.70%

</TABLE>

* These expenses are based on the expenses and average net assets of the Fund

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and the Portfolio for the period reflected in Financial Highlights below, after any applicable expense reimbursement. Without such reimbursement, Other Expenses and Total Operating Expenses (after application of state expense limitations) would have been equal on an annual basis to 1.85% and 2.50%, respectively, of the average daily net assets of the Fund. See Management of the Trust and the Portfolio.

EXAMPLE

An investor would pay the following expenses on a $1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period:

1 Year	$ 17
3 Years	$ 54
5 Years	$ 92
10 Years	$201

The above expense table is designed to assist investors in understanding the various direct and indirect costs and expenses that investors in the Fund bear. The fees and expenses included in Other Expenses are the fees paid to Morgan under the Portfolio's Administrative Services Agreement and the Trust's Services Agreement, the fees paid to Pierpont Group, Inc. under the Portfolio Fund Services Agreement, the fees paid to FDI under the Portfolio's Co-Administration Agreement, organizational expenses, the fees paid to State Street Bank and Trust Company as custodian of the Portfolio, and other usual and customary expenses of the Portfolio. For a more detailed description of contractual fee arrangements, including expense reimbursements, see Management of the Trust and the Portfolio. In connection with the above example, please note that $1,000 is less than the Fund's minimum investment requirement and that there are no redemption or exchange fees of any kind. See Purchase of Shares and Redemption of Shares. THE EXAMPLE IS HYPOTHETICAL; IT IS INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. IT SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE PERFORMANCE; ACTUAL EXPENSES MAY BE MORE OR LESS THAN THOSE SHOWN.

FINANCIAL HIGHLIGHTS

The following selected data for a share outstanding are unaudited. The Fund's semi-annual financial statements are part of the Statement of Additional Information and are incorporated herein. The financial statements and subsequent semi- annual reports are available without charge upon request. Future annual reports will include a discussion of those factors, strategies and techniques that materially affected the Fund's performance during the period of the report, as well as certain related information.

	FOR THE PERIOD JANUARY 24, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
Net Asset Value, Beginning of Period	$ 9.91
Income from Investment Operations:	
Net Investment Income	(.03)
Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency Allocated from Portfolio	.58

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Total from Investment Operations........................	.55

Net Asset Value, End of Period..........................	$10.46
	======
Total Return..	$ 5.55%(a)
	======
Ratios and Supplemental Data:	
Net Assets, End of Period (in thousands)................	$ 124
Ratios to Average Net Assets:	
Expenses...	1.70%(b)
Net Investment Income..................................	(0.20)%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement..	.80%(b)(c)

</TABLE>

(a) Not annualized.

(b) Annualized.

(c) After consideration of certain state limitations.

SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE

Unlike other mutual funds which directly acquire and manage their own portfolio of securities, the Fund is an open-end management investment company which seeks to achieve its investment objective by investing all of its investable assets in the Portfolio, a separate registered investment company with the same investment objective as the Fund. The investment objective of the Fund or Portfolio may be changed only with the approval of the holders of the outstanding shares of the Fund and the Portfolio. The master-feeder investment fund structure has been developed relatively recently, so shareholders should carefully consider this investment approach.

In addition to selling a beneficial interest to the Fund, the Portfolio may sell beneficial interests to other mutual funds or institutional investors. Such investors will invest in the Portfolio on the same terms and conditions and will bear a proportionate share of the Portfolio's expenses. However, the other investors investing in the Portfolio may sell shares of their own fund using a different pricing structure than the Fund. Such different pricing structures may result in differences in returns experienced by investors in other funds that invest in the Portfolio. Such differences in returns are not uncommon and are present in other mutual fund structures. Information concerning other holders of interests in the Portfolio is available from Morgan at (800) JPM-3637.

The Trust may withdraw the investment of the Fund from the Portfolio at any time if the Board of Trustees of the Trust determines that it is in the best interests of the Fund to do so. Upon any such withdrawal, the Board of Trustees would consider what action might be taken, including the investment of all the assets of the Fund in another pooled investment entity having the same investment objective and restrictions as the Fund or the retaining of an investment adviser to manage the Fund's assets in accordance with the investment policies described below with respect to the Portfolio.

Certain changes in the Portfolio's investment objective, policies or restrictions, or a failure by the Fund's shareholders to approve a change in the Portfolio's investment objective or restrictions, may require withdrawal of the Fund's interest in the Portfolio. Any such withdrawal could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) from the Portfolio which may or may not be readily marketable. The distribution in kind may result in the Fund having a less diversified portfolio of investments

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or adversely affect the Fund's liquidity, and the Fund could incur brokerage, tax or other charges in converting the securities to cash. Notwithstanding the above, there are other means for meeting shareholder redemption requests, such as borrowing.

Smaller funds investing in the Portfolio may be materially affected by the actions of larger funds investing in the Portfolio. For example, if a large fund withdraws from the Portfolio, the remaining funds may subsequently experience higher pro rata operating expenses, thereby producing lower returns. Additionally, because the Portfolio would become smaller, it may become less diversified, resulting in potentially increased portfolio risk (however, these possibilities also exist for traditionally structured funds which have large or institutional investors who may withdraw from a fund). Also, funds with a greater pro rata ownership in the Portfolio could have effective voting control of the operations of the Portfolio. Whenever the Fund is requested to vote on matters pertaining to the Portfolio (other than a vote by the Fund to continue the operation of the Portfolio upon the withdrawal of another investor in the Portfolio), the Trust will hold a meeting of shareholders of the Fund and will cast all of its votes proportionately as instructed by the Fund's shareholders. The Trust will vote the shares held by Fund shareholders who do not give voting instructions in the same proportion as the shares of Fund shareholders who do give voting instructions. Shareholders of the Fund who do not vote will have no effect on the outcome of such matters.

For more information about the Portfolio's investment objective, policies and restrictions, see Investment Objective and Policies, Risk Factors and Additional Investment Information and Investment Restrictions. For more information about the Portfolio's management and expenses, see Management of the Trust and the Portfolio. For more information about changing the investment objective, policies and restrictions of the Fund or the Portfolio, see Investment Restrictions.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund and the Portfolio is described below, together with the policies they employ in their efforts to achieve this objective. Additional information about the investment policies of the Fund and the Portfolio appears in the Statement of Additional Information under Investment Objectives and Policies. There can be no assurance that the investment objective of the Fund or the Portfolio will be achieved.

The Fund's investment objective is to provide a high total return from a portfolio of equity securities of Japanese companies. Total return will consist of realized and unrealized capital gains and losses plus income. The Fund attempts to achieve its investment objective by investing all of its investable assets in The Japan Equity Portfolio, a non-diversified open-end management investment company having the same investment objective as the Fund.

The Fund is designed for investors who want an actively managed portfolio of Japanese equity securities that seeks to outperform the Tokyo Stock Price Index ("TOPIX"), a composite market-capitalization weighted index of all common

stocks listed on the First Section of the Tokyo Stock Exchange. THE FUND DOES NOT REPRESENT A COMPLETE INVESTMENT PROGRAM NOR IS THE FUND SUITABLE FOR ALL INVESTORS.

A Japanese company is one that: (i) has its principal securities trading market in Japan; or (ii) is organized under the laws of Japan; or (iii) derives 50% or more of its total revenues and/or profits from either goods produced, sales made or services performed in Japan; or (iv) has at least 50% of its assets located in Japan.

Morgan seeks to enhance the Portfolio's total return relative to that of the TOPIX through fundamental research, stock valuation and the exploitation of underlying market inefficiencies. Based on internal fundamental research, Morgan uses a proprietary valuation model to establish the relative valuation of individual Japanese companies within industrial sectors. Morgan then buys and sells securities within each industrial sector based on this valuation process. In addition to stocks, the Advisor actively uses convertible securities and warrants to seek to enhance overall portfolio performance.

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In addition, Morgan uses a disciplined portfolio construction process to seek to reduce the Portfolio's volatility relative to the TOPIX. Morgan attempts to keep the industrial sector weightings, the average market capitalization and other broad characteristics of the Portfolio comparable to those of the TOPIX.

The Portfolio intends to manage its portfolio actively in pursuit of its investment objective. The Portfolio does not intend to respond to short-term market fluctuations or to acquire securities for the purpose of short-term trading; how- ever, it may take advantage of short-term trading opportunities that are consistent with its objective. To the extent the Portfolio engages in short-term trading, it may realize short-term capital gains or losses and incur increased transaction costs. See Taxes below. The estimated annual portfolio turnover rate for the Portfolio is generally not expected to exceed 100%.

The Portfolio's equity investments will be primarily denominated in yen, but the Portfolio may also invest in securities denominated in other foreign currencies, the U.S. dollar or multinational currency units such as the ECU. The Advisor will not routinely attempt to hedge the Portfolio's foreign currency exposure. However, the Advisor may from time to time engage in foreign currency exchange transactions if, based on fundamental research, technical factors, and the judgment of experienced currency managers, it believes the transactions would be in the Portfolio's best interest. For further information on foreign currency exchange transactions, see Risk Factors and Additional Investment Information.

EQUITY INVESTMENTS. In normal circumstances, the Advisor intends to keep the Portfolio essentially fully invested with at least 65% of the Portfolio's total assets invested in equity securities of Japanese companies consisting of common stocks and other securities with equity characteristics comprised of preferred stock, warrants, rights, convertible securities, trust certificates, limited partnership interests and equity participations. The Portfolio's primary equity investments are the common stock of established Japanese companies. The common stock in which the Portfolio may invest includes the common stock of any class or series or any similar equity interest, such as trust or limited partnership interests. These equity investments may or may not pay dividends and may or may not carry voting rights. The Portfolio invests in securities listed on foreign or domestic securities exchanges and securities traded in foreign or domestic over-the-counter (OTC) markets, and may invest in certain restricted or unlisted securities.

NON-DIVERSIFICATION. The Portfolio is registered as a non-diversified investment company which means that the Portfolio is not limited by the Investment Company Act of 1940 (the "1940 Act") in the proportion of its assets that may be invested in the obligations of a single issuer. Thus, the Portfolio may invest a greater proportion of its assets in the securities of a smaller number of issuers and, as a result, may be subject to greater risk with respect to its portfolio securities. The Portfolio, however, will comply with the diversification requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code"), for qualification as a regulated investment company. See Taxes below.

The Portfolio may also invest in money market instruments denominated in U.S. dollars and other currencies, purchase securities on a when-issued or delayed delivery basis, enter into repurchase and reverse repurchase agreements, loan its portfolio securities, purchase certain privately placed securities and enter into forward foreign currency exchange contracts. In addition, the Portfolio may use options on securities and indexes of securities, futures contracts and options on futures contracts for hedging and risk management purposes. Forward foreign currency exchange contracts, options and futures contracts are derivative instruments. For a discussion of these investments and investment techniques, see Risk Factors and Additional Investment Information.

RISK FACTORS AND ADDITIONAL INVESTMENT INFORMATION

INVESTING IN JAPAN. Investing in Japanese securities may involve the risks associated with investing in foreign securities generally. See Other Foreign Investment Information. In addition, because the Portfolio invests primarily in Japan, it will be subject to the general economic and political conditions in Japan.

Despite recent increases, prices for exchange-listed and OTC stocks of Japa-

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nese companies are currently depressed in comparison to their historical peaks in 1989 and 1990. Nevertheless, Japanese stocks continue to trade at high price earnings ratios relative to stocks of U.S. companies. In addition, differences in accounting methods make it difficult to compare the earnings of Japanese companies with those of U.S. companies. Because most of the Portfolio's investments are denominated in yen, changes in currency exchange rates will affect the U.S. dollar value of the Portfolio's assets. The Japanese economy has experienced a substantial reduction in its rate of growth. Economic growth and the prices of Japanese stocks could be adversely affected by a reversal of Japan's historical success in exporting its products and maintaining low inflation and interest rates. Recent political instability and any resulting delay in implementing regulatory reforms could also have a negative effect on Japanese stock prices. For additional information, see Appendix C--Investing in Japan and Asian Growth Markets--Japan and its Securities Markets in the Statement of Additional Information.

OTHER FOREIGN INVESTMENT INFORMATION. The Portfolio invests primarily in foreign securities. Investment in securities of foreign issuers involves somewhat different investment risks from those affecting securities of U.S. domestic issuers. There may be limited publicly available information with respect to foreign issuers, and foreign issuers are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to domestic companies. Interest paid by foreign issuers may be subject to withholding and other foreign taxes which may decrease the net return on foreign investments as compared to interest paid to the Portfolio by domestic companies.

Investors should realize that the value of the Portfolio's investments in foreign securities may be adversely affected by changes in political or social conditions, diplomatic relations, confiscatory taxation, expropriation, nationalization, limitation on the removal of funds or assets, or imposition of (or change in) exchange control or tax regulations in those foreign countries. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depreciation of portfolio securities and could favorably or unfavorably affect the Portfolio's operations. Furthermore, the economies of individual foreign nations may differ from the U.S. economy, whether favorably or unfavorably, in areas such as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position; it may also be more difficult to obtain and enforce a judgment against a foreign issuer. Any foreign investments made by the Portfolio must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments.

The Portfolio may invest in securities of foreign issuers directly or in the form of American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") or other similar securities of foreign issuers. These securities may not necessarily be denominated in the same currency as the securities they represent. ADRs are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying foreign securities. Certain such institutions issuing ADRs may not be sponsored by the issuer of the underlying foreign securities. A non-sponsored depository may

not provide the same shareholder information that a sponsored depository is required to provide under its contractual arrangements with the issuer of the underlying foreign securities. EDRs are receipts issued by a European financial institution evidencing a similar arrangement. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets, and EDRs, in bearer form, are designed for use in European securities markets.

Since the Portfolio's investments in foreign securities involve foreign currencies, the value of its assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, including currency blockage. See Foreign Currency Exchange Transactions.

FOREIGN CURRENCY EXCHANGE TRANSACTIONS. Because the Portfolio buys and sells securities and receives interest and dividends in currencies other than the U.S. dollar--principally yen--the Portfolio may enter from time to time into foreign currency exchange transactions. The Portfolio either enters into these

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transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market or uses forward contracts to purchase or sell foreign currencies. The cost of the Portfolio's spot currency exchange transactions is generally the difference between the bid and offer spot rate of the currency being purchased or sold.

A forward foreign currency exchange contract is an obligation by the Portfolio to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract. Forward foreign currency exchange contracts establish an exchange rate at a future date. These contracts are derivative instruments, as their value derives from the spot exchange rates of the currencies underlying the contract. These contracts are entered into in the interbank market directly between currency traders (usually large commercial banks) and their customers. A forward foreign currency exchange contract generally has no deposit requirement and is traded at a net price without commission. The Portfolio will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward foreign currency exchange contracts eliminate fluctuations in the prices of the Portfolio's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

The Portfolio may enter into foreign currency exchange transactions in an attempt to protect against changes in foreign currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Portfolio may also enter into forward contracts to hedge against a change in foreign currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a foreign currency. To do this, the Portfolio would enter into a forward contract to sell the foreign currency in which the investment is denominated or principally traded in exchange for U.S. dollars or in exchange for another foreign currency. The Portfolio will only enter into forward contracts to sell a foreign currency in exchange for another foreign currency if the Advisor expects the foreign currency purchased to appreciate against the U.S. dollar.

Although these transactions are intended to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realized should the value of the hedged currency increase. In addition, forward contracts that convert a foreign currency into another foreign currency will cause the Portfolio to assume the risk of fluctuations in the value of the currency purchased against the hedged currency and the U.S. dollar. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of such securities between the date the forward contract is entered into and the date it matures. The projection of currency market movements is extremely difficult, and the successful execution of a hedging strategy is highly uncertain.

CONVERTIBLE SECURITIES. The convertible securities in which the Portfolio may invest include any debt securities or preferred stock which may be converted into common stock or which carry the right to purchase common stock. Convertible securities entitle the holder to exchange the securities for a specified number of shares of common stock, usually of the same company, at specified prices within a certain period of time.

COMMON STOCK WARRANTS. The Portfolio may invest in common stock warrants that entitle the holder to buy common stock from the issuer of the warrant at a specific price (the strike price) for a specific period of time. The market price of warrants may be substantially lower than the current market price of the underlying common stock, yet warrants are subject to similar price fluctuations. As a result, warrants may be more volatile investments than the underlying common stock.

Warrants generally do not entitle the holder to dividends or voting rights with respect to the underlying common stock and do not represent any rights in the assets of the issuer company. A warrant will expire worthless if it is not exercised on or prior to the expiration date.

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WHEN-ISSUED AND DELAYED DELIVERY SECURITIES. The Portfolio may purchase money market instruments on a when- issued or delayed delivery basis. Delivery of and payment for these securities may take as long as a month or more after the date of the purchase commitment. The value of these securities is subject to market fluctuation during this period and no income accrues to the Portfolio until settlement. At the time of settlement, a when-issued security may be valued at less than its purchase price. The Portfolio maintains with the Custodian a separate account with a segregated portfolio of securities in an amount at least equal to these commitments. When entering into a when-issued or delayed delivery transaction, the Portfolio will rely on the other party to consummate the transaction; if the other party fails to do so, the Portfolio may be disadvantaged. It is the current policy of the Portfolio not to enter into when-issued commitments exceeding in the aggregate 15% of the market value of the Portfolio's total assets less liabilities other than the obligations created by these commitments.

REPURCHASE AGREEMENTS. The Portfolio may engage in repurchase agreement transactions with brokers, dealers or banks that meet the credit guidelines established by the Portfolio's Trustees. In a repurchase agreement, the Portfolio buys a security from a seller that has agreed to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. The term of these agreements is usually from overnight to one week. A repurchase agreement may be viewed as a fully collateralized loan of money by the Portfolio to the seller. The Portfolio always receives securities as collateral with a market value at least equal to the purchase price plus accrued interest and this value is maintained during the term of the agreement. If the seller defaults and the collateral value declines, the Portfolio might incur a loss. If bankruptcy proceedings are commenced with respect to the seller, the Portfolio's realization upon the disposition of collateral may be delayed or limited. Investments in certain repurchase agreements and certain other investments which may be considered illiquid are limited. See Illiquid Investments; Privately Placed and other Unregistered Securities below. Other repurchase agreements are considered to be a type of money market instrument. See Risk Factors and Additional Investment Information--Money Market Instruments.

LOANS OF PORTFOLIO SECURITIES. Subject to applicable investment restrictions, the Portfolio is permitted to lend its securities in an amount up to 33 1/3% of the value of the Portfolio's net assets. The Portfolio may lend its securities if such loans are secured continuously by cash or equivalent collateral or by a letter of credit in favor of the Portfolio at least equal at all times to 100% of the market value of the securities loaned, plus accrued interest. While such securities are on loan, the borrower will pay the Portfolio any income accruing thereon. Loans will be subject to termination by the Portfolio in the normal settlement time, generally three business days after notice, or by the borrower on one day's notice. Borrowed securities must be returned when the loan is terminated. Any gain or loss in the market price of the borrowed securities which occurs during the term of the loan inures to the Portfolio and its respective investors. The Portfolio may pay reasonable finders' and custodial fees in connection with a loan. In addition, the Portfolio will consider all facts and circumstances, including the creditworthiness of the borrowing financial institution, and the Portfolio will not make any loans in excess of one year.

Loans of portfolio securities may be considered extensions of credit by the Portfolio. The risks to the Portfolio with respect to borrowers of its portfolio securities are similar to the risks to the Portfolio with respect to sellers in repurchase

agreement transactions. See Repurchase Agreements above. The Portfolio will not lend its securities to any officer, Trustee, Director, employee or other affiliate of the Portfolio, the Advisor or the Distributor, unless otherwise permitted by applicable law.

REVERSE REPURCHASE AGREEMENTS. The Portfolio is permitted to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Portfolio sells a security and agrees to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. For the

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purposes of the 1940 Act, it is considered as a form of borrowing by the Portfolio and, therefore, a form of leverage. Leverage may cause any gains or losses of the Portfolio to be magnified. See Investment Restrictions for investment limitations applicable to reverse repurchase agreements and other borrowings. For more information, see Investment Objectives and Policies in the Statement of Additional Information.

ILLIQUID INVESTMENTS; PRIVATELY PLACED AND OTHER UNREGISTERED SECURITIES. The Portfolio may not acquire any illiquid securities if, as a result thereof, more than 15% of the market value of the Portfolio's total assets would be in illiquid investments. Subject to this non-fundamental policy limitation, the Portfolio may acquire investments that are illiquid or have limited liquidity, such as private placements or investments that are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and cannot be offered for public sale in the United States without first being registered under the 1933 Act. An illiquid investment is any investment that cannot be disposed of within seven days in the normal course of business at approximately the amount at which it is valued by the Portfolio. The price the Portfolio pays for illiquid securities or receives upon resale may be lower than the price paid or received for similar securities with a more liquid market. Accordingly the valuation of these securities will reflect any limitations on their liquidity.

The Portfolio may also purchase Rule 144A securities sold to institutional investors without registration under the 1933 Act. These securities may be determined to be liquid in accordance with guidelines established by the Advisor and approved by the Trustees of the Portfolio. The Trustees will monitor the Advisor's implementation of these guidelines on a periodic basis.

FUTURES AND OPTIONS TRANSACTIONS. The Portfolio may (a) purchase and sell (write) exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities, and (c) purchase and sell (write) put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging and risk management purposes. The Portfolio may not use futures contracts and options for speculation.

The Portfolio may utilize options and futures contracts to manage its exposure to changing interest rates and/or security prices. Some options and futures strategies, including selling futures contracts and buying puts, tend to hedge the Portfolio's investments against price fluctuations. Other strategies, including buying futures contracts, writing puts and calls, and buying calls, tend to increase market exposure. Options and futures contracts may be combined with each other or with forward contracts in order to adjust the risk and return characteristics of the Portfolio's overall strategy in a manner deemed appropriate to the Advisor and consistent with the Portfolio's objective and policies. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

The use of options and futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Portfolio's return. While the use of these instruments by the Portfolio may reduce certain risks associated with owning its portfolio securities, these techniques themselves entail certain other risks. If the Advisor applies a strategy at an inappropriate time or judges market conditions or trends incorrectly, options and futures strategies may lower the Portfo-

lio's return. Certain strategies limit the Portfolio's possibilities to realize gains as well as limiting its exposure to losses. The Portfolio could also experience losses if the prices of its options and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid secondary market. In addition, the Portfolio will incur transaction costs, including trading commissions and option premiums, in connection with its futures and options transactions and these transactions could significantly increase the Portfolio's turnover rate.

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The Portfolio may purchase put and call options on securities, indexes of securities and futures contracts, or purchase and sell futures contracts, only if such options are written by other persons and if (i) the aggregate premiums paid on all such options which are held at any time do not exceed 20% of the Portfolio's net assets, and (ii) the aggregate margin deposits required on all such futures or options thereon held at any time do not exceed 5% of the Portfolio's total assets. In addition, the Portfolio will not purchase or sell (write) futures contracts, options, or futures contracts or commodity options for risk management purposes if, as a result, the aggregate initial margin and options premiums required to establish these positions exceed 5% of the net asset value of the Portfolio. For more detailed information about these transactions, see the Appendix to this Prospectus and Investment Objectives and Policies--Risk Management in the Statement of Additional Information.

MONEY MARKET INSTRUMENTS. The Portfolio is permitted to invest in money market instruments although it intends to stay invested in equity securities to the extent practical in light of its objective. The Portfolio may invest in money market instruments of foreign or domestic issuers denominated in U.S. dollars and other currencies. Under normal circumstances the Portfolio will purchase these securities to invest temporary cash balances or to maintain liquidity to meet redemptions. However, the Portfolio may also invest in money market instruments without limitation as a temporary defensive measure taken in the Advisor's judgment during, or in anticipation of, adverse market conditions. For more detailed information about these money market investments, see Investment Objectives and Policies in the Statement of Additional Information.

INVESTMENT RESTRICTIONS

The investment objective of the Fund and the Portfolio, together with the investment restrictions described below and in the Statement of Additional Information, except as noted, are deemed fundamental policies, i.e., they may be changed only with the approval of the holders of a majority of the outstanding voting securities of the Fund and the Portfolio. The Fund has the same investment restrictions as the Portfolio, except that the Fund may invest all of its investable assets in another open-end investment company with the same investment objective and restrictions (such as the Portfolio). References below to the Portfolio's investment restrictions also include the Fund's investment restrictions.

The Portfolio may not purchase securities or other obligations of issuers conducting their principal business activity in the same industry if its investments in such industry would exceed 25% of the value of the Portfolio's total assets, except this limitation shall not apply to investments in U.S. Government securities. In addition, the Portfolio may not borrow money except that the Portfolio may (a) borrow money from banks for temporary or emergency purposes (not for leveraging purposes) and (b) enter into reverse repurchase agreements for any purpose, provided that (a) and (b) in total do not exceed one-third of the Portfolio's total assets less liabilities (other than borrowings); and the Portfolio may not issue senior securities except as permitted by the 1940 Act or any rule, order or interpretation thereunder. See Risk Factors and Additional Investment Information--Loans of Portfolio Securities and Reverse Repurchase Agreements.

For a more detailed discussion of the above investment restrictions, as well as a description of certain other investment restrictions, see Investment Restrictions in the Statement of Additional Information.

MANAGEMENT OF THE TRUST AND THE PORTFOLIO

TRUSTEES. Pursuant to the Declaration of Trust for the Trust, the Trustees of the Trust decide upon matters of general policy and review the actions of the Trust's service providers and the performance of the Portfolio's Advisor. Pursuant to

the Declaration of Trust for the Portfolio, the Trustees of the Portfolio (who are not the same as the Trustees of the Trust) have the same responsibilities for the Portfolio including overseeing its service providers.

The Portfolio has entered into a Fund Services Agreement with Pierpont Group, Inc. to assist the Trustees of the Portfolio in exercising their overall supervisory responsibilities for the Portfolio's affairs. The fee to be paid by

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the Portfolio under the agreement approximates the reasonable cost of Pierpont Group, Inc. in providing these services. Pierpont Group, Inc. was organized in 1989 at the request of the Trustees of The Pierpont Family of Funds for the purpose of providing these services at cost to those funds. The principal offices of Pierpont Group, Inc. are located at 461 Fifth Avenue, New York, New York 10017. For more information concerning the Trust's and the Portfolio's Trustees and officers, see Trustees and Officers in the Statement of Additional Information.

ADVISOR. The Fund has not retained the services of an investment adviser because the Fund seeks to achieve its investment objective by investing all of its investable assets in the Portfolio. The Portfolio has retained the services of Morgan as Investment Advisor. Morgan, with principal offices at 60 Wall Street, New York, New York 10260, is a New York trust company which conducts a general banking and trust business. Morgan is a wholly owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"), a bank holding company organized under the laws of Delaware. Through offices in New York City and abroad, J.P. Morgan, through the Advisor and other subsidiaries, offers a wide range of services to governmental, institutional, corporate and individual customers and acts as investment adviser to individual and institutional clients with combined assets under management of over $179 billion (of which the Advisor advises over $28 billion). Morgan provides investment advice and portfolio management services to the Portfolio. Subject to the supervision of the Portfolio's Trustees, Morgan makes the Portfolio's day-to-day investment decisions, arranges for the execution of portfolio transactions and generally manages the Portfolio's investments. See Investment Advisor in the Statement of Additional Information.

Morgan uses a sophisticated, disciplined, collaborative process for managing all asset classes. For equity portfolios, this process utilizes fundamental research, systematic stock selection and disciplined portfolio construction. Morgan has invested in equity securities of Japanese companies on behalf of its clients for over a decade and has had a research team in Tokyo since 1972. The portfolio managers making investments in Japanese equity securities work in conjunction with Morgan's Japanese equity analysts, as well as capital market, credit and economic research analysts, traders and administrative officers. The Japanese equity analysts, located in Tokyo, each cover a different industry, monitoring a universe of over 300 Japanese companies.

The following persons are primarily responsible for the day-to-day management and implementation of Morgan's process for the Portfolio (the inception date of each person's responsibility for the Portfolio and his business experience for the past five years is indicated parenthetically): Masato Degawa, Vice President (since August, 1995, employed by Morgan since September 1993 as a portfolio manager of Japanese equity investments and by Morgan Stanley prior to September, 1993 as a senior analyst covering Japanese utilities and special situations) and Yukiko Sugimoto, Vice President (since March, 1995, employed by Morgan since prior to 1991 as a portfolio manager of Japanese equity investments since 1991.

As compensation for the services rendered and related expenses borne by Morgan under the Investment Advisory Agreement with the Portfolio, the Portfolio has agreed to pay Morgan a fee, which is computed daily and may be paid monthly, at the annual rate of 0.65% of the Portfolio's average daily net assets.

Morgan also acts as Services Agent to the Trust and the Portfolio and provides shareholder services to shareholders of the Fund. See Services Agent below. INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK OR ANY OTHER BANK.

CO-ADMINISTRATOR AND DISTRIBUTOR. Under Co-Administration Agreements with the Trust and the Portfolio, FDI serves as the Co-Administrator for the Trust and the Portfolio and in that capacity FDI (i) provides office space, equipment and clerical personnel for maintaining the organization and books and records of the Trust and the Portfolio; (ii) provides officers for the Trust and the Portfolio; (iii) prepares and files documents required in connection with the Trust's state securities law registrations; (iv) reviews and files Trust marketing and sales literature; (v) files Portfolio regulatory documents and mails

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Portfolio communications to Trustees and investors; and (vi) maintains related books and records. Under the terms of the Trust's Services Agreement with Morgan, the fees of the Co-Administrator for its services to the Trust are covered by Morgan's expense undertakings described under Services Agent below.

FDI, a registered broker-dealer, also serves as the Distributor of shares of the Fund and exclusive placement agent for the Portfolio. FDI is a wholly owned indirect subsidiary of Boston Institutional Group, Inc. FDI currently provides administration and distribution services for a number of other registered investment companies.

SERVICES AGENT. Under a Services Agreement with the Trust and an Administrative Services Agreement with the Portfolio, Morgan is responsible for certain financial, fund accounting and administrative services provided to the Fund and the Portfolio, respectively, including services related to taxes, financial statements, calculation of performance data, oversight of service providers, certain regulatory and Board of Trustees matters, and providing shareholder services to shareholders of the Fund.

In addition, as provided in the Trust's Services Agreement, Morgan is responsible for the annual costs of certain usual and customary expenses incurred by the Fund (the "expense undertaking"). The expenses covered by the expense undertaking include, but are not limited to, transfer, registrar, and dividend disbursing costs, legal and accounting expenses, fees of the Co-Administrator for services to the Trust, insurance, the compensation and expenses of the Trust's Trustees, the expenses of printing and mailing reports, notices, and proxies to Fund shareholders, and registration fees under federal or state securities laws. The Fund will pay these expenses directly and such amounts will be deducted from the fees to be paid to Morgan under the agreement. If such amounts are more than the amount of Morgan's fees under the agreement, Morgan will reimburse the Fund for such excess amounts. Under the agreement, the following expenses are not included in the expense undertaking: the services agent fee, organizational expenses and extraordinary expenses as defined in this agreement.

The Trust's Services Agreement provides for the Fund to pay Morgan a fee for these services, which is computed daily and may be paid monthly, equal on an annual basis to of 0.75% of the Fund's average daily net assets.

As noted above, the fee levels of the Fund are expense undertakings and reflect payments made directly to third parties by the Fund for services rendered, as well as payments to Morgan for services rendered. The Trustees of the Trust regularly review amounts paid to and accounted for by Morgan pursuant to the Services Agreement. See Expenses below.

Under the Portfolio's Administrative Services Agreement and the Co-Administration Agreement effective August 1, 1996, the Portfolio has agreed to pay to Morgan and FDI fees equal to the Portfolio's allocable share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Portfolio and the other portfolios (collectively the "Master Portfolios") in which series of the Trust, The Pierpont Funds or The JPM Institutional Funds invest. This charge is calculated in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.04% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

CUSTODIAN. State Street Bank and Trust Company ("State Street"), 225 Franklin Street, Boston, Massachusetts 02101, serves as the Fund's and the Portfolio's Custodian and the Fund's Transfer and Dividend Disbursing Agent. State Street also keeps the books of account for the Fund and the Portfolio.

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EXPENSES. In addition to the fees payable to Pierpont Group, Inc., Morgan and FDI under the various agreements discussed under Trustees, Advisor, Co-Administrator and Distributor, and Services Agent above, the Portfolio is responsible for usual and customary expenses associated with its operations. Such expenses include organization expenses, legal fees, accounting expenses, insurance costs, the compensation and expenses of its Trustees, registration fees under federal and foreign securities laws, custodian fees, brokerage expenses and extraordinary expenses applicable to the Portfolio.

In addition to the expenses that Morgan assumes under the Trust's Services Agreement, Morgan has agreed that it will reimburse the Fund through at least April 30, 1997 to the extent necessary to maintain the Fund's total operating expenses (which includes expenses of the Fund and the Portfolio) at the annual rate of 1.70% of the Fund's average daily net assets. This limit does not cover extraordinary expenses during the period. There is no assurance that Morgan will continue this waiver beyond the specified period, except as required by the following sentence. Morgan has agreed to waive fees as necessary, if in any fiscal year the sum of the Fund's expenses exceeds the limits set by applicable regulations of state securities commissions. Such annual limits are currently 2.5% of the first $30 million of average net assets, 2% of the next $70 million of such net assets and 1.5% of such net assets in excess of $100 million for any fiscal year.

SHAREHOLDER TRANSACTIONS

Investors may request either Morgan or their Eligible Institution, as defined below, for assistance in placing orders to purchase, redeem or exchange shares of the Fund.

Shareholders should address all inquiries to J.P. Morgan Funds Services, Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036 or call (800) JPM-3637.

The business days of the Fund and the Portfolio are the days the New York Stock Exchange is open.

PURCHASE OF SHARES

METHOD OF PURCHASE. Investors may open accounts with the Fund only through the Distributor. All purchase transactions in Fund accounts are processed by Morgan as Services Agent and the Fund is authorized to accept any instructions relating to a Fund account from Morgan as agent for the customer. All purchase orders must be accepted by the Fund's Distributor. Investors must be customers of Morgan or an eligible institution which is a customer of Morgan (an "Eligible Institution"). Investors may also be employer-sponsored retirement plans that have designated the Fund as an investment option for the plans. Prospective investors who are not already customers of Morgan may apply to become customers of Morgan for the sole purpose of Fund transactions. There are no charges associated with becoming a Morgan customer for this purpose. Morgan reserves the right to determine the customers that it will accept, and the Fund reserves the right to determine the purchase orders that it will accept.

The Fund requires a minimum initial investment of $5,000.

PURCHASE PRICE AND SETTLEMENT. The Fund's shares are sold on a continuous basis without a sales charge at the net asset value per share next determined after receipt of an order. Prospective investors may purchase shares with the assistance of an Eligible Institution that may establish its own terms, conditions and charges.

To purchase shares in the Fund, investors should request their Morgan representative (or a representative of their Eligible Institution) to assist them in placing a purchase order with the Fund's Distributor and to transfer immediately available funds to the Fund's Distributor on the next business day. If the Fund receives a purchase order prior to 4:00 P.M. New York time on any business day, the purchase of Fund shares is effective and is made at the net asset value determined that day, and the purchaser generally becomes a holder of record on the next business day upon the Fund's receipt of payment. If the Fund or its agent receives a purchase order after 4:00 P.M. New York time, the purchase is effective and is made at the net asset value determined on the next business day, and the purchaser becomes a holder of record on the following

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business day upon the Fund's receipt of payment.

ELIGIBLE INSTITUTIONS. The services provided by Eligible Institutions may include establishing and maintaining shareholder accounts, processing purchase and redemption transactions, arranging for bank wires, performing shareholder subaccounting, answering client inquiries regarding the Trust, assisting clients in changing dividend options, account designations and addresses, providing periodic statements showing the client's account balance and integrating these statements with those of other transactions and balances in the client's other accounts serviced by the Eligible Institution, transmitting proxy statements, periodic reports, updated prospectuses and other communications to shareholders and, with respect to meetings of shareholders, collecting, tabulating and forwarding executed proxies and obtaining such other information and performing such other services as Morgan or the Eligible Institution's clients may reasonably request and agree upon with the Eligible Institution. Eligible Institutions may separately establish their own terms, conditions and charges for providing the aforementioned services and for providing other services.

REDEMPTION OF SHARES

METHOD OF REDEMPTION. To redeem shares in the Fund, an investor may instruct Morgan or his or her Eligible Institution, as appropriate, to submit a redemption request to the Fund. The Fund executes effective redemption requests at the next determined net asset value per share. See Net Asset Value. See Additional Information below for an explanation of the telephone redemption policy of The JPM Advisor Funds.

A redemption request received by the Fund or its agent prior to 4:00 P.M. New York time is effective on that day. A redemption request received after that time becomes effective on the next business day. Proceeds of an effective redemption are generally deposited on the next business day in immediately available funds to the shareholder's account at Morgan or at his or her Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions and, subject to Further Redemption Information below, in any event are paid within seven days.

FURTHER REDEMPTION INFORMATION. Investors should be aware that redemptions from the Fund may not be processed if a redemption request is not submitted in proper form. To be in proper form, the Fund must have received the shareholder's taxpayer identification number and address. As discussed under Taxes below, the Fund may be required to impose "back-up" withholding of federal income tax on dividends, distributions and redemption proceeds when noncorporate investors have not provided a certified taxpayer identification number. In addition, if a shareholder sends a check for the purchase of Fund shares and shares are purchased before the check has cleared, the transmittal of redemption proceeds from the shares will occur upon clearance of the check which may take up to 15 days.

The Fund reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for up to seven days and for such other periods as the 1940 Act or the Securities and Exchange Commission may permit. See Redemption of Shares in the Statement of Additional Information.

EXCHANGE OF SHARES

An investor may exchange shares from the Fund into any other JPM Advisor Fund, without charge. Shares are exchanged on the basis of relative net asset value per share. Exchanges are in effect redemptions from one fund and purchases of another fund and the usual purchase and redemption procedures and requirements are applicable to exchanges. See Purchase of Shares and Redemption of Shares in this Prospectus and in the prospectuses for the other JPM Advisor Funds. See also Additional Information below for an explanation of the telephone exchange policy of The JPM Advisor Funds.

Shareholders subject to federal income tax who exchange shares in one fund for shares in another fund may recognize capital gain or loss for federal income tax purposes. The Fund reserves the right to discontinue, alter or limit its exchange

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privilege at any time. For investors in certain states, state securities laws may restrict the availability of the exchange privilege.

DIVIDENDS AND DISTRIBUTIONS

Dividends consisting of substantially all of the Fund's net investment income, if any, are declared and paid annually. The Fund may also declare an additional dividend of net investment income in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund.

Substantially all the realized net capital gains, if any, of the Fund are declared and paid on an annual basis, except that an additional capital gains distribution may be made in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund. Declared dividends and distributions are payable to shareholders of record on the record date.

Dividends and capital gains distributions paid by the Fund are automatically reinvested in additional shares of the Fund unless the shareholder has elected to have them paid in cash. Dividends and distributions to be paid in cash are credited to the shareholder's account at Morgan or at his Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions. The Fund reserves the right to discontinue, alter or limit the automatic reinvestment privilege at any time.

NET ASSET VALUE

Net asset value per share for the Fund is determined by subtracting from the value of the Fund's total assets (i.e., the value of its investment in the Portfolio and other assets) the amount of its liabilities and dividing the remainder by the number of its outstanding shares, rounded to the nearest cent. Expenses, including the fees payable to Morgan, are accrued daily. See Net Asset Value in the Statement of Additional Information for information on valuation of portfolio securities for the Portfolio.

The Fund computes its net asset value once daily at 4:15 P.M. New York time on Monday through Friday, except that the net asset value is not computed for the Fund on the holidays listed under Net Asset Value in the Statement of Additional Information.

ORGANIZATION

The Trust was organized on September 16, 1994 as an unincorporated business trust under Massachusetts law and is an entity commonly known as a "Massachusetts business trust." The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares ($0.001 par value) of one or more series. To date, nine series of shares have been authorized and are available for sale to the public. Only shares of the Fund are offered through this Prospectus. No series of shares has any preference over any other series of shares. See Massachusetts Trust in the Statement of Additional Information.

The Declaration of Trust for the Trust provides that no Trustee, shareholder, officer, employee, or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of the Fund, but that the Trust property only shall be liable.

Shareholders of the Fund are entitled to one vote for each share and to the appropriate fractional vote for each fractional share. There is no cumulative voting. Shares have no preemptive or conversion rights. Shares are fully paid and non- assessable by the Fund. The Trust has adopted a policy of not issuing share certificates. The Trust does not intend to hold meetings of shareholders annually. As of July 26, 1996, The American Hospital of Paris technically met the definition of a control person of the Fund. The Trustees may call meetings of shareholders for action by shareholder vote as

may be required by either the 1940 Act or the Declaration of Trust. The Trustees will call a meeting of shareholders to vote on removal of a Trustee upon

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the written request of the record holders of ten percent of Trust shares and will assist shareholders in communicating with each other as prescribed in Section 16(c) of the 1940 Act. For further organization information, including certain shareholder rights, see Description of Shares in the Statement of Additional Information.

The Portfolio is a series (subtrust) of The Series Portfolio, a master trust organized as a trust under the laws of the State of New York. The Series Portfolio's Declaration of Trust provides that the Fund and other entities investing in the Portfolio (e.g., other investment companies, insurance company separate accounts and common and commingled trust funds) will each be liable for all obligations of the Portfolio. However, the risk of the Fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance existed and the Portfolio itself was unable to meet its obligations. Accordingly, the Trustees of the Trust believe that neither the Fund nor its share- holders will be adversely affected by reason of the Fund's investing in the Portfolio.

TAXES

The following discussion of tax consequences is based on U.S. federal tax laws in effect on the date of this Prospectus. These laws and regulations are subject to change by legislative or administrative action. Investors are urged to consult their own tax advisors with respect to specific questions as to federal taxes and with respect to the applicability of state or local taxes. See Taxes in the Statement of Additional Information. Annual statements as to the current federal tax status of distributions, if applicable, are mailed to shareholders after the end of the taxable year for the Fund.

The Trust intends to qualify the Fund as a separate regulated investment company under Subchapter M of the Code. For the Fund to qualify as a regulated investment company, the Portfolio, in addition to other requirements, limits its investments so that at the close of each quarter of its taxable year (a) no more than 25% of its total assets are invested in the securities of any one issuer, except U.S. Government securities, and (b) with regard to 50% of its total assets, no more than 5% of its total assets are invested in the securities of a single issuer, except U.S. Government securities. As a regulated investment company, the Fund should not be subject to federal income taxes or federal excise taxes if substantially all of its net investment income and capital gains less any available capital loss carryforwards are distributed to shareholders within allowable time limits. The Portfolio intends to qualify as an association treated as a partnership for federal income tax purposes. As such, the Portfolio should not be subject to tax. The Fund's status as a regulated investment company is dependent on, among other things, the Portfolio's continued qualification as a partnership for federal income tax purposes.

If a correct and certified taxpayer identification number is not on file, the Fund is required, subject to certain exemptions, to withhold 31% of certain payments made or distributions declared to noncorporate shareholders.

Distributions of net investment income and realized net short-term capital gains in excess of net long-term capital losses are taxable as ordinary income to shareholders of the Fund whether such distributions are taken in cash or reinvested in additional shares. Distributions of this type to corporate shareholders of the Fund will not qualify for the dividends- received deduction because the income of the Fund will not consist of dividends paid by U.S. corporations.

Distributions of net long-term capital gains in excess of net short-term capital losses are taxable to shareholders of the Fund as long-term capital gains regardless of how long a shareholder has held shares in the Fund and regardless of whether taken in cash or reinvested in additional shares. Long-term capital gains distributions to corporate shareholders are not eligible for the dividends-received deduction.

Any distribution of net investment income or capital gains will have the effect of reducing the net asset value of Fund shares held by a shareholder by the same amount as the distribution. If the net asset value of the shares is reduced below a shareholder's cost as a result of such a distribution, the distribution, although constituting a return of capital to the shareholder, will be taxable as described above.

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Any gain or loss realized on the redemption or exchange of Fund shares by a shareholder who is not a dealer in securities will be treated as long-term capital gain or loss if the shares have been held for more than one year, and otherwise as short-term capital gain or loss. However, any loss realized by a shareholder upon the redemption or exchange of shares in the Fund held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received by the shareholder with respect to such shares.

The Fund is subject to foreign withholding taxes with respect to income received from sources within certain foreign countries. So long as more than 50% of the value of the Fund's total assets at the close of any taxable year consists of stock or securities of foreign corporations, the Fund may elect to treat any such foreign income taxes paid by it as paid directly by its shareholders. The Fund will make such an election only if it deems it to be in the best interests of its shareholders and will notify shareholders in writing each year if it makes the election and of the amount of foreign income taxes and gross income derived from sources within any foreign country or possession of the United States, if any, to be treated as paid by the shareholders. If the Fund makes the election, each shareholder will be required to include in income his proportionate share of the amount of foreign income taxes paid by the Fund and will be entitled to claim either a credit (which is subject to certain limitations) or, if the shareholder itemizes deductions, a deduction for his share of the foreign income taxes in computing his federal income tax liability. (No deduction will be permitted to individuals in computing their alternative minimum tax liability.)

ADDITIONAL INFORMATION

The Fund sends to its shareholders annual and semi-annual reports. The financial statements appearing in annual reports are audited by independent accountants. Shareholders also will be sent confirmations of each purchase and redemption and monthly statements, reflecting all other account activity, including dividends and any distributions reinvested in additional shares or credited as cash.

All shareholders are given the privilege to initiate transactions automatically by telephone upon opening an account. However, an investor should be aware that a transaction authorized by telephone and reasonably believed to be genuine by the Fund, Morgan, his or her Eligible Institution or the Distributor may subject the investor to risk of loss if such instruction is subsequently found not to be genuine. The Fund will employ reasonable procedures, including requiring investors to give their Personal Identification Number and tape recording of telephone instructions, to confirm that instructions communicated from investors by telephone are genuine; if it does not, it, the Services Agent or a shareholder's Eligible Institution may be liable for any losses due to unauthorized or fraudulent instructions.

The Fund may make historical performance information available and may compare its performance to other investments or relevant indexes, including data from Lipper Analytical Services, Inc., Micropal Inc., Morningstar Inc., Ibbotson Associates, the TOPIX, Standard & Poor's 500 Composite Stock Price Index, the Dow Jones Industrial Average, the Frank Russell Indexes, the Morgan Stanley Europe, Australia and Far East Index, the Financial Times World Stock Index and other industry publications.

The Fund may advertise "total return" and non-standardized total return data. The total return shows what an investment in the Fund would have earned over a specified period of time (one, five or ten years or since commencement of operations, if less) assuming that all distributions and dividends by the Fund were reinvested on the reinvestment dates during the period and less all recurring fees. This method of calculating total return is required by regulations of the Securities and Exchange Commission. Total return data similarly calculated, unless otherwise indicated, over other specified periods of time may also be used. See Performance Data in the Statement of Additional Information. All performance figures are based on historical earnings and are not intended to indicate future performance. Shareholders may obtain performance information by calling Morgan at (800) JPM-3637.

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APPENDIX

The Portfolio may (a) purchase and sell (write) exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities and (c) purchase and sell (write) put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging and risk management purposes. See Risk Management in the Statement of Additional Information. The Portfolio may not use futures contracts and options for speculation.

OPTIONS

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the Portfolio obtains the right (but not the obligation) to sell the instrument underlying the option at a fixed strike price. In return for this right, the Portfolio pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indexes of securities, indexes of securities prices, and futures contracts. The Portfolio may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. The Portfolio may also close out a put option position by entering into an offsetting transaction, if a liquid market exists. If the option is allowed to expire, the Portfolio will lose the entire premium it paid. If the Portfolio exercises a put option on a security, it will sell the instrument underlying the option at the strike price. If the Portfolio exercises an option on an index, settlement is in cash and does not involve the actual sale of securities. If an option is American style, it may be exercised on any day up to its expiration date. A European style option may be exercised only on its expiration date.

The buyer of a typical put option can expect to realize a gain if the price of the underlying instrument falls substantially. However, if the price of the instrument underlying the option does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the instrument underlying the option at the option's strike price. A call buyer typically attempts to participate in potential price increases of the instrument underlying the option with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

SELLING (WRITING) PUT AND CALL OPTIONS. When the Portfolio writes a put option, it takes the opposite side of the transaction from the option's purchaser. In return for receipt of the premium, the Portfolio assumes the obligation to pay the strike price for the instrument underlying the option if the other party to the option chooses to exercise it. The Portfolio may seek to terminate its position in a put option it writes before exercise by purchasing an offsetting option in the market at its current price. If the market is not liquid for a put option the Portfolio has written, however, the Portfolio must continue to be prepared to pay the strike price while the option is outstanding, regardless of price changes, and must continue to post margin as discussed below.

If the price of the underlying instrument rises, a put writer would generally expect to profit, although its gain would be limited to the amount of the premium it received. If security prices remain the same over time, it is likely that the writer will also profit, because it should be able to close out the option at a lower price. If security prices fall, the put writer would expect to suffer a loss. This loss should be less than the loss from purchasing and holding the underlying instrument directly, however, because the premium received for writing the option should offset a portion of the decline.

Writing a call option obligates the Portfolio to sell or deliver the option's underlying instrument in return for the strike price upon exercise of the option. The characteristics of writing call options are similar to those of writing put options,

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except that writing calls generally is a profitable strategy if prices remain the same or fall. Through receipt of the option premium a call writer offsets part of the effect of a price decline. At the same time, because a call writer must be prepared to deliver the underlying instrument in return for the strike price, even if its current value is greater, a call writer gives up some ability to participate in security price increases.

The writer of an exchange traded put or call option on a security, an index of securities or a futures contract is required to deposit cash or securities or a letter of credit as margin and to make mark to market payments of variation margin as the position becomes unprofitable.

OPTIONS ON INDEXES. The Portfolio may purchase and sell (write) put and call options on any securities index based on securities in which the Portfolio may invest. Options on securities indexes are similar to options on securities, except that the exercise of securities index options is settled by cash payment and does not involve the actual purchase or sale of securities. In addition, these options are designed to reflect price fluctuations in a group of securities or segment of the securities market rather than price fluctuations in a single security. The Portfolio, in purchasing or selling index options, is subject to the risk that the value of its portfolio securities may not change as much as an index because the Portfolio's investments generally will not match the composition of an index.

For a number of reasons, a liquid market may not exist and thus the Portfolio may not be able to close out an option position that it has previously entered into. When the Portfolio purchases an OTC option, it will be relying on its counterparty to perform its obligations, and the Portfolio may incur additional losses if the counterparty is unable to perform.

FUTURES CONTRACTS

When the Portfolio purchases a futures contract, it agrees to purchase a specified quantity of an underlying instrument at a specified future date or to make a cash payment based on the value of a securities index. When the Portfolio sells a futures contract, it agrees to sell a specified quantity of the underlying instrument at a specified future date or to receive a cash payment based on the value of a securities index. The price at which the purchase and sale will take place is fixed when the Portfolio enters into the contract. Futures can be held until their delivery dates or the position can be (and normally is) closed out before then. There is no assurance, however, that a liquid market will exist when the Portfolio wishes to close out a particular position.

When the Portfolio purchases a futures contract, the value of the futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase the Portfolio's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When the Portfolio sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the value of the underlying instrument. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, when the Portfolio buys or sells a futures contract it will be required to deposit "initial margin" with its Custodian in a segregated account in the name of its futures broker, known as a futures commission merchant (FCM). Initial margin deposits are typically equal to a small percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments equal to the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. The Portfolio may be obligated to make payments of variation margin at a time when it is disadvantageous to do so. Furthermore, it may not always be possible for the Portfolio to close out its futures positions. Until it closes out a

futures position, the Portfolio will be obligated to continue to pay variation margin. Initial and variation margin payments do not constitute purchasing on margin for purposes of the Portfolio's investment restrictions. In the event of

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the bankruptcy of an FCM that holds margin on behalf of the Portfolio, the Portfolio may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Portfolio.

The Portfolio will segregate liquid assets in connection with its use of options and futures contracts to the extent required by the staff of the Securities and Exchange Commission. Securities held in a segregated account cannot be sold while the futures contract or option is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of the Portfolio's assets could impede portfolio management or the Portfolio's ability to meet redemption requests or other current obligations.

For further information about the Portfolio's use of futures and options and a more detailed discussion of associated risks, see Investment Objectives and Policies in the Statement of Additional Information.

THE JPM ADVISOR FUNDS

The JPM Advisor U.S. Fixed Income Fund

The JPM Advisor International Fixed Income Fund

The JPM Advisor U.S. Equity Fund

The JPM Advisor U.S. Small Cap Equity Fund

The JPM Advisor International Equity Fund

The JPM Advisor European Equity Fund

The JPM Advisor Asia Growth Fund

The JPM Advisor Japan Equity Fund

The JPM Advisor Emerging Markets Equity Fund

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorized by the Trust or the Distributor. This Prospectus does not constitute an offer by the Trust or by the Distributor to sell or a solicitation of any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Trust or the Distributor to make such offer in such jurisdiction.

ADVPROS408-968
MST608028PRO

The JPM Advisor Japan Equity Fund

PROSPECTUS

August 26, 1996

PROSPECTUS

The JPM Advisor Asia Growth Fund

60 State Street
Boston, Massachusetts 02109

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The JPM Advisor Asia Growth Fund (the "Fund") seeks to provide a high total return from a portfolio of equity securities of companies in Asian growth markets. It is designed for long-term investors who want access to the rapidly growing Asian markets.

The Fund is a diversified no-load mutual fund for which there are no sales charges or exchange or redemption fees. The Fund is a series of The JPM Advisor Funds, an open-end management investment company organized as a Massachusetts business trust (the "Trust").

UNLIKE OTHER MUTUAL FUNDS WHICH DIRECTLY ACQUIRE AND MANAGE THEIR OWN PORTFOLIO OF SECURITIES, THE FUND SEEKS TO ACHIEVE ITS INVESTMENT OBJECTIVE BY INVESTING ALL OF ITS INVESTABLE ASSETS IN THE ASIA GROWTH PORTFOLIO (THE "PORTFOLIO"), A CORRESPONDING DIVERSIFIED OPEN-END MANAGEMENT INVESTMENT COMPANY HAVING THE SAME INVESTMENT OBJECTIVE AS THE FUND. THE FUND INVESTS IN THE PORTFOLIO THROUGH A TWO-TIER MASTER-FEEDER STRUCTURE. SEE SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE ON PAGE 3.

The Portfolio is advised by Morgan Guaranty Trust Company of New York ("Morgan" or the "Advisor").

This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing and it should be retained for future reference. Additional information about the Fund has been filed with the Securities and Exchange Commission in a Statement of Additional Information dated August 26, 1996 (as supplemented from time to time). This information is incorporated herein by reference and is available without charge upon written request from the Fund's Distributor, Funds Distributor, Inc. ("FDI"), 60 State Street, Suite 1300, Boston, Massachusetts 02109, Attention: The JPM Advisor Funds, or by calling (800) 221-7930.

INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK 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. AN INVESTMENT IN THE FUND IS SUBJECT TO RISK THAT MAY CAUSE THE VALUE OF THE INVESTMENT TO FLUCTUATE, AND WHEN THE INVESTMENT IS REDEEMED, THE VALUE MAY BE HIGHER OR LOWER THAN THE AMOUNT ORIGINALLY INVESTED BY THE INVESTOR.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS AUGUST 26, 1996.

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The JPM Advisor Asia Growth Fund

INVESTORS FOR WHOM THE FUND IS DESIGNED

The Fund is designed for long-term investors who want access to the rapidly growing Asian markets. The Fund seeks to achieve its investment objective by investing all of its investable assets in The Asia Growth Portfolio, a diversified open-end management investment company having the same investment objective as the Fund. Since the investment characteristics and experience of the Fund will correspond directly with those of the Portfolio, the discussion in this Prospectus focuses on the investments and investment policies of the Portfolio. The net asset value of shares in the Fund fluctuates with changes in the value of the investments in the Portfolio.

The Portfolio may make various types of investments in seeking its objective. Among the permissible investments and investment techniques for the Portfolio are futures contracts, options and forward contracts on foreign currencies. The potential risks of investing in these derivative instruments are discussed in Risk Factors and Additional Investment Information and the Appendix. The Portfolio may also purchase certain privately placed securities. The Portfolio's investments in securities of issuers in Asian growth markets involve foreign investment risks and may be more volatile and less liquid than domestic securities. For further information about these investments, see Investment Objective and Policies below.

The Fund requires a minimum initial investment of $5,000. See Purchase of Shares.

This Prospectus describes the investment objective and policies, management and operation of the Fund to enable investors to decide if the Fund suits their needs. The Fund operates in a two-tier master-feeder investment fund structure. The Trustees of the Trust believe that the Fund may achieve economies of scale over time by utilizing this investment structure.

The following table illustrates that investors in the Fund incur no shareholder transaction expenses; their investment in the Fund is subject only to the operating expenses set forth below for the Fund and the Portfolio, as a percentage of average net assets of the Fund. The Trustees of the Trust believe that the aggregate per share expenses of the Fund and the Portfolio will be approximately equal to and may be less than the expenses that the Fund would incur if it retained the services of an investment adviser and invested its assets directly in portfolio securities. Fund and Portfolio expenses are discussed below under the headings Management of the Trust and the Portfolio--Expenses.

<TABLE>

<S>	<C>
SHAREHOLDER TRANSACTION EXPENSES	
Sales Load Imposed on Purchases	None
Sales Load Imposed on Reinvested Dividends	None
Deferred Sales Load	None
Redemption Fees	None
Exchange Fees	None

</TABLE>

EXPENSE TABLE

ANNUAL OPERATING EXPENSES*

<TABLE>

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Advisory Fees	0.80%
Rule 12b-1 Fees	None
Other Expenses (after expense reimbursement)	1.05%
Total Operating Expenses (after expense reimbursement)	1.85%

</TABLE>

----

* These expenses are based on the expenses and average net assets of the Fund and the Portfolio for the period reflected in Financial Highlights below, after any applicable expense reimbursement. Without such reimbursement, Other Expenses and Total Operating Expenses (after application of state expense limitations) would have been equal on an annual basis to 1.70% and 2.50%, respectively, of the average daily net assets of the Fund. See Management of the Trust and the Portfolio.

EXAMPLE

An investor would pay the following expenses on a $1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period:

<TABLE>

<S>	<C>
1 Year	$ 19
3 Years	$ 58
5 Years	$100
10 Years	$217

</TABLE>

The above expense table is designed to assist investors in understanding the various direct and indirect costs and expenses that investors in the Fund bear. The fees and expenses included in Other Expenses are the fees paid to Morgan under the Portfolio's Administrative Services and Trust's Services Agreement, the fees paid to Pierpont Group, Inc. under the Portfolio Fund Services Agreement, the fees paid to FDI under the Portfolio's Co-Administration Agreement, organizational expenses, the fees paid to State Street Bank and Trust Company as custodian of the Portfolio, and other usual and customary expenses of the Portfolio. For a more detailed description of contractual fee arrangements, including expense reimbursements, see Management of the Trust and the Portfolio. In connection with the above example, please note that $1,000 is less than the Fund's minimum investment requirement and that there are no redemption or exchange fees of any kind. See Purchase of Shares and Redemption of Shares. THE EXAMPLE IS HYPOTHETICAL; IT IS INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. IT SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE PERFORMANCE; ACTUAL EXPENSES MAY BE MORE OR LESS THAN THOSE SHOWN.

FINANCIAL HIGHLIGHTS

The following selected data for a share outstanding are unaudited. The Fund's semi-annual financial statements are part of the Statement of Additional Information and are incorporated herein. The financial statements and subsequent semi- annual reports are available without charge upon request. Future annual reports will include a discussion of those factors, strategies and techniques that materially affected the Fund's performance during the period of the report, as well as certain related information.

<TABLE>
<CAPTION>

<S>	For the Period January 5, 1996 (commencement of operations) through June 30, 1996 (unaudited) <C>
Net Asset Value, Beginning of Period	$10.71

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Income From Investment Operations:	
Net Investment Income	0.10
Net Realized and Unrealized Gain on Investment and Foreign Currency	0.36
Total from Investment Operations	0.46
Net Asset Value, End of Period	$11.17
Total Return	4.30%(a)
Ratios and Supplemental Data:	
Net Assets at End of Period (in thousands)	$ 116
Ratios to Average Net Assets:	
Expenses	1.85%(b)
Net Investment Income	0.87%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement	0.65%(b)(c)

</TABLE>

(a) Not Annualized.

(b) Annualized.

(c) After consideration of certain state limitations.

SPECIAL INFORMATION CONCERNING INVESTMENT STRUCTURE

Unlike other mutual funds which directly acquire and manage their own portfolio of securities, the Fund is an open-end management investment company which seeks to achieve its investment objective by investing all of its investable assets in the Portfolio, a separate registered investment company with the same investment objective as the Fund. The investment objective of the Fund or Portfolio may be changed only with the approval of the holders of the outstanding shares of the Fund and the Portfolio. The master-feeder investment fund structure has been developed relatively recently, so shareholders should carefully consider this investment approach.

In addition to selling a beneficial interest to the Fund, the Portfolio may sell beneficial interests to other mutual funds or institutional investors. Such investors will invest in the Portfolio on the same terms and conditions and will bear a proportionate share of the Portfolio's expenses. However, the other investors investing in the Portfolio may sell shares of their own fund using a different pricing structure than the Fund. Such different pricing structures may result in differences in returns experienced by investors in other funds that invest in the Portfolio. Such differences in returns are not uncommon and are present in other mutual fund structures. Information concerning other holders of interests in the Portfolio is available from Morgan at (800) JPM-3637.

The Trust may withdraw the investment of the Fund from the Portfolio at any time if the Board of Trustees of the Trust determines that it is in the best interests of the Fund to do so. Upon any such withdrawal, the Board of Trustees would consider what action might be taken, including the investment of all the assets of the Fund in another pooled investment entity having the same investment objective and restrictions as the Fund or the retaining of an investment adviser to manage the Fund's assets in accordance with the investment policies described below with respect to the Portfolio.

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Certain changes in the Portfolio's investment objective, policies or restrictions, or a failure by the Fund's shareholders to approve a change in the Portfolio's investment objective or restrictions, may require withdrawal of the Fund's interest in the Portfolio. Any such withdrawal could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) from the Portfolio which may or may not be readily marketable. The distribution in kind may result in the Fund having a less diversified portfolio of investments or adversely affect the Fund's liquidity, and the Fund could incur brokerage, tax or other charges in converting the securities to cash. Notwithstanding the above, there are other means for meeting shareholder redemption requests, such as borrowing.

Smaller funds investing in the Portfolio may be materially affected by the actions of larger funds investing in the Portfolio. For example, if a large fund withdraws from the Portfolio, the remaining funds may subsequently experience higher pro rata operating expenses, thereby producing lower returns. Additionally, because the Portfolio would become smaller, it may become less diversified, resulting in potentially increased portfolio risk (however, these possibilities also exist for traditionally structured funds which have large or institutional investors who may withdraw from a fund). Also, funds with a greater pro rata ownership in the Portfolio could have effective voting control of the operations of the Portfolio. Whenever the Fund is requested to vote on matters pertaining to the Portfolio (other than a vote by the Fund to continue the operation of the Portfolio upon the withdrawal of another investor in the Portfolio), the Trust will hold a meeting of shareholders of the Fund and will cast all of its votes proportionately as instructed by the Fund's shareholders. The Trust will vote the shares held by Fund shareholders who do not give voting instructions in the same proportion as the shares of Fund shareholders who do give voting instructions. Shareholders of the Fund who do not vote will have no effect on the outcome of such matters.

For more information about the Portfolio's investment objective, policies and restrictions, see Investment Objective and Policies, Risk Factors and Additional Investment Information and Investment Restrictions. For more information about the Portfolio's management and expenses, see Management of the Trust and the Portfolio. For more information about changing the investment objective, policies and restrictions of the Fund or the Portfolio, see Investment Restrictions.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund and the Portfolio is described below, together with the policies they employ in their efforts to achieve this objective. Additional information about the investment policies of the Fund and the Portfolio appears in the Statement of Additional Information under Investment Objectives and Policies. There can be no assurance that the investment objective of the Fund or the Portfolio will be achieved.

The Fund's investment objective is to achieve a high total return from a portfolio of equity securities of companies in Asian growth markets. Total return will consist of realized and unrealized capital gains and losses plus income. The Fund attempts to achieve its investment objective by investing all its investable assets in The Asia Growth Portfolio, a diversified open-end management investment company having the same investment objective as the Fund.

The Fund is designed for long-term investors who want access to the rapidly growing Asian markets. THE FUND DOES NOT REPRESENT A COMPLETE INVESTMENT PROGRAM NOR IS THE FUND SUITABLE FOR ALL INVESTORS. MANY INVESTMENTS

IN ASIAN GROWTH MARKETS CAN BE CONSIDERED SPECULATIVE AND, THEREFORE, MAY OFFER HIGHER POTENTIAL FOR GAINS AND LOSSES AND MAY BE MORE VOLATILE THAN INVESTMENTS IN THE DEVELOPED MARKETS OF THE WORLD. See Risk Factors and Additional Investment Information.

The Advisor considers "Asian growth markets" to be Bangladesh, China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand, Taiwan, Hong Kong, and Singapore.

A company in an Asian growth market is one that: (i) has its principal securities trading market in an Asian growth market; or (ii) is organized under the laws of an Asian growth market; or (iii) derives 50% or more of its total reve-

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nue and/or profits from either goods produced, sales made or services performed in Asian growth markets; or (iv) has at least 50% of its assets located in Asian growth markets.

The Portfolio seeks to achieve its objective through country allocation and company selection. Morgan uses a disciplined portfolio construction process to seek to enhance returns and reduce volatility in the market value of the Portfolio relative to its benchmark. The Portfolio's benchmark is a customized index comprised of Morgan Stanley Capital International's indices for Hong Kong and Singapore and the International Finance Corporation's Investable indices for China, Indonesia, Malaysia, Philippines, South Korea, Taiwan and Thailand.

Based on fundamental research, quantitative valuation techniques and experienced judgment, Morgan identifies those countries where economic and political factors, including currency movements, are likely to produce above-average returns. Drawing on this analysis, Morgan allocates the Portfolio among Asian growth markets by overweighting or underweighting selected countries against the benchmark. Currently, three Asian growth markets--Hong Kong, Malaysia and Thailand--represent more than 60% of the market value of the benchmark and of the Portfolio.

To select investments for the Portfolio, the Advisor ranks companies in each Asian growth market within industrial sectors according to their relative value. These valuations are based on the Advisor's fundamental research and use of quantitative tools to project a company's long-term prospects for earnings growth and its dividend paying capability. Based on this valuation, Morgan then selects the companies which appear most attractive for the Portfolio. Typically, the Portfolio's industrial sector weightings will be similar to those of its benchmark.

The Portfolio intends to manage its portfolio actively in pursuit of its investment objective. The Portfolio does not intend to respond to short-term market fluctuations or to acquire securities for the purpose of short-term trading; however, it may take advantage of short-term trading opportunities that are consistent with its objective. To the extent the Portfolio engages in short-term trading, it may realize short-term capital gains or losses and incur increased transaction costs. See Taxes below. The estimated annual portfolio turnover rate for the Portfolio is generally not expected to exceed 100%.

The Portfolio's investments are primarily in securities denominated in foreign currencies, but it may also invest in securities denominated in the U.S. dollar or multinational currency units such as the ECU. The Advisor will not routinely attempt to hedge the Portfolio's foreign currency exposure. However, the Advisor may from time to time engage in foreign currency exchange transactions if, based on fundamental research, technical factors, and the judgment of experienced currency managers, it believes the transactions would be in the Portfolio's best interest. For further information on foreign currency exchange transactions, see Risk Factors and Additional Investment Information.

EQUITY INVESTMENTS. In normal circumstances, the Advisor intends to keep the Portfolio essentially fully invested with at least 65% of the value of its total assets in equity securities of companies in Asian growth markets consisting of common stocks and other securities with equity characteristics comprised of preferred stock, warrants, rights, convertible securities, trust certificates, limited partership interests and equity participations. The Portfolio's primary equity investments

are the common stock of companies the Advisor has identified as attractive in the Asian growth markets. Such investments will be made in at least three different countries considered to be Asian growth markets. The common stock in which the Portfolio may invest includes the common stock of any class or series or any similar equity interest, such as trust or limited partnership interests. These equity investments may or may not pay dividends and may or may not carry voting rights. The Portfolio invests in securities listed on foreign or domestic securities exchanges and securities traded in foreign or domestic over-the-counter (OTC) markets, and may invest in certain restricted or unlisted securities.

Certain Asian growth markets are closed in whole or in part to equity

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investments by foreigners except through specifically authorized investment funds. Securities of other investment companies may be acquired by the Portfolio to the extent permitted under the Investment Company Act of 1940 (the "1940 Act") -- that is, the Portfolio may invest up to 10% of its total assets in securities of other investment companies so long as not more than 3% of the outstanding voting stock of any one investment company is held by the Portfolio. In addition, not more than 5% of the Portfolio's total assets may be invested in the securities of any one investment company. As a shareholder in an investment fund, the Portfolio would bear its share of that investment fund's expenses, including its advisory and administration fees. At the same time the Portfolio and the Fund would continue to pay their own operating expenses.

The Portfolio may also invest in money market instruments denominated in U.S. dollars and other currencies, purchase securities on a when-issued or delayed delivery basis, enter into repurchase and reverse repurchase agreements, loan its portfolio securities, purchase certain privately placed securities and enter into forward foreign currency exchange contracts. In addition, the Portfolio may use options on securities and indexes of securities, futures contracts and options on futures contracts for hedging and risk management purposes. Forward foreign currency exchange contracts, options and futures contracts are derivative instruments. For a discussion of these investments and investment techniques, see Risk Facotrs and Additional Investment Information.

RISK FACTORS AND ADDITIONAL INVESTMENT INFORMATION

INVESTING IN ASIAN GROWTH MARKETS. The Portfolio invests primarily in equity securities of companies in Asian growth markets. Investments in securities of issuers in Asian growth markets may involve a high degree of risk and many may be considered speculative. These investments carry all of the risks of investing in securities of foreign issuers described below to a heightened degree. These heightened risks include (i) greater risks of expropriation, confiscatory taxation, nationalization, and less social, political and economic stability; (ii) the small current size of the markets for securities of Asian issuers and the currently low or nonexistent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict the Portfolio's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

Different combinations of the above risks exist in each Asian growth market. For example, the People's Republic of China (the "PRC") continues to exercise significant centralized control over the economy. A delay in implementing, or a reversal of, economic reforms could adversely affect economic growth, opportunities for foreign investment and the prospects of private sector enterprises. Actions by the PRC with respect to Hong Kong, both before and after reversion to Chinese rule, could have a negative effect on business confidence, the performance of Hong Kong companies and prices of Hong Kong stocks.

The value of the Portfolio's investments could also be unfavorably affected by limitations on the foreign ownership of stock imposed by Indonesia, Malaysia, Thailand and Taiwan; by substantial delays in the settlement (through physical delivery) of stock transactions in India; and Thailand's border disputes with Laos and Cambodia. In addition, all of these countries have experienced or may experience a significant degree of political instability and volatility in the prices of

their respective currencies. For additional information, see Appendix C--Investing in Japan and Asian Growth Markets in the Statement of Additional Information.

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OTHER FOREIGN INVESTMENT INFORMATION. Generally, investment in securities of foreign issuers involves somewhat different investment risks from those affecting securities of U.S. domestic issuers. There may be limited publicly available information with respect to foreign issuers, and foreign issuers are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to domestic companies. Dividends and interest paid by foreign issuers may be subject to withholding and other foreign taxes which may decrease the net return on foreign investments as compared to dividends and interest paid to the Portfolio by domestic companies.

Investors should realize that the value of the Portfolio's investments in foreign securities may be adversely affected by changes in political or social conditions, diplomatic relations, confiscatory taxation, expropriation, nationalization, limitation on the removal of funds or assets, or imposition of (or change in) exchange control or tax regulations in those foreign countries. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depreciation of portfolio securities and could favorably or unfavorably affect the Portfolio's operations. Furthermore, the economies of individual foreign nations may differ from the U.S. economy, whether favorably or unfavorably, in areas such as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position; it may also be more difficult to obtain and enforce a judgment against a foreign issuer. Any foreign investments made by the Portfolio must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments.

In addition, while the volume of transactions effected on foreign stock exchanges has increased in recent years, in most cases it remains appreciably below that of domestic security exchanges. Accordingly, the Portfolio's foreign investments may be less liquid and their prices may be more volatile than comparable investments in securities of U.S. companies. Moreover, the settlement periods for foreign securities, which are often longer than those for securities of U.S. issuers, may affect portfolio liquidity. In buying and selling securities on foreign exchanges, purchasers normally pay fixed commissions that are generallly higher than the negotiated commissions charged in the United States. In addition, there is generally less government supervision and regulation of securities exchanges, brokers and issuers located in foreign countries than in the United States.

The Portfolio may invest in securities of foreign issuers directly or in the form of American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") or other similar securities of foreign issuers. These securities may not necessarily be denominated in the same currency as the securities they represent. ADRs are receipts typically issued by a U.S. bank or trust compnay evidencing ownership of the underlying foreign securities. Certain such institutions issuing ADRs may not be sponsored by the issuer of the underlying foreign securities. A non-sponsored depository is required to provide under its contractual arrangements with the issuer of the underlying foreign securities. EDRs are receipts issued by a European financial institution evidencing a similar arrangement. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets, and EDRs, in bearer form, are designed for use in European securities markets.

Since the Portfolio's investments in foreign securities involve foreign currencies, the value of its assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, including currency blockage. See Foreign Currency Exchange Transactions.

FOREIGN CURRENCY EXCHANGE TRANSACTIONS. Because the Portfolio buys and sells securities and receives interest and dividends in currencies other than the U.S. dollar, the Portfolio may enter from time to time into foreign currency

exchange transactions. The Portfolio either enters into these transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market or uses forward contracts to purchase or sell foreign currencies. The cost of the Portfolio's spot currency exchange transactions is generally the difference between the bid and offer spot rate of the currency being purchased or sold.

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A forward foreign currency exchange contract is an obligation by the Portfolio to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract. Forward foreign currency exchange contracts establish an exchange rate at a future date. These contracts are derivative instruments, as their value derives from the spot exchange rates of the currencies underlying the contract. These contracts are entered into in the interbank market directly between currency traders (usually large commercial banks) and their customers. A forward foreign currency exchange contract generally has no deposit requirement and is traded at a net price without commission. The Portfolio will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward foreign currency exchange contracts eliminate fluctuations in the prices of the Portfolio's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

The Portfolio may enter into foreign currency exchange transactions in an attempt to protect against changes in foreign currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Portfolio may also enter into forward contracts to hedge against a change in foreign currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a foreign currency. To do this, the Portfolio would enter into a forward contract to sell the foreign currency in which the investment is denominated or principally traded in exchange for U.S. dollars or in exchange for another foreign currency. The Portfolio will only enter into forward contracts to sell a foreign currency in exchange for another foreign currency if the Advisor expects the foreign currency purchased to appreciate against the U.S. dollar.

Although these transactions are intended to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realized should the value of the hedged currency increase. In addition, forward contracts that convert a foreign currency into another foreign currency will cause the Portfolio to assume the risk of fluctuations in the value of the currency purchased against the hedged currency and the U.S. dollar. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of such securities between the date the forward contract is entered into and the date it matures. The projection of currency market movements is extremely difficult, and the successful execution of a hedging strategy is highly uncertain.

CONVERTIBLE SECURITIES. The convertible securities in which the Portfolio may invest include any debt securities or preferred stock which may be converted into common stock or which carry the right to purchase common stock. Convertible securities entitle the holder to exchange the securities for a specified number of shares of common stock, usually of the same company, at specified prices within a certain period of time.

COMMON STOCK WARRANTS. The Portfolio may invest in common stock warrants that entitle the holder to buy common stock from the issuer of the warrant at a specific price (the strike price) for a specific period of time. The market price of warrants may be substantially lower than the current market price of the underlying common stock, yet warrants are subject to similar price fluctuations. As a result, warrants may be more volatile investments than the underlying common stock.

Warrants generally do not entitle the holder to dividends or voting rights with respect to the underlying common stock and do not represent any rights in the assets of the issuer company. A warrant will expire worthless if it is not exercised on or prior to the expiration date.

WHEN-ISSUED AND DELAYED DELIVERY SECURITIES. The Portfolio may purchase securities on a when-issued or delayed delivery basis. Delivery of and payment for these securities may take as long as a month or more after the date of the purchase commitment. The value of these securities is subject to market fluctuation during this period and for money market instruments no income

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accrues to the Portfolio until settlement. At the time of settlement, a when-issued security may be valued at less than its purchase price. The Portfolio maintains with the Custodian a separate account with a segregated portfolio of securities in an amount at least equal to these commitments. When entering into a when-issued or delayed delivery transaction, the Portfolio will rely on the other party to consummate the transaction; if the other party fails to do so, the Portfolio may be disadvantaged. It is the current policy of the Portfolio not to enter into when-issued commitments exceeding in the aggregate 15% of the market value of the Portfolio's total assets less liabilities other than the obligations created by these commitments.

REPURCHASE AGREEMENTS. The Portfolio may engage in repurchase agreement transactions with brokers, dealers or banks that meet the credit guidelines established by the Portfolio's Trustees. In a repurchase agreement, the Portfolio buys a security from a seller that has agreed to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. The term of these agreements is usually from overnight to one week. A repurchase agreement may be viewed as a fully collateralized loan of money by the Portfolio to the seller. The Portfolio always receives securities as collateral with a market value at least equal to the purchase price plus accrued interest and this value is maintained during the term of the agreement. If the seller defaults and the collateral value declines, the Portfolio might incur a loss. If bankruptcy proceedings are commenced with respect to the seller, the Portfolio's realization upon the disposition of collateral may be delayed or limited. Investments in certain repurchase agreements and certain other investments which may be considered illiquid are limited. See Illiquid Investments; Privately Placed and other Unregistered Securities below.

LOANS OF PORTFOLIO SECURITIES. Subject to applicable investment restrictions, the Portfolio is permitted to lend its securities in an amount up to 33 1/3% of the value of the Portfolio's net assets. The Portfolio may lend its securities if such loans are secured continuously by cash or equivalent collateral or by a letter of credit in favor of the Portfolio at least equal at all times to 100% of the market value of the securities loaned, plus accrued interest. While such securities are on loan, the borrower will pay the Portfolio any income accruing thereon. Loans will be subject to termination by the Portfolio in the normal settlement time, generally three business days after notice, or by the borrower on one day's notice. Borrowed securities must be returned when the loan is terminated. Any gain or loss in the market price of the borrowed securities which occurs during the term of the loan inures to the Portfolio and its respective investors. The Portfolio may pay reasonable finders' and custodial fees in connection with a loan. In addition, the Portfolio will consider all facts and circumstances, including the creditworthiness of the borrowing financial institution, and the Portfolio will not make any loans in excess of one year.

Loans of portfolio securities may be considered extensions of credit by the Portfolio. The risks to the Portfolio with respect to borrowers of its portfolio securities are similar to the risks to the Portfolio with respect to sellers in repurchase agreement transactions. See Repurchase Agreements above. The Portfolio will not lend its securities to any officer, Trustee, Director, employee or other affiliate of the Portfolio, the Advisor or the Distributor, unless otherwise permitted by applicable law.

REVERSE REPURCHASE AGREEMENTS. The Portfolio is permitted to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Portfolio sells a security and agrees to repurchase it at a mutually agreed upon date and price, reflecting the interest rate effective for the term of the agreement. For the purposes of the 1940 Act, it is considered as a form of borrowing by the Portfolio and, therefore, a form of leverage. Leverage may cause any gains or losses of the Portfolio to be magnified. See Investment Restrictions for investment limitations applicable to reverse repurchase agreements and other borrowings. For more information, see Investment Objectives and Policies in the Statement of Additional Information.

ILLIQUID INVESTMENTS; PRIVATELY PLACED AND OTHER UNREGISTERED SECURITIES. The Portfolio may not acquire any illiquid securities if, as a result thereof,

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more than 15% of the market value of the Portfolio's total assets would be in illiquid investments. Subject to this non-fundamental policy limitation, the Portfolio may acquire investments that are illiquid or have limited liquidity, such as private placements or investments that are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and cannot be offered for public sale in the United States without first being registered under the 1933 Act. An illiquid investment is any investment that cannot be disposed of within seven days in the normal course of business at approximately the amount at which it is valued by the Portfolio. The price the Portfolio pays for illiquid securities or receives upon resale may be lower than the price paid or received for similar securities with a more liquid market. Accordingly the valuation of these securities will reflect any limitations on their liquidity.

The Portfolio may also purchase Rule 144A securities sold to institutional investors without registration under the 1933 Act. These securities may be determined to be liquid in accordance with guidelines established by the Advisor and approved by the Trustees of the Portfolio. The Trustees will monitor the Advisor's implementation of these guidelines on a periodic basis.

FUTURES AND OPTIONS TRANSACTIONS. The Portfolio may (a) purchase and sell (write) exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities, and (c) purchase and sell (write) put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging and risk management purposes. The Portfolio may not use futures contracts and options for speculation.

The Portfolio may utilize options and futures contracts to manage its exposure to changing interest rates and/or security prices. Some options and futures strategies, including selling futures contracts and buying puts, tend to hedge the Portfolio's investments against price fluctuations. Other strategies, including buying futures contracts, writing puts and calls, and buying calls, tend to increase market exposure. Options and futures contracts may be combined with each other or with forward contracts in order to adjust the risk and return characteristics of the Portfolio's overall strategy in a manner deemed appropriate to the Advisor and consistent with the Portfolio's objective and policies. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

The use of options and futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Portfolio's return. While the use of these instruments by the Portfolio may reduce certain risks associated with owning its portfolio securities, these techniques themselves entail certain other risks. If the Advisor applies a strategy at an inappropriate time or judges market conditions or trends incorrectly, options and futures strategies may lower the Portfolio's return. Certain strategies limit the Portfolio's possibilities to realize gains as well as limiting its exposure to losses. The Portfolio could also experience losses if the prices of its options and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid secondary market. In addition, the Portfolio will incur transaction costs, including trading commissions and option premiums, in connection with its futures and options transactions and these transactions could significantly increase the Portfolio's turnover rate.

The Portfolio may purchase put and call options on securities, indexes of securities and futures contracts, or purchase and sell futures contracts, only if such options are written by other persons and if (i) the aggregate premiums paid on all such options which are held at any time do not exceed 20% of the Portfolio's net assets, and (ii) the aggregate margin deposits required on all such futures or options thereon held at any time do not exceed 5% of the Portfolio's total assets. In addition, the Portfolio will not purchase or sell (write) futures contracts, options, or futures contracts or commodity options for risk management purposes if, as a result, the aggregate initial margin and options premiums required to establish these positions exceed 5% of the net asset value of the Portfolio. For more detailed information about these transac-

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tions, see the Appendix to this Prospectus and Investment Objectives and Policies--Risk Management in the Statement of Additional Information.

MONEY MARKET INSTRUMENTS. The Portfolio is permitted to invest in money market instruments although it intends to stay invested in equity securities to the extent practical in light of its objective. The Portfolio may invest in money market instruments of foreign or domestic issuers denominated in U.S. dollars and other currencies. Under normal circumstances the Portfolio will purchase these securities to invest temporary cash balances or to maintain liquidity to meet redemptions. However, the Portfolio may also invest in money market instruments without limitation as a temporary defensive measure taken in the Advisor's judgment during, or in anticipation of, adverse market conditions. For more detailed information about these money market investments, see Investment Objectives and Policies in the Statement of Additional Information.

INVESTMENT RESTRICTIONS

As a diversified investment company, 75% of the assets of the Portfolio are subject to the following fundamental limitations: (a) the Portfolio may not invest more than 5% of its total assets in the securities of any one issuer, except U.S. government securities, and (b) the Portfolio may not own more than 10% of the outstanding voting securities of any one issuer.

The investment objective of the Fund and the Portfolio, together with the investment restrictions described below and in the Statement of Additional Information, except as noted, are deemed fundamental policies, i.e., they may be changed only with the approval of the holders of a majority of the outstanding voting securities of the Fund and the Portfolio. The Fund has the same investment restrictions as the Portfolio, except that the Fund may invest all of its investable assets in another open-end investment company with the same investment objective and restrictions (such as the Portfolio). References below to the Portfolio's investment restrictions also include the Fund's investment restrictions.

The Portfolio may not purchase securities or other obligations of issuers conducting their principal business activity in the same industry if its investments in such industry would exceed 25% of the value of the Portfolio's total assets, except this limitation shall not apply to investments in U.S. Government securities. In addition, the Portfolio may not borrow money except that the Portfolio may (a) borrow money from banks for temporary or emergency purposes (not for leveraging purposes) and (b) enter into reverse repurchase agreements for any purpose, provided that (a) and (b) in total do not exceed one-third of the Portfolio's total assets less liabilities (other than borrowings); and the Portfolio may not issue senior securities except as permitted by the 1940 Act or any rule, order or interpretation thereunder. See Risk Factors and Additional Investment Information--Loans of Portfolio Securities and Reverse Repurchase Agreements.

For a more detailed discussion of the above investment restrictions, as well as a description of certain other investment restrictions, see Investment Restrictions in the Statement of Additional Information.

MANAGEMENT OF THE TRUST AND THE PORTFOLIO

TRUSTEES. Pursuant to the Declaration of Trust for the Trust, the Trustees of the Trust decide upon matters of general policy and review the actions of the Trust's service providers and the performance of the Portfolio's Advisor. Pursuant to the Declaration of Trust for the Portfolio, the Trustees of the Portfolio (who are not the same as the Trustees of the Trust) have the same responsibilities for the Portfolio including overseeing its service providers.

The Portfolio has entered into a Fund Services Agreement with Pierpont Group, Inc. to assist the Trustees of the Portfolio in exercising their overall supervisory responsibilities for the Portfolio's affairs. The fee to be paid by the Portfolio under the agreement approximates the reasonable cost of Pierpont Group, Inc. in providing these services. Pierpont Group, Inc. was organized in 1989 at the request of the Trustees of The Pierpont Family of Funds for the purpose of

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providing these services at cost to those funds. The principal offices of Pierpont Group, Inc. are located at 461 Fifth Avenue, New York, New York 10017. For more information concerning the Trust's and the Portfolio's Trustees and officers, see Trustees and Officers in the Statement of Additional Information.

ADVISOR. The Fund has not retained the services of an investment adviser because the Fund seeks to achieve its investment objective by investing all of its investable assets in the Portfolio. The Portfolio has retained the services of Morgan as Investment Advisor. Morgan, with principal offices at 60 Wall Street, New York, New York 10260, is a New York trust company which conducts a general banking and trust business. Morgan is a wholly-owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"), a bank holding company organized under the laws of Delaware. Through offices in New York City and abroad, J.P. Morgan, through the Advisor and other subsidiaries, offers a wide range of services to governmental, institutional, corporate and individual customers and acts as investment adviser to individual and institutional clients with combined assets under management of over $179 billion (of which the Advisor advises over $28 billion). Morgan provides investment advice and portfolio management services to the Portfolio. Subject to the supervision of the Portfolio's Trustees, Morgan makes the Portfolio's day-to-day investment decisions, arranges for the execution of portfolio transactions and generally manages the Portfolio's investments. See Investment Advisor in the Statement of Additional Information.

Morgan uses a sophisticated, disciplined, collaborative process for managing all asset classes. For equity portfolios, this process utilizes fundamental research, systematic stock selection, disciplined portfolio construction and, in the case of foreign equities, country exposure and currency management. Morgan has managed portfolios of equity securities of companies in emerging markets, including Asian growth markets, since 1990. The portfolio managers making investments in Asian growth markets work in conjunction with Morgan's equity analysts focused on Asian growth markets, as well as capital market, credit and economic research analysts, traders and administrative officers. The Asian equity analysts, located in Singapore, each cover a different industry, monitoring a universe of approximately 250 companies in the region.

The following persons are primarily responsible for the day-to-day management and implementation of Morgan's process for the Portfolio (the inception date of each person's responsibility for the Portfolio and his business experience for the past five years is indicated parenthetically): Steven T. Ho, Vice President (since March, 1995, employed by Morgan since prior to 1991 as a portfolio manager of Asian investments and as an investment research analyst prior to 1993) and Yuen-Peng Mok, Vice President (since March, 1995, employed by Morgan since prior to 1991 as a portfolio manager of Southeast Asian equity investments).

As compensation for the services rendered and related expenses borne by Morgan under the Investment Advisory Agreement with the Portfolio, the Portfolio has agreed to pay Morgan a fee, which is computed daily and may be paid monthly, at the annual rate of 0.80% of the Portfolio's average daily net assets. While the advisory fee for the Portfolio is higher than that of most investment companies, it is similar to the advisory fees of other funds of this type.

Morgan also acts as Services Agent to the Trust and the Portfolio and provides shareholder services to shareholders of the Fund. See Services Agent below. INVESTMENTS IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, MORGAN GUARANTY TRUST COMPANY OF NEW YORK OR ANY OTHER BANK.

CO-ADMINISTRATOR AND DISTRIBUTOR. Under Co-Administration Agreements with the Trust and the Portfolio, FDI serves as the Co-Administrator for the Trust and the Portfolio and in that capacity FDI (i) provides office space, equipment and clerical personnel for maintaining the organization and books and records of the Trust and the Portfolio; (ii) provides officers for the Trust and the Portfolio; (iii) prepares and files documents required in connection with the Trust's state securities law registrations; (iv) reviews and files Trust marketing and sales literature; (v) files Portfolio regulatory documents and mails Portfolio communications to Trustees and investors; and (vi) maintains related books andrecords. Under the terms of the Trust's Services Agreement with Morgan, the fees of the Co-Administrator for its services to the Trust

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are covered by Morgan's expense undertakings described under Services Agent below.

FDI, a registered broker-dealer, also serves as the Distributor of shares of the Fund and exclusive placement agent for the Portfolio. FDI is a wholly owned indirect subsidiary of Boston Institutional Group, Inc. FDI currently provides administration and distribution services for a number of other registered investment companies.

SERVICES AGENT. Under a Services Agreement with the Trust and an Administrative Services Agreement with the Portfolio, Morgan is responsible for certain financial, fund accounting and administrative services provided to the Fund and the Portfolio, respectively, including services related to taxes, financial statements, calculation of performance data, oversight of service providers, certain regulatory and Board of Trustees matters, and providing shareholder services to shareholders of the Fund.

In addition, as provided in the Trust's Services Agreement, Morgan is responsible for the annual costs of certain usual and customary expenses incurred by the Fund (the "expense undertaking"). The expenses covered by the expense undertaking include, but are not limited to, transfer, registrar, and dividend disbursing costs, legal and accounting expenses, fees of the Co-Administrator for services to the Trust, insurance, the compensation and expenses of the Trust's Trustees, the expenses of printing and mailing reports, notices, and proxies to Fund shareholders, and registration fees under federal or state securities laws. The Fund will pay these expenses directly and such amounts will be deducted from the fees to be paid to Morgan under the agreement. If such amounts are more than the amount of Morgan's fees under the agreement, Morgan will reimburse the Fund for such excess amounts. Under the agreement, the following expenses are not included in the expense undertaking: the services agent fee, organizational expenses and extraordinary expenses as defined in this agreement.

The Trust's Services Agreement provides for the Fund to pay Morgan a fee for these services, which is computed daily and may be paid monthly, equal on an annual basis to 0.75% of the Fund's average daily net assets.

As noted above, the fee levels of the Fund are expense undertakings and reflect payments made directly to third parties by the Fund for services rendered, as well as payments to Morgan for services rendered. The Trustees of the Trust regularly review amounts paid to and accounted for by Morgan pursuant to the Services Agreement. See Expenses below.

Under the Portfolio's Administrative Services Agreement and the Co-Administration Agreement effective August 1, 1996, the Portfolio has agreed to pay to Morgan and FDI fees equal to the Portfolio's share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Portfolio and the other portfolios (collectively the "Master Portfolios") in which series of the Trust, The Pierpont Funds or The JPM Institutional Funds invest. This charge is calculated in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.04% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

CUSTODIAN. State Street Bank and Trust Company ("State Street"), 225 Franklin Street, Boston, Massachusetts 02101, serves as the Fund's and the Portfolio's Custodian and the Fund's Transfer and Dividend Disbursing Agent. State Street also keeps the books of account for the Fund and the Portfolio.

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EXPENSES. In addition to the fees payable to Pierpont Group, Inc., Morgan and FDI under the various agreements discussed under Trustees, Advisor, Co-Administrator and Distributor, and Services Agent above, the Portfolio is responsible for usual and customary expenses associated with its operations. Such expenses include organization expenses, legal fees, accounting expenses, insurance costs, the compensation and expenses of its Trustees, registration fees under federal and foreign securities laws, custodian fees, brokerage expenses and extraordinary expenses applicable to the Portfolio.

In addition to the expenses that Morgan assumes under the Trust's Services Agreement, Morgan has agreed that it will reimburse the Fund through at least April 30, 1997 to the extent necessary to maintain the Fund's total operating expenses (which includes expenses of the Fund and the Portfolio) at the annual rate of 1.85% of the Fund's average daily net assets. This limit does not cover extraordinary expenses during the period. There is no assurance that Morgan will continue this waiver beyond the specified period, except as required by the following sentence. Morgan has agreed to waive fees as necessary, if in any fiscal year the sum of the Fund's expenses exceeds the limits set by applicable regulations of state securities commissions. Such annual limits are currently 2.5% of the first $30 million of average net assets, 2% of the next $70 million of such net assets and 1.5% of such net assets in excess of $100 million for any fiscal year.

SHAREHOLDER TRANSACTIONS

Investors may request either Morgan or their Eligible Institution, as defined below, for assistance in placing orders to purchase, redeem or exchange shares of the Fund.

Shareholders should address all inquiries to J.P. Morgan Funds Services, Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036 or call (800) JPM-3637.

The business days of the Fund and the Portfolio are the days the New York Stock Exchange is open.

PURCHASE OF SHARES

METHOD OF PURCHASE. Investors may open accounts with the Fund only through the Distributor. All purchase transactions in Fund accounts are processed by Morgan as Services Agent and the Fund is authorized to accept any instructions relating to a Fund account from Morgan as agent for the customer. All purchase orders must be accepted by the Fund's Distributor. Investors must be customers of Morgan or an eligible institution which is a customer of Morgan (an "Eligible Institution"). Investors may also be employer-sponsored retirement plans that have designated the Fund as an investment option for the plans. Prospective investors who are not already customers of Morgan may apply to become customers of Morgan for the sole purpose of Fund transactions. There are no charges associated with becoming a Morgan customer for this purpose. Morgan reserves the right to determine the customers that it will accept, and the Fund reserves the right to determine the purchase orders that it will accept.

The Fund requires a minimum initial investment of $5,000.

PURCHASE PRICE AND SETTLEMENT. The Fund's shares are sold on a continuous basis without a sales charge at the net asset value per share next determined after receipt of an order. Prospective investors may purchase shares with the assistance of an Eligible Institution that may establish its own terms, conditions and charges.

To purchase shares in the Fund, investors should request their Morgan representative (or a representative of their Eligible Institution) to assist them in placing a purchase order with the Fund's Distributor and to transfer immediately available funds to the Fund's Distributor on the next business day. If the Fund receives a purchase order prior to 4:00 P.M. New York time on any business day, the purchase of Fund shares is effective and is made at the net asset value determined that day, and the purchaser generally becomes a holder of record on the next business day upon the Fund's receipt of payment. If the Fund or its agent receives a purchase order after 4:00 P.M. New York time, the

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purchase is effective and is made at the net asset value determined on the next business day, and the purchaser becomes a holder of record on the following business day upon the Fund's receipt of payment.

ELIGIBLE INSTITUTIONS. The services provided by Eligible Institutions may include establishing and maintaining shareholder accounts, processing purchase and redemption transactions, arranging for bank wires, performing shareholder subaccounting, answering client inquiries regarding the Trust, assisting clients in changing dividend options, account designations and addresses, providing periodic statements showing the client's account balance and integrating these statements with those of other transactions and balances in the client's other accounts serviced by the Eligible Institution, transmitting proxy statements, periodic reports, updated prospectuses and other communications to shareholders and, with respect to meetings of shareholders, collecting, tabulating and forwarding executed proxies and obtaining such other information and performing such other services as Morgan or the Eligible Institution's clients may reasonably request and agree upon with the Eligible Institution. Eligible Institutions may separately establish their own terms, conditions and charges for providing the aforementioned services and for providing other services.

REDEMPTION OF SHARES

METHOD OF REDEMPTION. To redeem shares in the Fund, an investor may instruct Morgan or his or her Eligible Institution, as appropriate, to submit a redemption request to the Fund. The Fund executes effective redemption requests at the next determined net asset value per share. See Net Asset Value. See Additional Information below for an explanation of the telephone redemption policy of The JPM Advisor Funds.

A redemption request received by the Fund or its agent prior to 4:00 P.M. New York time is effective on that day. A redemption request received after that time becomes effective on the next business day. Proceeds of an effective redemption are generally deposited on the next business day in immediately available funds to the shareholder's account at Morgan or at his or her Eligible Institution or, in the case of certain Morgan customers, are mailed by check or wire transferred in accordance with the customer's instructions and, subject to Further Redemption Information below, in any event are paid within seven days.

FURTHER REDEMPTION INFORMATION. Investors should be aware that redemptions from the Fund may not be processed if a redemption request is not submitted in proper form. To be in proper form, the Fund must have received the shareholder's taxpayer identification number and address. As discussed under Taxes below, the Fund may be required to impose "back-up" withholding of federal income tax on dividends, distributions and redemption proceeds when noncorporate investors have not provided a certified taxpayer identification number. In addition, if a shareholder sends a check for the purchase of Fund shares and shares are purchased before the check has cleared, the transmittal of redemption proceeds from the shares will occur upon clearance of the check which may take up to 15 days.

The Fund reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for up to seven days and for such other periods as the 1940 Act or the Securities and Exchange Commission may permit. See Redemption of Shares in the Statement of Additional Information.

EXCHANGE OF SHARES

An investor may exchange shares from the Fund into any other JPM Advisor Fund without charge. Shares are exchanged on the basis of relative net asset value per share. Exchanges are in effect redemptions from one fund and purchases of another fund and the usual purchase and redemption procedures and requirements are applicable to exchanges. See Purchase of Shares and Redemption of Shares in this Prospectus and in the prospectuses for the other JPM Advisor Funds. See also Additional Information below for an explanation of the telephone exchange policy of The JPM Advisor Funds.

Shareholders subject to federal income tax who exchange shares in one fund for

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shares in another fund may recognize capital gain or loss for federal income tax purposes. The Fund reserves the right to discontinue, alter or limit its exchange privilege at any time. For investors in certain states, state securities laws may restrict the availability of the exchange privilege.

DIVIDENDS AND DISTRIBUTIONS

Dividends consisting of substantially all of the Fund's net investment income, if any, are declared and paid annually. The Fund may also declare an additional dividend of net investment income in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund.

Substantially all the realized net capital gains, if any, of the Fund are declared and paid on an annual basis, except that an additional capital gains distribution may be made in a given year to the extent necessary to avoid the imposition of federal excise tax on the Fund. Declared dividends and distributions are payable to shareholders of record on the record date.

Dividends and capital gains distributions paid by the Fund are automatically reinvested in additional shares of the Fund unless the shareholder has elected to have them paid in cash. Dividends and distributions to be paid in cash are credited to the shareholder's account at Morgan or at his Eligible Institution or, in the case of certain Morgan customers, are mailed by check in accordance with the customer's instructions. The Fund reserves the right to discontinue, alter or limit the automatic reinvestment privilege at any time.

NET ASSET VALUE

Net asset value per share for the Fund is determined by subtracting from the value of the Fund's total assets (i.e., the value of its investment in the Portfolio and other assets) the amount of its liabilities and dividing the remainder by the number of its outstanding shares, rounded to the nearest cent. Expenses, including the fees payable to Morgan, are accrued daily. See Net Asset Value in the Statement of Additional Information for information on valuation of portfolio securities for the Portfolio.

The Fund computes its net asset value once daily at 4:15 P.M. New York time on Monday through Friday, except that the net asset value is not computed for the Fund on the holidays listed under Net Asset Value in the Statement of Additional Information.

ORGANIZATION

The Trust was organized on September 16, 1994 as an unincorporated business trust under Massachusetts law and is an entity commonly known as a "Massachusetts business trust." The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares ($0.001 par value) of one or more series. To date, nine series of shares have been authorized and are available for sale to the public. Only shares of the Fund are offered through this Prospectus. No series of shares has any preference over any other series of shares. See Massachusetts Trust in the Statement of Additional Information.

The Declaration of Trust for the Trust provides that no Trustee, shareholder, officer, employee, or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of the Fund, but that the Trust property only shall be liable.

Shareholders of the Fund are entitled to one vote for each share and to the appropriate fractional vote for each fractional share. There is no cumulative voting. Shares have no preemptive or conversion rights. Shares are fully paid and nonassessable by the Fund. The Trust has adopted a policy of not issuing share certificates. The Trust does not intend to hold meetings of shareholders annually. The Trustees may call meetings of shareholders for action by shareholder vote as may be required by either the 1940 Act or the Declaration of Trust. The Trustees will call a meeting of shareholders to vote on removal of a Trustee upon the written request of the record holders of ten percent of Trust shares and will assist shareholders in communicating with each other as prescribed in Section 16(c) of the 1940 Act. For further organization information, including certain shareholder rights, see Description of Shares in the Statement of Additional Information.

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The Portfolio is a series (subtrust) of The Series Portfolio, a master trust organized under the laws of the State of New York. The Series Portfolio's Declaration of Trust provides that the Fund and other entities investing in the Portfolio (e.g., other investment companies, insurance company separate accounts and common and commingled trust funds) will each be liable for all obligations of the Portfolio. However, the risk of the Fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance existed and the Portfolio itself was unable to meet its obligations. Accordingly, the Trustees of the Trust believe that neither the Fund nor its shareholders will be adversely affected by reason of the Fund's investing in the Portfolio.

TAXES

The following discussion of tax consequences is based on U.S. federal tax laws in effect on the date of this Prospectus. These laws and regulations are subject to change by legislative or administrative action. Investors are urged to consult their own tax advisors with respect to specific questions as to federal taxes and with respect to the applicability of state or local taxes. See Taxes in the Statement of Additional Information. Annual statements as to the current federal tax status of distributions, if applicable, are mailed to shareholders after the end of the taxable year for the Fund.

The Trust intends to qualify the Fund as a separate regulated investment company under Subchapter M of the Code. For the Fund to qualify as a regulated investment company, the Portfolio, in addition to other requirements, limits its investments so that at the close of each quarter of its taxable year (a) no more than 25% of its total assets are invested in the securities of any one issuer, except U.S. Government securities, and (b) with regard to 50% of its total assets, no more than 5% of its total assets are invested in the securities of a single issuer, except U.S. Government securities. As a regulated investment company, the Fund should not be subject to federal income taxes or federal excise taxes if substantially all of its net investment income and capital gains less any available capital loss carryforwards are distributed to shareholders within allowable time limits. The Portfolio intends to qualify as an association treated as a partnership for federal income tax purposes. As such, the Portfolio should not be subject to tax. The Fund's status as a regulated investment company is dependent on, among other things, the Portfolio's continued qualification as a partnership for federal income tax purposes.

If a correct and certified taxpayer identification number is not on file, the Fund is required, subject to certain exemptions, to withhold 31% of certain payments made or distributions declared to noncorporate shareholders.

Distributions of net investment income and realized net short-term capital gains in excess of net long-term capital losses are taxable as ordinary income to shareholders of the Fund whether such distributions are taken in cash or reinvested in additional shares. Distributions of this type to corporate shareholders of the Fund will not qualify for the dividends- received deduction because the income of the Fund will not consist of dividends paid by U.S. corporations.

Distributions of net long-term capital gains in excess of net short-term capital losses are taxable to shareholders of the Fund as long-term capital gains regardless of how long a shareholder has held shares in the Fund and regardless of whether taken in cash or reinvested in additional shares. Long-term capital gains distributions to corporate shareholders are not eligible for the dividends-received deduction.

Any distribution of net investment income or capital gains will have the effect of reducing the net asset value of Fund shares held by a shareholder by the same amount as the distribution. If the net asset value of the shares is reduced below a shareholder's cost as a result of such a distribution, the distribution, although constituting a return of capital to the shareholder, will be taxable as described above.

Any gain or loss realized on the redemption or exchange of Fund shares by a shareholder who is not a dealer in securities will be treated as long-term cap-

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ital gain or loss if the shares have been held for more than one year, and otherwise as

short-term capital gain or loss. However, any loss realized by a shareholder upon the redemption or exchange of shares in the Fund held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received by the shareholder with respect to such shares.

The Fund is subject to foreign withholding taxes with respect to income received from sources within certain foreign countries. So long as more than 50% of the value of the Fund's total assets at the close of any taxable year consists of stock or securities of foreign corporations, the Fund may elect to treat any such foreign income taxes paid by it as paid directly by its shareholders. The Fund will make such an election only if it deems it to be in the best interests of its shareholders and will notify shareholders in writing each year if it makes the election and of the amount of foreign income taxes and gross income derived from sources within any foreign country or possession of the United States, if any, to be treated as paid by the shareholders. If the Fund makes the election, each shareholder will be required to include in income his proportionate share of the amount of foreign income taxes paid by the Fund and will be entitled to claim either a credit (which is subject to certain limitations) or, if the shareholder itemizes deductions, a deduction for his share of the foreign income taxes in computing his federal income tax liability. (No deduction will be permitted to individuals in computing their alternative minimum tax liability.)

ADDITIONAL INFORMATION

The Fund sends to its shareholders annual and semiannual reports. The financial statements appearing in annual reports are audited by independent accountants. Shareholders also will be sent confirmations of each purchase and redemption and monthly statements, reflecting all other account activity, including dividends and any distributions reinvested in additional shares or credited as cash.

All shareholders are given the privilege to initiate transactions automatically by telephone upon opening an account. However, an investor should be aware that a transaction authorized by telephone and reasonably believed to be genuine by the Fund, Morgan, his or her Eligible Institution or the Distributor may subject the investor to risk of loss if such instruction is subsequently found not to be genuine. The Fund will employ reasonable procedures, including requiring investors to give their Personal Identification Number and tape recording of telephone instructions, to confirm that instructions communicated from investors by telephone are genuine; if it does not, it, the Services Agent or a shareholder's Eligible Institution may be liable for any losses due to unauthorized or fraudulent instructions.

The Fund may make historical performance information available and may compare its performance to other investments or relevant indexes, including data from Lipper Analytical Services, Inc., Micropal Inc., Morningstar Inc., Ibbotson Associates, the Tokyo Stock Price Index, Standard & Poor's 500 Composite Stock Price Index, the Dow Jones Industrial Average, the Frank Russell Indexes, the Morgan Stanley Europe, Australia and Far East Index, The IFC Investable Index, the Financial Times World Stock Index and other industry publications.

The Fund may advertise "total return" and non-standardized total return data. The total return shows what an investment in the Fund would have earned over a specified period of time (one, five or ten years or since commencement of operations, if less) assuming that all distributions and dividends by the Fund were reinvested on the reinvestment dates during the period and less all recurring fees. This method of calculating total return is required by regulations of the Securities and Exchange Commission. Total return data similarly calculated, unless otherwise indicated, over other specified periods of time may also be used. See Performance Data in the Statement of Additional Information. All performance figures are based on historical earnings and are not intended to indicate future performance. Shareholders may obtain performance information by calling Morgan at (800) JPM-3637.

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APPENDIX

The Portfolio may (a) purchase and sell (write) exchange traded and OTC put and call options on equity securities or indexes of equity securities, (b) purchase and sell futures contracts on indexes of equity securities and (c) purchase and sell (write) put and call options on futures contracts on indexes of equity securities. Each of these instruments is a derivative instrument, as its value derives from the underlying asset or index.

The Portfolio may use futures contracts and options for hedging and risk management purposes. See Risk Management in the Statement of Additional Information. The Portfolio may not use futures contracts and options for speculation.

OPTIONS

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the Portfolio obtains the right (but not the obligation) to sell the instrument underlying the option at a fixed strike price. In return for this right, the Portfolio pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indexes of securities, indexes of securities prices, and futures contracts. The Portfolio may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. The Portfolio may also close out a put option position by entering into an offsetting transaction, if a liquid market exists. If the option is allowed to expire, the Portfolio will lose the entire premium it paid. If the Portfolio exercises a put option on a security, it will sell the instrument underlying the option at the strike price. If the Portfolio exercises an option on an index, settlement is in cash and does not involve the actual sale of securities. If an option is American style, it may be exercised on any day up to its expiration date. A European style option may be exercised only on its expiration date.

The buyer of a typical put option can expect to realize a gain if the price of the underlying instrument falls substantially. However, if the price of the instrument underlying the option does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the instrument underlying the option at the option's strike price. A call buyer typically attempts to participate in potential price increases of the instrument underlying the option with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

SELLING (WRITING) PUT AND CALL OPTIONS. When the Portfolio writes a put option, it takes the opposite side of the transaction from the option's purchaser. In return for receipt of the premium, the Portfolio assumes the obligation to pay the strike price for the instrument underlying the option if the other party to the option chooses to exercise it. The Portfolio may seek to terminate its position in a put option it writes before exercise by purchasing an offsetting option in the market at its current price. If the market is not liquid for a put option the Portfolio has written, however, the Portfolio must continue to be prepared to pay the strike price while the option is outstanding, regardless of price changes, and must continue to post margin as discussed below.

If the price of the underlying instrument rises, a put writer would generally expect to profit, although its gain would be limited to the amount of the premium it received. If security prices remain the same over time, it is likely that the writer will also profit, because it should be able to close out the option at a lower price. If security prices fall, the put writer would expect to suffer a loss. This loss should be less than the loss from purchasing and holding the underlying instrument directly, however, because the premium received for writing the option should offset a portion of the decline.

Writing a call option obligates the Portfolio to sell or deliver the option's underlying instrument in return for the strike price upon exercise of the op-

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tion. The characteristics of writing call options are similar to those of writing put options,

except that writing calls generally is a profitable strategy if prices remain the same or fall. Through receipt of the option premium a call writer offsets part of the effect of a price decline. At the same time, because a call writer must be prepared to deliver the underlying instrument in return for the strike price, even if its current value is greater, a call writer gives up some ability to participate in security price increases.

The writer of an exchange traded put or call option on a security, an index of securities or a futures contract is required to deposit cash or securities or a letter of credit as margin and to make mark to market payments of variation margin as the position becomes unprofitable.

OPTIONS ON INDEXES. The Portfolio may purchase and sell (write) put and call options on any securities index based on securities in which the Portfolio may invest. Options on securities indexes are similar to options on securities, except that the exercise of securities index options is settled by cash payment and does not involve the actual purchase or sale of securities. In addition, these options are designed to reflect price fluctuations in a group of securities or segment of the securities market rather than price fluctuations in a single security. The Portfolio, in purchasing or selling index options, is subject to the risk that the value of its portfolio securities may not change as much as an index because the Portfolio's investments generally will not match the composition of an index.

For a number of reasons, a liquid market may not exist and thus the Portfolio may not be able to close out an option position that it has previously entered into. When the Portfolio purchases an OTC option, it will be relying on its counterparty to perform its obligations, and the Portfolio may incur additional losses if the counterparty is unable to perform.

FUTURES CONTRACTS

When the Portfolio purchases a futures contract, it agrees to purchase a specified quantity of an underlying instrument at a specified future date or to make a cash payment based on the value of a securities index. When the Portfolio sells a futures contract, it agrees to sell a specified quantity of the underlying instrument at a specified future date or to receive a cash payment based on the value of a securities index. The price at which the purchase and sale will take place is fixed when the Portfolio enters into the contract. Futures can be held until their delivery dates or the position can be (and normally is) closed out before then. There is no assurance, however, that a liquid market will exist when the Portfolio wishes to close out a particular position.

When the Portfolio purchases a futures contract, the value of the futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase the Portfolio's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When the Portfolio sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the value of the underlying instrument. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, when the Portfolio buys or sells a futures contract it will be required to deposit "initial margin" with its Custodian in a segregated account in the name of its futures broker, known as a futures commission merchant (FCM). Initial margin deposits are typically equal to a small percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments equal to the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. The Portfolio may be obligated to make payments of variation margin at a time when it is disadvantageous to do so. Furthermore, it may not always be possible for the Portfolio to close out its futures positions. Until it closes out a futures

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position, the Portfolio will be obligated to continue to pay variation margin. Initial and variation margin payments do not constitute purchasing on margin for purposes of the Portfolio's investment restrictions. In the event of the bankruptcy of an FCM that holds margin on behalf of the Portfolio, the Portfolio may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Portfolio.

The Portfolio will segregate liquid assets in connection with its use of options and futures contracts to the extent required by the staff of the Securities and Exchange Commission. Securities held in a segregated account cannot be sold while the futures contract or option is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of the Portfolio's assets could impede portfolio management or the Portfolio's ability to meet redemption requests or other current obligations.

For further information about the Portfolio's use of futures and options and a more detailed discussion of associated risks, see Investment Objectives and Policies in the Statement of Additional Information.

THE JPM ADVISOR FUNDS

The JPM Advisor U.S. Fixed Income Fund

The JPM Advisor International Fixed Income Fund

The JPM Advisor U.S. Equity Fund

The JPM Advisor U.S. Small Cap Equity Fund

The JPM Advisor International Equity Fund

The JPM Advisor European Equity Fund

The JPM Advisor Asia Growth Fund

The JPM Advisor Japan Equity Fund

The JPM Advisor Emerging Markets Equity Fund

THE JPM ADVISOR ASIA GROWTH FUND

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorized by the Trust or the Distributor. This Prospectus does not constitute an offer by the Trust or by the Distributor to sell or a solicitation of any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Trust or the Distributor to make such offer in such jurisdiction.

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PROSPECTUS

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THE JPM ADVISOR FUNDS

THE JPM ADVISOR U.S. FIXED INCOME FUND
THE JPM ADVISOR INTERNATIONAL FIXED INCOME FUND
THE JPM ADVISOR U.S. EQUITY FUND
THE JPM ADVISOR U.S. SMALL CAP EQUITY FUND
THE JPM ADVISOR INTERNATIONAL EQUITY FUND
THE JPM ADVISOR DIVERSIFIED FUND
THE JPM ADVISOR EMERGING MARKETS EQUITY FUND
THE JPM ADVISOR ASIA GROWTH FUND
THE JPM ADVISOR EUROPEAN EQUITY FUND
THE JPM ADVISOR JAPAN EQUITY FUND

STATEMENT OF ADDITIONAL INFORMATION

August 26, 1996

THIS STATEMENT OF ADDITIONAL INFORMATION IS NOT A PROSPECTUS, BUT CONTAINS ADDITIONAL INFORMATION, WHICH SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS FOR THE FUND OR FUNDS LISTED ABOVE AS SUPPLEMENTED FROM TIME TO TIME, WHICH MAY BE OBTAINED UPON REQUEST FROM FUNDS DISTRIBUTOR, INC., ATTENTION: THE JPM ADVISOR FUNDS (800) 221-7930.

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GENERAL

The JPM Advisor Funds is a family of open-end investment companies, currently consisting of ten funds: The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Fixed Income Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor International Equity Fund, The JPM Advisor Diversified Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund and The JPM Advisor Japan Equity Fund (collectively, the "Funds"). Each of the Funds is a series of shares of beneficial interest of The JPM Advisor Funds, an open-end management investment company formed as a Massachusetts business trust (the "Trust"). As of the date of this Statement of Additional Information, the Diversified Fund had neither been offered to the public nor commenced public investment operations.

This Statement of Additional Information describes the investment objectives and policies, management and operation of each of the Funds to enable investors to select the Funds which best suit their needs. The Funds operate through a two-tier master-feeder investment fund structure.

This Statement of Additional Information provides additional information with respect to the Funds and should be read in conjunction with the current Prospectuses. Capitalized terms not otherwise defined herein have the meanings accorded to them in the Funds' Prospectuses. The Funds' executive offices are located at 60 State Street, Suite 1300, Boston, Massachusetts 02109.

INVESTMENT OBJECTIVES AND POLICIES

THE JPM ADVISOR U.S. FIXED INCOME FUND (the "U.S. Fixed Income Fund") is designed to be an economical and convenient means of making substantial investments in a broad range of corporate and government debt obligations and related investments of domestic and foreign issuers, subject to certain quality and other restrictions. See "Quality and Diversification Requirements." The U.S. Fixed Income Fund's investment objective is to provide a high total return consistent with moderate risk of capital and maintenance of liquidity. Although the net asset value of the U.S. Fixed Income Fund will fluctuate, the U.S. Fixed Income Fund attempts to conserve the value of its investments to the extent consistent with its objective. The U.S. Fixed Income Fund attempts to achieve its objective by investing all of its investable assets in The U.S. Fixed Income Portfolio (the "U.S. Fixed Income Portfolio"), a diversified open-end management investment company having the same investment objective as the U.S. Fixed Income Fund.

The U.S. Fixed Income Portfolio attempts to achieve its investment objective by investing primarily in high grade corporate and government debt obligations and related securities of domestic and foreign issuers described in the Prospectus and this Statement of Additional Information.

INVESTMENT PROCESS

Duration/yield curve management: Morgan's duration decision begins with an analysis of real yields, which its research indicates are generally a reliable indicator of longer term interest rate trends. Other factors Morgan studies

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with regard to interest rates include economic growth and inflation, capital flows and monetary policy. Based on this analysis, Morgan forms a view of the most likely changes in the level and shape of the yield curve -- as well as the timing of those changes -- and sets the Portfolio's duration and maturity structure accordingly. To help contain interest rate risk, Morgan typically limits the overall duration of the Portfolio to a range between one year shorter and one year longer than that of the Salomon Brothers Broad Investment Grade Bond Index, the benchmark index.

Sector allocations: Sector allocations are driven by Morgan's fundamental and quantitative analysis of the relative valuation of a broad array of fixed income sectors. Specifically, Morgan utilizes market and credit analysts to assess whether the current risk-adjusted yield spreads of various sectors are likely to widen or narrow. Morgan then overweights (underweights) those sectors its analysis indicates offer the most (least) relative value, basing the speed and magnitude of these shifts on valuation considerations.

Security selection: Securities are selected by the portfolio manager, with substantial input from Morgan's fixed income analysis and traders. Using quantitative analysis as well as traditional valuation methods, Morgan's applied-research analysts aim to optimize security selection within the bounds of the Portfolio's investment objective. In addition, credit analysts -- supported by Morgan's equity analysts -- assess the creditworthiness of issuers and counterparties. A dedicated trading desk contributes to security selection by tracking new issuance, monitoring dealer inventories, and identifying attractively priced bonds. The traders also handle all transactions for the Portfolio.

THE JPM ADVISOR INTERNATIONAL FIXED INCOME FUND (the "International Fixed Income Fund") is designed to be an economical and convenient means of making substantial investments in a broad range of international fixed income securities. The International Fixed Income Fund's investment objective is to provide a high total return, consistent with moderate risk of capital, from a portfolio of international fixed income securities. The International Fixed Income Fund attempts to achieve its objective by investing all of its investable assets in The Non-U.S. Fixed Income Portfolio (the "Non-U.S. Fixed Income Portfolio"), a non-diversified open-end management investment company having the same investment objective as the International Fixed Income Fund.

The Non-U.S. Fixed Income Portfolio attempts to achieve its investment objective by investing primarily in high grade, non-dollar-denominated corporate and government debt obligations of foreign issuers described in the Prospectus and this Statement of Additional Information.

INVESTMENT PROCESS

Duration management: The duration decision is central to Morgan's investment process and begins with an analysis of economic conditions and real yields in the countries that make up the Portfolio's universe. Based on this analysis, fixed income portfolio managers forecast three potential paths (optimistic, pessimistic, and most likely) that interest rates in each market could follow over the next three and twelve months. These forecasts are converted into return curves that enable Morgan to estimate the risk-return profile of different portfolio durations. In each market, duration is set at its "optimal" level-that is, at the level that Morgan believes will generate the highest excess return per unit of excess risk, as measured against the Salomon Brothers World Government Bond Index.

Country allocation: Morgan allocates the Portfolio's assets primarily among the developed countries of the world outside the United States. Country allocations are determined through and optimization procedure that ranks markets according to the risks and returns inherent in their "optimal" durations. Country weightings also reflect liquidity and credit quality considerations. To help contain risk, Morgan typically limits the country-weighted duration of the Portfolio to a range between one year shorter and one year longer than that of the benchmark.

Sector/security selection: Holdings primarily consist of government and government-guaranteed bonds, but also include publicly and privately traded

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corporates, debt obligations of banks and bank holding companies and of supranational organizations, and convertible securities. Sectors are over- or

under-weighted when Morgan perceives significant valuation distortions in their yield spreads. Securities are selected by the portfolio manager, with substantial input from fixed income analysts and traders as well as from Morgan's extended network of equity analysts. Credit analysts monitor the quality of current and prospective holdings and, in conjunction with the credit committee, recommend purchases and sales.

THE JPM ADVISOR U.S. EQUITY FUND (the "U.S. Equity Fund") is designed for investors who want an actively managed portfolio of selected equity securities that seeks to outperform the S&P 500 Index. The U.S. Equity Fund's investment objective is to provide a high total return from a portfolio of selected equity securities. The Fund attempts to achieve its investment objective by investing all of its investable assets in The Selected U.S. Equity Portfolio (the "Selected U.S. Equity Portfolio"), a diversified open-end management investment company having the same investment objective as the U.S. Equity Fund.

In normal circumstances, at least 65% of the Selected U.S. Equity Portfolio's net assets will be invested in equity securities consisting of common stocks and other securities with equity characteristics comprised of preferred stock, warrants, rights, convertible securities, trust certificates, limited partnership interests and equity participations (collectively, "Equity Securities"). The Selected U.S. Equity Portfolio's primary equity investments are the common stock of large and medium-sized U.S. corporations and, to a limited extent, similar securities of foreign corporations.

INVESTMENT PROCESS

Fundamental research: Morgan's 20 domestic equity analysts, each an industry specialist with an average of 13 years of experience, follow 700 predominantly large- and medium-sized U.S. companies -- 500 of which form the universe for the Portfolio's investments. Their research goal is to forecast normalized, longer term earnings and dividends for the most attractive companies among those they cover. In doing this, they may work in concert with Morgan's international equity analysts in order to gain a broader perspective for evaluating industries and companies in today's global economy.

Systematic valuation: The analysts' forecasts are converted into comparable expected returns by a dividend discount model, which calculates those expected returns by comparing a company's current stock price with the "fair value" price forecasted by its estimated long-term earnings power. Within each sector, companies are ranked by their expected return and grouped into quintiles; those with the highest expected returns (Quintile 1) are deemed the most undervalued relative to their long-term earnings power, while those with the lowest expected returns (Quintile 5) are deemed the most overvalued.

Disciplined portfolio construction: A diversified portfolio is constructed using disciplined buy and sell rules. Purchases are concentrated among first-quintile stocks; the specific names selected reflect the portfolio manager's judgment concerning the soundness of the underlying forecasts, the likelihood that the perceived misvaluation will be corrected within a reasonable time frame, and the magnitude of the risks versus the rewards. Once a stock falls into the third quintile -- because its price has risen or its fundamentals have deteriorated -- it generally becomes a sale candidate. The portfolio manager seeks to hold sector weightings close to those of the S&P 500 Index, reflecting Morgan's belief that its research has the potential to add value at the individual stock level, but not at the sector level. Sector neutrality is also seen as a way to help to protect the portfolio from macroeconomic risks, and -- together with diversification -- represents an important element of Morgan's risk control strategy. Morgan's dedicated trading desk handles all transactions for the Portfolio.

THE JPM ADVISOR U.S. SMALL CAP EQUITY FUND (the "U.S. Small Cap Equity

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Fund") is designed for investors who are willing to assume the somewhat higher risk of investing in small companies in order to seek a higher return over time than might be expected from a portfolio of stocks of large companies. The U.S. Small Cap Equity Fund's investment objective is to provide a high total return from a portfolio of Equity Securities of small companies. The Fund attempts to achieve its investment objective by investing all of its investable assets in The U.S. Small Company Portfolio (the "U.S. Small Company Portfolio"), a diversified open-end management investment company having the same investment objective as the U.S. Small Cap Equity Fund.

The U.S. Small Company Portfolio attempts to achieve its investment objective by investing primarily in the common stock of small U.S. companies included in the Russell 2500 Index, which is composed of 2,500 common stocks of U.S. companies with market capitalizations ranging between $100 million and $1.5 billion.

INVESTMENT PROCESS

Fundamental research: Morgan's 20 domestic equity analysts -- each an industry specialist with an average of 13 years of experience -- continuously monitor the small cap stocks in their respective sectors with the aim of identifying companies that exhibit superior financial strength and operating returns. Meetings with management and on-site visits play a key role in shaping their assessments. Their research goal is to forecast normalized, long-term earnings and dividends for the most attractive small cap companies among those they monitor -- a universe that generally contains a total of 300-350 names. Because Morgan's analysts follow both the larger and smaller companies in their industries -- in essence, covering their industries from top to bottom -- they are able to bring broad perspective to the research they do on both.

Systematic valuation: The analysts' forecasts are converted into comparable expected returns by Morgan's dividend discount model, which calculates those returns by comparing a company's current stock price with the "fair value" price forecasted by its estimated long-term earnings power. Within each industry, companies are ranked by their expected returns and grouped into quintiles; those with the highest expected returns (Quintile 1) are deemed the most undervalued relative to their long-term earnings power, while those with the lowest expected returns (Quintile 5) are deemed the most overvalued.

Disciplined portfolio construction: A diversified portfolio is constructed using disciplined buy and sell rules. Purchases are concentrated among the stocks in the top two quintiles of the rankings; the specific names selected reflect the portfolio manager's judgment concerning the soundness of the underlying forecasts, the likelihood that the perceived misevaluation will soon be corrected, and the magnitude of the risks versus the rewards. Once a stock falls into the third quintile -- because its price has risen or its fundamentals have deteriorated -- it generally becomes a sale candidate. The portfolio manager seeks to hold sector weightings close to those of the Russell 2500 Index, the Portfolio's benchmark, reflecting Morgan's belief that its research has the potential to add value at the individual stock level, but not at the sector level. Sector neutrality is also seen as a way to help to protect the portfolio from macroeconomic risks, and -- together with diversification -- represents an important element of Morgan's investment strategy.

THE JPM ADVISOR INTERNATIONAL EQUITY FUND (the "International Equity Fund") is designed for investors with a long-term investment horizon who want to diversify their portfolios by investing in an actively managed portfolio of non-U.S. securities that seeks to outperform the Morgan Stanley Capital International ("MSCI") Europe, Australia and Far East Index (the "EAFE Index"). The International Equity Fund's investment objective is to provide a high total return from a portfolio of Equity Securities of foreign corporations. The Fund

attempts to achieve its investment objective by investing all of its investable assets in The Non-U.S. Equity Portfolio (the "Non-U.S. Equity Portfolio"), a diversified open-end management investment company having the same investment objective as the International Equity Fund.

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The Non-U.S. Equity Portfolio seeks to achieve its investment objective by investing primarily in the Equity Securities of foreign corporations. Under normal circumstances, the Non-U.S. Equity Portfolio expects to invest at least 65% of its total assets in such securities. The Non-U.S. Equity Portfolio does not intend to invest in U.S. securities (other than money market instruments), except temporarily, when extraordinary circumstances prevailing at the same time in a significant number of developed foreign countries render investments in such countries inadvisable.

INVESTMENT PROCESS

Country allocation: Morgan's country allocation decision begins with a forecast of equity risk premiums, which provide a valuation signal by measuring the relative attractiveness of stocks versus bonds. Using a proprietary approach, Morgan calculates this risk premium for each of the nations in the Portfolio's universe, determines the extent of its deviation -- if any -- from its historical norm, and then ranks countries according to the size of those deviations. Countries with high (low) rankings are overweighted (underweighted) in comparisons to the EAFE Index to reflect the above-average (below-average) attractiveness of their stock markets. In determining weightings, Morgan analyzes a variety of qualitative factors as well -- including the liquidity, earnings momentum and interest rate climate of the market at hand. These qualitative assessments can change the magnitude but not the direction of the country allocations called for by the risk premium forecast. Morgan places limits on the total size of the Portfolio's country over- and under-weightings relative to the EAFE Index.

Stock selection: Morgan's 44 international equity analysts, each an industry and country specialist, forecast normalized earnings and dividend payouts for roughly 1,000 non-U.S. companies -- taking a long-term perspective rather than the short time frame common to consensus estimates. These forecasts are converted into comparable expected returns by a dividend discount model, and then companies are ranked from most to least attractive by industry and country. A diversified portfolio is constructed using disciplined buy and sell rules. The portfolio manager's objective is to concentrate the purchases in the top third of the rankings, and to keep sector weightings close to those of the EAFE Index, the Fund's benchmark. Once a stock falls into the bottom third of the rankings, it generally becomes a sales candidate. Where available, warrants and convertibles may be purchased instead of common stock if they are deemed a more attractive means of investing in an undervalued company.

Currency management: Currency is actively managed, in conjunction with country and stock allocation, with the goal of protecting and possibly enhancing the Fund's return. Morgan's currency decisions are supported by a proprietary tactical mode which forecasts currency movements based on an analysis of four fundamental factors -- trade balance trends, purchasing power parity, real short-term interest differentials, and real bond yields -- plus a technical factor designed to improve the timing of transactions. Combining the output of this model with a subjective assessment of economic, political and market factors, Morgan's currency group recommends currency strategies that are implemented in conjunction with the Portfolio's investment strategy.

THE JPM ADVISOR DIVERSIFIED FUND (the "Diversified Fund") is designed for investors who wish to invest for long term objectives such as retirement and who seek to attain real appreciation in their investments over the long term, but with somewhat less price fluctuation than a portfolio consisting solely of equity securities. The Diversified Fund's investment objective is to provide a high

total return from a diversified portfolio of equity and fixed income securities. The Fund attempts to achieve its investment objective by investing all of its investable assets in The Diversified Portfolio, a diversified open-end management investment company having the same investment objective as the Diversified Fund. Morgan allocates the Portfolio's assets between major asset classes based on a systematic valuation procedure and subjective assessment.

INVESTMENT PROCESS

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The mix of equities and fixed income is based on the risk premium model and the anticipation of changing economic trends. The risk premium is the difference between Morgan's forecast of the long-term return on stocks (determined using Morgan's proprietary dividend discount model) and the current nominal yield on 30-year U.S. Treasury bonds. When the risk premium is high, more assets are allocated to stocks. When the risk premium is low, more assets are allocated to bonds. Within U.S. equities, the allocation between large cap and small cap stocks is based on the relative dividend discount rate spread between large and small cap. Within fixed income, the allocation among sectors is based on Morgan's analysis of their relative valuation. Morgan's asset allocation decisions for the Portfolio are implemented using the investment processes described herein for the U.S. Fixed Income, U.S. Equity, U.S. Small Cap Equity and International Equity Funds.

THE JPM ADVISOR EMERGING MARKETS EQUITY FUND (the "Emerging Markets Equity Fund") is designed for investors with a long-term investment horizon who want exposure to the rapidly growing emerging markets. The Emerging Markets Equity Fund's investment objective is to provide a high total return from a portfolio of Equity Securities of companies in emerging markets. The Fund attempts to achieve its investment objective by investing all of its investable assets in The Emerging Markets Equity Portfolio (the "Emerging Markets Equity Portfolio"), a diversified open-end management investment company having the same investment objective as the Emerging Markets Equity Fund.

The Emerging Markets Equity Portfolio seeks to achieve its investment objective by investing primarily in Equity Securities of emerging markets issuers. Under normal circumstances, the Portfolio expects to invest at least 65% of its total assets in such securities. The Portfolio does not intend to invest in U.S. securities (other than money market instruments), except temporarily, when extraordinary circumstances prevailing at the same time in a significant number of emerging markets countries render investments in such countries inadvisable.

INVESTMENT PROCESS

Country allocation: Morgan's country allocation decision begins with a forecast of the expected return of each market in the Portfolio's universe. These expected returns are calculated using a proprietary valuation method that is forward looking in nature rather than based on historical data. Morgan then evaluates these expected returns from two different perspectives: first, it identifies those countries that have high real expected returns relative to their own history and other nations in their universe. Second, it identifies those countries that it expects will provide high returns relative to their currency risk. Countries that rank highly on one or both of these scores are overweighted relative to the Fund's benchmark, the MSCI Emerging Markets Free Index, while those that rank poorly are underweighted. To help contain risk, Morgan places limits on the total size of the Portfolio's country over- and under-weightings.

Stock selection: Morgan's 12 emerging market equity analysts -- each an industry specialist -- monitor a universe of approximately 900 companies in these countries, developing forecasts of earnings and cash flows for the most attractive among them. Companies are ranked from most to least attractive based on this research, and then a diversified portfolio is constructed using

disciplined buy and sell rules. The portfolio manager's objective is to concentrate the Portfolio's holdings in the stocks deemed most undervalued, and to keep sector weightings relatively close to those of the index. Stocks are generally held until they fall into the bottom half of Morgan's rankings.

THE JPM ADVISOR ASIA GROWTH FUND (the "Asia Growth Fund") is designed for long-term investors who want access to the rapidly growing Asian markets. The Advisor considers Asian growth markets to be Bangladesh, China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand, Taiwan, Hong Kong and Singapore. The Asia Growth Fund's investment objective is to provide a high total return from a portfolio of Equity Securities of companies in Asian growth markets. The Asia Growth Fund attempts to achieve its investment objective by investing all its investable assets in The Asia Growth

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Portfolio (the "Asia Growth Portfolio"), a diversified open-end management investment company having the same investment objective as the Asia Growth Fund. For additional information, see "Appendix B -Investing in Japan and Asian Growth Markets."

The Asia Growth Portfolio seeks to achieve its investment objective by investing primarily in the Equity Securities of companies in Asian growth markets. Under normal circumstances, the Asia Growth Portfolio expects to invest at least 65% of its total assets in such securities. The Asia Growth Portfolio does not intend to invest in U.S. securities (other than money market instruments), except temporarily, when extraordinary circumstances prevailing at the same time in a significant number of countries considered to be Asian growth markets render investments in such countries inadvisable.

INVESTMENT PROCESS

Country allocation: Morgan's country allocation decision begins with a forecast of equity risk premiums, which provide a valuation signal by measuring the relative attractiveness of stocks versus bonds. Using a proprietary approach, Morgan calculates this risk premium for each of the nations in the Portfolio's universe, determines the extent of its deviation -- if any -- from its historical norm, and then ranks countries according to the size of these deviations. Countries with high (low) rankings are overweighted (underweighted) to reflect the above-average (below average) attractiveness of their stock markets. In determining weightings, Morgan analyzes a variety of qualitative factors as well -- including the liquidity, earnings momentum and interest rate climate of the market at hand. These qualitative assessments can change the magnitude but not the direction of the country allocations called for by the risk-premium forecast. In an effort to contain risk, Morgan places limits on the total size of the Portfolio's country over- and under-weightings.

Stock selection: Morgan's six Asian equity analysts focused on Asian markets -- each an industry and country specialist -- forecast normalized, long-term earnings and dividend payouts for approximately 250 companies in this region. These forecasts are converted into comparable expected returns by a dividend discount model, and then companies are ranked from most to least attractive by industry and country, and are grouped into quintiles. A diversified portfolio is constructed using disciplined buy and sell rules. The portfolio manager's objective is to concentrate purchases in the top 20% of the rankings, and to keep sector weightings close to those of the benchmark. Once a stock falls into the third quintile -- because its price has risen or its fundamentals have deteriorated -- it generally becomes a sale candidate. Where available, warrants and convertibles are purchased when they appear to have the potential to add value over common stock.

THE JPM ADVISOR EUROPEAN EQUITY FUND (the "European Equity Fund") is designed for investors who want an actively managed portfolio of European Equity Securities that seeks to outperform the Morgan Stanley Capital International Europe Index which is comprised of more than 500 companies in fourteen European

countries. The European Equity Fund's investment objective is to provide a high total return from a portfolio of Equity Securities of European companies. The European Equity Fund attempts to achieve its investment objective by investing all of its investable assets in The European Equity Portfolio (the "European Equity Portfolio"), a diversified open-end management investment company having the same investment objective as the European Equity Fund.

The European Equity Portfolio seeks to achieve its investment objective by investing primarily in the Equity Securities of European companies. Under normal circumstances, the European Equity Portfolio expects to invest at least 65% of its total assets in such securities. The European Equity Portfolio does not intend to invest in U.S. securities (other than money market instruments), except temporarily, when extraordinary circumstances prevailing at the same time in a significant number of European countries render investments in such countries inadvisable.

INVESTMENT PROCESS

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Country allocation: Morgan's country allocation decision begins with a forecast of equity risk premiums, which provide a valuation signal by measuring the relative attractiveness of stocks versus bonds. Using a proprietary approach, Morgan calculates this risk premium for each of the nations in the Portfolio's universe, determines the extent of its deviation -- if any -- from its historical norm, and then ranks countries according to the size of those deviations. Countries with high (low) rankings are overweighted (underweighted) in comparison to the Morgan Stanley Capital International Europe Index to reflect the above-average (below-average) attractiveness of their stock markets. In determining weightings, Morgan analyzes a variety of qualitative factors as well -- including the liquidity, earnings momentum and interest rate climate of the market at hand. These qualitative assessments can change the magnitude but not the direction of the country allocations called for by the risk-premium forecast. In an effort to contain risk, Morgan place limits on the total size of the Portfolio's country over- and under-weightings.

Stock selection: Morgan's 15 European equity analysts, each an industry and country specialist, forecast normalized earnings and dividend payouts for roughly 600 companies, taking a long-term perspective rather than the short time frame common to consensus estimates. The analysts' forecasts are converted into comparable expected returns by a dividend discount model, and then companies are ranked from most to least attractive by industry and country. A diversified portfolio is constructed using disciplined buy and sell rules. The portfolio manager's objective is to concentrate purchases in the top third of the rankings, and to keep sector weightings close to those of the benchmark. Once a stock falls into the bottom third of the rankings -- because its price has risen or its fundamentals have deteriorated -- it generally becomes a sale candidate.

THE JPM JAPAN EQUITY FUND (the "Japan Equity Fund") is designed for investors who want an actively managed portfolio of Japanese Equity Securities that seeks to outperform the Tokyo Stock Price Index ("TOPIX"), a composite market-capitalization weighted-index of all common stocks listed on the First Section of the Tokyo Stock Exchange. The Japan Equity Fund's investment objective is to provide a high total return from a portfolio of Equity Securities of Japanese companies. The Japan Equity Fund attempts to achieve its investment objective by investing all of its investable assets in The Japan Equity Portfolio (the "Japan Equity Portfolio"), a non-diversified open-end management investment company having the same investment objective as the Japan Equity Fund. For additional information, see "Appendix B - Investing in Japan and Asian Growth Markets."

The Japan Equity Portfolio seeks to achieve its investment objective by investing primarily in the Equity Securities of Japanese companies. Under normal circumstances, the Japan Equity Portfolio expects to invest at least 65% of its

total assets in such securities. The Japan Equity Portfolio does not intend to invest in U.S. securities (other than money market instruments), except temporarily, when extraordinary circumstances prevailing in Japan render investments there inadvisable.

INVESTMENT PROCESS

Systematic valuation: Morgan's ten Japanese equity analysts in Tokyo -- each an industry specialist -- follow a total of over 300 Japanese companies. The most attractive names in that universe are identified by a multifactor model which screens for low price/earnings ratios, high earnings growth rates and high sales/price ratios. Within each sector, this subset of the universe is ranked by these three measures and broken into quintiles; the companies in the top quintile are considered the most attractive ones from both a growth and valuation viewpoint. To provide an additional check on the valuation of selected companies, the analysts prepare normalized, long-term earnings and dividend forecasts which are converted into comparable expected returns by a dividend discount model.

Warrant/convertible strategy: Once a company has been identified as a buy candidate, the portfolio manager analyzes the yields on the company's available equity vehicles -- stocks, warrants and convertibles -- to determine which appears the most attractive means of purchase. In an effort to enhance potential returns, the Portfolio also trades among these vehicles -- a strategy that seeks to capitalize on the inefficiencies that pervade the Japanese equity

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market. If the Portfolio invests in a warrant, it will set aside cash in an amount approximately equal to the difference in the price of the warrant and the market value of the underlying common stock. The cash is invested in money market instruments.

Disciplined portfolio construction: The Portfolio is constructed using disciplined buy and sell rules. The portfolio manager's objective is to concentrate purchases in the top 20% of the rankings; the specific companies selected reflect the portfolio manager's judgment concerning the liquidity of an issue, the soundness of the underlying forecasts, and the magnitude of the risks versus the rewards. Once a stock falls into the third quintile -- because its price has risen or its fundamentals have deteriorated it generally becomes a sale candidate. The portfolio manager strives to hold sector weightings close to those of the benchmark in an effort to contain risk.

The following discussion supplements the information regarding the investment objective of each of the Funds and the policies to be employed to achieve this objective by their corresponding Portfolios as set forth above and in the Prospectus. The investment objective of each Fund and its corresponding Portfolio is identical. Accordingly, references below to a Fund also include the Fund's corresponding Portfolio; similarly, references to a Portfolio also include the corresponding Fund that invests in the Portfolio unless the context requires otherwise.

MONEY MARKET INSTRUMENTS

As discussed in the Prospectus, each Portfolio may invest in money market instruments to the extent consistent with its investment objective and policies. A description of the various types of money market instruments that may be purchased by the Portfolios appears below. See "Quality and Diversification Requirements."

U.S. TREASURY SECURITIES. Each of the Portfolios may invest in direct obligations of the U.S. Treasury, including Treasury bills, notes and bonds, all of which are backed as to principal and interest payments by the full faith and credit of the United States.

ADDITIONAL U.S. GOVERNMENT OBLIGATIONS. Each of the Portfolios may invest in obligations issued or guaranteed by U.S. Government agencies or instrumentalities. These obligations may or may not be backed by the "full faith and credit" of the United States. In the case of securities not backed by the full faith and credit of the United States, each Portfolio must look principally to the federal agency issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments. Securities in which each Portfolio may invest that are not backed by the full faith and credit of the United States include, but are not limited to, obligations of the Tennessee Valley Authority, the Federal Home Loan Mortgage Corporation and the U.S. Postal Service, each of which has the right to borrow from the U.S. Treasury to meet its obligations, and obligations of the Federal Farm Credit System and the Federal Home Loan Banks, both of whose obligations may be satisfied only by the individual credits of each issuing agency. Securities which are backed by the full faith and credit of the United States include obligations of the Government National Mortgage Association, the Farmers Home Administration and the Export-Import Bank.

FOREIGN GOVERNMENT OBLIGATIONS. Each of the Portfolios, subject to its applicable investment policies, may also invest in short-term obligations of foreign sovereign governments or of their agencies, instrumentalities, authorities or political subdivisions. These securities may be denominated in the U.S. dollar or, in the case of all Portfolios except U.S. Fixed Income Portfolio, in another currency. See "Foreign Investments."

BANK OBLIGATIONS. Each of the Portfolios, unless otherwise noted in the Prospectus or below, may invest in negotiable certificates of deposit, time deposits and bankers' acceptances of (i) banks, savings and loan associations and savings banks which have more than $2 billion in total assets (the "Asset Limitation") and are organized under the laws of the United States or any state, (ii) foreign branches of these banks or of foreign banks of equivalent size

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(Euros) and (iii) U.S. branches of foreign banks of equivalent size (Yankees). The Asset Limitation is not applicable to the Non-U.S. Fixed Income, Non-U.S. Equity, Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Portfolios. See "Foreign Investments." The Portfolios will not invest in obligations for which the Advisor, or any of its affiliated persons, is the ultimate obligor or accepting bank. Each of the Portfolios may also invest in obligations of international banking institutions designated or supported by national governments to promote economic reconstruction, development or trade between nations (e.g., the European Investment Bank, the Inter-American Development Bank or the World Bank).

COMMERCIAL PAPER. Each of the Portfolios may invest in commercial paper, including master demand obligations. Master demand obligations are obligations that provide for a periodic adjustment in the interest rate paid and permit daily changes in the amount borrowed. Master demand obligations are governed by agreements between the issuer and Morgan acting as agent, for no additional fee, in its capacity as investment advisor to the Portfolios and as fiduciary for other clients for whom it exercises investment discretion. The monies loaned to the borrower come from accounts managed by the Advisor or its affiliates, pursuant to arrangements with such accounts. Interest and principal payments are credited to such accounts. The Advisor, acting as a fiduciary on behalf of its clients, has the right to increase or decrease the amount provided to the borrower under an obligation. The borrower has the right to pay without penalty all or any part of the principal amount then outstanding on an obligation together with interest to the date of payment. Since these obligations typically provide that the interest rate is tied to the Federal Reserve commercial paper composite rate, the rate on master demand obligations is subject to change. Repayment of a master demand obligation to participating accounts depends on the ability of the borrower to pay the accrued interest and principal of the obligation on demand which is continuously monitored by the Advisor. Since

master demand obligations typically are not rated by credit rating agencies, a Portfolio may invest in such unrated obligations only if at the time of an investment the obligation is determined by the Advisor to have a credit quality which satisfies the Portfolio's quality restrictions. See "Quality and Diversification Requirements." Although there is no secondary market for master demand obligations, such obligations are considered by the Portfolios to be liquid because they are payable upon demand. The Portfolios do not have any specific percentage limitation on investments in master demand obligations.

REPURCHASE AGREEMENTS. Each of the Portfolios may enter into repurchase agreements with brokers, dealers or banks that meet the credit guidelines approved by the Portfolio's Trustees. In a repurchase agreement, a Portfolio buys a security from a seller that has agreed to repurchase the same security at a mutually agreed upon date and price. The resale price normally is in excess of the purchase price, reflecting an agreed upon interest rate. This interest rate is effective for the period of time the Portfolio is invested in the agreement and is not related to the coupon rate on the underlying security. A repurchase agreement may also be viewed as a fully collateralized loan of money by a Portfolio to the seller. The period of these repurchase agreements will usually be short, from overnight to one week, and at no time will the Portfolios invest in repurchase agreements for more than thirteen months. The securities which are subject to repurchase agreements, however, may have maturity dates in excess of thirteen months from the effective date of the repurchase agreement. Each Portfolio always will receive securities as collateral whose market value is, and during the entire term of the agreement remains, at least equal to 100% of the dollar amount invested by the Portfolio in each agreement plus accrued interest, and the Portfolio will make payment for such securities only upon physical delivery or upon evidence of book entry transfer to the account of the Portfolio's custodian (the "Custodian").

Each of the Portfolios may make investments in other debt securities with remaining effective maturities of not more than thirteen months, including without limitation corporate and foreign bonds, asset-backed securities and other obligations described in the Prospectus or this Statement of Additional Information.

CORPORATE BONDS AND OTHER DEBT SECURITIES

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As discussed in the Prospectus, the U.S. Fixed Income, Non-U.S. Fixed Income, Diversified and European Equity Portfolios may invest in bonds and other debt securities of domestic and foreign issuers to the extent consistent with their investment objectives and policies. A description of these investments appears in the Prospectus and below. See "Quality and Diversification Requirements." For information on short-term investments in these securities, see "Money Market Instruments."

ASSET-BACKED SECURITIES. Asset-backed securities directly or indirectly represent a participation interest in, or are secured by and payable from, a stream of payments generated by particular assets such as motor vehicle or credit card receivables. Payments of principal and interest may be guaranteed up to certain amounts and for a certain time period by a letter of credit issued by a financial institution unaffiliated with the entities issuing the securities. The asset-backed securities in which a Portfolio may invest are subject to the Portfolio's overall credit requirements. However, asset-backed securities, in general, are subject to certain risks. Most of these risks are related to limited interests in applicable collateral. For example, credit card debt receivables are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set off certain amounts on credit card debt thereby reducing the balance due. Additionally, if the letter of credit is exhausted, holders of asset-backed securities may also experience delays in payments or losses if the full amounts due on underlying sales contracts are not

realized. Because asset-backed securities are relatively new, the market experience in these securities is limited and the market's ability to sustain liquidity through all phases of the market cycle has not been tested.

TAX EXEMPT OBLIGATIONS

As discussed in the Prospectus, in certain circumstances, the U.S. Fixed Income Portfolio, may invest in tax exempt obligations to the extent consistent with the Portfolio's investment objective and policies. A description of the various types of tax exempt obligations which may be purchased by the Portfolio appears in the Prospectus and below. See "Quality and Diversification Requirements."

MUNICIPAL BONDS. Municipal bonds are debt obligations issued by the states, territories and possessions of the United States and the District of Columbia, by their political subdivisions and by duly constituted authorities and corporations. For example, states, territories, possessions and municipalities may issue municipal bonds to raise funds for various public purposes such as airports, housing, hospitals, mass transportation, schools, water and sewer works. They may also issue municipal bonds to refund outstanding obligations and to meet general operating expenses. Public authorities issue municipal bonds to obtain funding for privately operated facilities, such as housing and pollution control facilities, for industrial facilities or for water supply, gas, electricity or waste disposal facilities.

Municipal bonds may be general obligation or revenue bonds. General obligation bonds are secured by the issuer's pledge of its full faith, credit and taxing power for the payment of principal and interest. Revenue bonds are payable from revenues derived from particular facilities, from the proceeds of a special excise tax or from other specific revenue sources. They are not generally payable from the general taxing power of a municipality.

MUNICIPAL NOTES. Municipal notes are subdivided into three categories of short-term obligations: municipal notes, municipal commercial paper and municipal demand obligations.

Municipal notes are short-term obligations with a maturity at the time of issuance ranging from six months to five years. The principal types of municipal notes include tax anticipation notes, bond anticipation notes, revenue anticipation notes, grant anticipation notes and project notes. Notes sold in anticipation of collection of taxes, a bond sale, or receipt of other revenues are usually general obligations of the issuing municipality or agency.

Municipal commercial paper typically consists of very short-term unsecured

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negotiable promissory notes that are sold to meet seasonal working capital or interim construction financing needs of a municipality or agency. While these obligations are intended to be paid from general revenues or refinanced with long-term debt, they frequently are backed by letters of credit, lending agreements, note repurchase agreements or other credit facility agreements offered by banks or institutions.

Municipal demand obligations are subdivided into two types: variable rate demand notes and master demand obligations.

Variable rate demand notes are tax exempt municipal obligations or participation interests that provide for a periodic adjustment in the interest rate paid on the notes. They permit the holder to demand payment of the notes or to demand purchase of the notes at a purchase price equal to the unpaid principal balance, plus accrued interest either directly by the issuer or by drawing on a bank letter of credit or guaranty issued with respect to such note. The issuer of the municipal obligation may have a corresponding right to prepay at its discretion the outstanding principal of the note plus accrued interest

upon notice comparable to that required for the holder to demand payment. The variable rate demand notes in which the U.S. Fixed Income Portfolio may invest are payable, or are subject to purchase, on demand usually on notice of seven calendar days or less. The terms of the notes provide that interest rates are adjustable at intervals ranging from daily to six months, and the adjustments are based upon the prime rate of a bank or other appropriate interest rate index specified in the respective notes. Variable rate demand notes are valued at amortized cost; no value is assigned to the right of the Portfolio to receive the par value of the obligation upon demand or notice.

Master demand obligations are tax exempt municipal obligations that provide for a periodic adjustment in the interest rate paid and permit daily changes in the amount borrowed. The interest on such obligations is, in the opinion of counsel for the borrower, exempt from federal income tax. For a description of the attributes of master demand obligations, see "Money Market Instruments" above. Although there is no secondary market for master demand obligations, such obligations are considered by the U.S. Fixed Income Portfolio to be liquid because they are payable upon demand. The U.S. Fixed Income Portfolio has no specific percentage limitations on investments in master demand obligations.

EQUITY INVESTMENTS

As discussed in the Prospectus, the Selected U.S. Equity, U.S. Small Company, Non-U.S. Equity, European Equity, Emerging Markets Equity, Asia Growth and Japan Equity Portfolios and the equity portion of the Diversified Portfolio (collectively, the "Equity Portfolios") invest primarily in Equity Securities. The Equity Securities in which the Equity Portfolios invest include those listed on any domestic or foreign securities exchange or traded in the over-the-counter market as well as certain restricted or unlisted securities. A discussion of the various types of equity investments which may be purchased by these Portfolios appears in the Prospectus and below. See "Quality and Diversification Requirements."

EQUITY SECURITIES. The Equity Securities in which the Equity Portfolios may invest may or may not pay dividends and may or may not carry voting rights. Common stock occupies the most junior position in a company's capital structure.

The convertible securities in which the Equity Portfolios may invest include any debt securities or preferred stock which may be converted into common stock or which carry the right to purchase common stock. Convertible securities entitle the holder to exchange the securities for a specified number of shares of common stock, usually of the same company, at specified prices within a certain period of time.

The terms of any convertible security determine its ranking in a company's capital structure. In the case of subordinated convertible debentures, the holders' claims on assets and earnings are subordinated to the claims of other creditors, and are senior to the claims of preferred and common shareholders. In the case of convertible preferred stock, the holders' claims on assets and earnings are subordinated to the claims of all creditors and are senior to the claims of common shareholders.

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COMMON STOCK WARRANTS

The Portfolios for The JPM Advisor U.S. Equity, U.S. Small Cap, International Equity, Diversified, Emerging Markets Equity, European Equity, Japan Equity and Asia Growth Funds may invest in common stock warrants that entitle the holder to buy common stock from the issuer of the warrant at a specific price (the strike price) for a specific period of time. The market price of warrants may be substantially lower than the current market price of the underlying common stock, yet warrants are subject to similar price fluctuations.

As a result, warrants may be more volatile investments than the underlying common stock.

Warrants generally do not entitle the holder to dividends or voting rights with respect to the underlying common stock and do not represent any rights in the assets of the issuer company. A warrant will expire worthless if it is not exercised on or prior to the expiration date.

FOREIGN INVESTMENTS

The Non-U.S. Fixed Income, Non-U.S. Equity, Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Portfolios make substantial investments in foreign countries. The U.S. Fixed Income, Selected U.S. Equity, U.S. Small Company and Diversified Portfolios may invest in certain foreign securities. The U.S. Fixed Income Portfolio may invest in dollar-denominated fixed income securities of foreign issuers. The Selected U.S. Equity Portfolio may invest in equity securities of foreign corporations included in the S&P 500 Index or listed on a national securities exchange. The U.S. Small Company Portfolio may invest in equity securities of foreign issuers that are listed on a national securities exchange or denominated or principally traded in the U.S. dollar. The U.S. Fixed Income Portfolio may invest in dollar-denominated fixed income securities of foreign issuers. The U.S. Fixed Income, Selected U.S. Equity, U.S. Small Company and Diversified Portfolios do not expect to invest more than 25%, 5%, 5% and 30%, respectively, of their total assets at the time of purchase in securities of foreign issuers. In the case of the U.S. Fixed Income Portfolio, any foreign commercial paper must not be subject to foreign withholding tax at the time of purchase. Foreign investments may be made directly in securities of foreign issuers or in the form of American Depositary Receipts ("ADRs") and European Depositary Receipts ("EDRs"). Generally, ADRs and EDRs are receipts issued by a bank or trust company that evidence ownership of underlying securities issued by a foreign corporation and that are designed for use in the domestic, in the case of ADRs, or European, in the case of EDRs, securities markets.

Since investments in foreign securities may involve foreign currencies, the value of a Portfolio's assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, including currency blockage. Each of the Portfolios except for the U.S. Fixed Income Portfolio may enter into forward commitments for the purchase or sale of foreign currencies in connection with the settlement of foreign securities transactions or to manage the Portfolio's currency exposure related to foreign investments as described in the relevant Prospectus. The Portfolios will not enter into such commitments for speculative purposes.

For a description of the risks associated with investing in foreign securities, see "Risk Factors and Additional Investment Information" in the Prospectus.

INVESTING IN JAPAN. Investing in Japanese securities may involve the risks associated with investing in foreign securities generally. In addition, because the Japan Equity Portfolio and the International Equity Portfolio invest in Japan, they will be subject to the general economic and political conditions in Japan. It is not expected that the Asia Growth Portfolio will invest in Japan

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(see "Investment Objective and Policies" in the Prospectus).

Share prices of companies listed on Japanese stock exchanges and on the Japanese OTC market reached historical peaks (which were later referred to as the "bubble") as well as historically high trading volumes in 1989 and 1990. Since then, stock prices in both markets decreased significantly. There can be no assurance that additional market corrections will not occur.

The common stocks of many Japanese companies continue to trade at high price earnings ratios in comparison with those in the United States, even after

the recent market decline. Differences in accounting methods make it difficult to compare the earnings of Japanese companies with those of companies in other countries, especially the United States.

Since the Japan Equity and the International Equity Portfolios invest in securities denominated in yen, changes in exchange rates between the U.S. dollar and the yen affect the U.S. dollar value of their respective assets. Although the Japanese economy has grown substantially over the past four decades, recently the rate of growth had slowed substantially. See Foreign Currency Exchange Transactions.

Japan's success in exporting its products has generated a sizeable trade surplus. Such trade surplus has caused tensions at times between Japan and some of its trading partners. In particular, Japan's trade relations with the United States have recently been the subject of discussion and negotiation between the two nations. The United States has imposed certain measures designed to address trade issues in specific industries. These measures and similar measures in the future may adversely affect the performance of the Japan Equity and International Equity Portfolios.

Japan's economy has typically exhibited low inflation and low interest rates. There can be no assurance that low inflation and low interest rates will continue, and it is likely that a reversal of such factors would adversely affect the Japanese economy. Moreover, the Japanese economy may differ, favorably or unfavorably, from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payments position.

Japan has a parliamentary form of government. In 1993 a coalition government was formed which, for the first time since 1955, did not include the Liberal Democratic Party. Since mid-1993, there have been several changes in leadership in Japan. What, if any, effect the current political situation will have on prospective regulatory reforms of the economy in Japan cannot be predicted. Recent and future developments in Japan and neighboring Asian countries may lead to changes in policy that might adversely affect these Portfolios.

ADDITIONAL INVESTMENTS

WHEN-ISSUED AND DELAYED DELIVERY SECURITIES. Each of the Portfolios may purchase securities on a when-issued or delayed delivery basis. For example, delivery of and payment for these securities can take place a month or more after the date of the purchase commitment. The purchase price and the interest rate payable, if any, on the securities are fixed on the purchase commitment date or at the time the settlement date is fixed. The value of such securities is subject to market fluctuation and for money market instruments and other fixed income investments no interest accrues to a Portfolio until settlement takes place. At the time a Portfolio makes the commitment to purchase securities on a when-issued or delayed delivery basis, it will record the transaction, reflect the value each day of such securities in determining its net asset value and, if applicable, calculate the maturity for the purposes of average maturity from that date. At the time of settlement, a when-issued security may be valued at less than the purchase price. To facilitate such acquisitions, each Portfolio will maintain with the Custodian a segregated account with liquid assets, consisting of cash, U.S. Government securities or other appropriate securities, in an amount at least equal to such commitments. On delivery dates for such transactions, each Portfolio will meet its obligations from maturities or sales of the securities held in the segregated account and/or from cash flow. If a Portfolio chooses to dispose of the right

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to acquire a when-issued security prior to its acquisition, it could, as with the disposition of any other portfolio obligation, incur a gain or loss due to market fluctuation. It is the current policy of each Portfolio not to enter into when-issued commitments exceeding in the aggregate

15% of the market value of the Portfolio's total assets, less liabilities other than the obligations created by when-issued commitments.

INVESTMENT COMPANY SECURITIES. Securities of other investment companies may be acquired by each of the Portfolios to the extent permitted under the 1940 Act. These limits require that, as determined immediately after a purchase is made, (i) not more than 5% of the value of the Portfolio's total assets will be invested in the securities of any one investment company, (ii) not more than 10% of the value of its total assets will be invested in the aggregate in securities of investment companies as a group, and (iii) not more than 3% of the outstanding voting stock of any one investment company will be owned by the Portfolio. As a shareholder of another investment company, a Portfolio would bear, along with other shareholders, its pro rata portion of the other investment company's expenses, including advisory fees. These expenses would be in addition to the advisory and other expenses that the Portfolio bears directly in connection with its own operations.

REVERSE REPURCHASE AGREEMENTS. Each of the Portfolios may enter into reverse repurchase agreements. In a reverse repurchase agreement, a Portfolio sells a security and agrees to repurchase the same security at a mutually agreed upon date and price. For purposes of the 1940 Act, it is also considered as the borrowing of money by the Portfolio and, therefore, a form of leverage. The Portfolios will invest the proceeds of borrowings under reverse repurchase agreements. In addition, a Portfolio will enter into a reverse repurchase agreement only when the interest income to be earned from the investment of the proceeds is greater than the interest expense of the transaction. A Portfolio will not invest the proceeds of a reverse repurchase agreement for a period which exceeds the duration of the reverse repurchase agreement. A Portfolio may not enter into reverse repurchase agreements exceeding in the aggregate one-third of the market value of its total assets, less liabilities other than the obligations created by reverse repurchase agreements. Each Portfolio will establish and maintain with the Custodian a separate account with a segregated portfolio of securities in an amount at least equal to its purchase obligations under its reverse repurchase agreements.

MORTGAGE DOLLAR ROLL TRANSACTIONS. The U.S. Fixed Income Portfolio may engage in mortgage dollar roll transactions with respect to mortgage securities issued by the Government National Mortgage Association, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. In a mortgage dollar roll transaction, the Portfolio sells a mortgage backed security and simultaneously agrees to repurchase a similar security on a specified future date at an agreed upon price. During the roll period, the Portfolio will not be entitled to receive any interest or principal paid on the securities sold. The Portfolio is compensated for the lost interest on the securities sold by the difference between the sales price and the lower price for the future repurchase as well as by the interest earned on the reinvestment of the sales proceeds. The Portfolio may also be compensated by receipt of a commitment fee. When the Portfolio enters into a mortgage dollar roll transaction, liquid assets in an amount sufficient to pay for the future repurchase are segregated with the Custodian. Mortgage dollar roll transactions are considered reverse repurchase agreements for purposes of the Portfolio's investment restrictions.

LOANS OF PORTFOLIO SECURITIES. Each of the Portfolios may lend its securities if such loans are secured continuously by cash or equivalent collateral or by a letter of credit in favor of the Portfolio at least equal at all times to 100% of the market value of the securities loaned, plus accrued interest. While such securities are on loan, the borrower will pay the Portfolio any income accruing thereon. Loans will be subject to termination by the Portfolios in the normal settlement time, generally three business days after notice, or by the borrower on one day's notice. Borrowed securities must be returned when the loan is terminated. Any gain or loss in the market price of the borrowed securities which occurs during the term of the loan inures to a

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Portfolio and its respective investors. The Portfolios may pay reasonable finders' and custodial fees in connection with a loan. In addition, a Portfolio will consider all facts and circumstances including the creditworthiness of the borrowing financial institution, and no Portfolio will make any loans in excess of one year. The Portfolios will not lend their securities to any officer, Trustee, Director, employee or other affiliate of the Portfolios, the Advisor or the Distributor, unless otherwise permitted by applicable law.

PRIVATELY PLACED AND CERTAIN UNREGISTERED SECURITIES. Each of the Portfolios may invest in privately placed, restricted, Rule 144A or other unregistered securities as described in the Prospectus.

As to illiquid investments, a Portfolio is subject to a risk that should the Portfolio decide to sell them when a ready buyer is not available at a price the Portfolio deems representative of their value, the value of the Portfolio's net assets could be adversely affected. Where an illiquid security must be registered under the Securities Act of 1933, as amended (the "1933 Act"), before it may be sold, a Portfolio may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the time of the decision to sell and the time the Portfolio may be permitted to sell a security under an effective registration statement. If, during such a period, adverse market conditions were to develop, a Portfolio might obtain a less favorable price than prevailed when it decided to sell.

QUALITY AND DIVERSIFICATION REQUIREMENTS

Each of the Portfolios, except the Non-U.S. Fixed Income and Japan Equity Portfolios, intends to meet the diversification requirements of the 1940 Act. To meet these requirements, 75% of the assets of each of these Portfolios is subject to the following fundamental limitations: (1) the Portfolio may not invest more than 5% of its total assets in the securities of any one issuer, except obligations of the U.S. Government, its agencies and instrumentalities, and (2) the Portfolio may not own more than 10% of the outstanding voting securities of any one issuer. As for the other 25% of the Portfolio's assets not subject to the limitation described above, there is no limitation on investment of these assets under the 1940 Act, so that all of such assets may be invested in securities of any one issuer, subject to the limitation of any applicable state securities laws. Investments not subject to the limitations described above could involve an increased risk to a Portfolio should an issuer, or a state or its related entities, be unable to make interest or principal payments or should the market value of such securities decline.

Although the Non-U.S. Fixed Income and Japan Equity Portfolios are not limited by the diversification requirements of the 1940 Act, these Portfolios will comply with the diversification requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code"), for qualification as a regulated investment company. To meet these requirements, each Portfolio must diversify its holdings so that, with respect to 50% of the Portfolio's assets, no more than 5% of its assets are invested in the securities of any one issuer other than the U.S. Government at the close of each quarter of the Portfolio's taxable year. The Portfolio may, with respect to the remaining 50% of its assets, invest up to 25% of its assets in the securities of any one issuer (except this limitation does not apply to U.S. Government securities).

U.S. FIXED INCOME, NON-U.S. FIXED INCOME AND DIVERSIFIED PORTFOLIOS. The U.S. Fixed Income and Non-U.S. Fixed Income Portfolios and the fixed income portion of the Diversified Portfolio invest principally in a diversified portfolio of "high grade" and "investment grade" securities. Investment grade debt is rated, on the date of investment, within the four highest ratings of Moody's, currently Aaa, Aa, A and Baa, or of Standard & Poor's, currently AAA, AA, A and BBB. High grade debt is rated, on the date of the investment, within the two highest of such ratings. The U.S. Fixed Income Portfolio may also invest

up to 5% of its total assets in securities which are "below investment grade." Such securities must be rated, on the date of investment, Ba by Moody's or BB by Standard & Poor's. The Portfolios may invest in debt securities which are not

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rated or other debt securities to which these ratings are not applicable, if in the opinion of the Advisor, such securities are of comparable quality to the rated securities discussed above. In addition, at the time the Portfolios invest in any commercial paper, bank obligation or repurchase agreement, the issuer must have outstanding debt rated A or higher by Moody's or Standard & Poor's, the issuer's parent corporation, if any, must have outstanding commercial paper rated Prime-1 by Moody's or A-1 by Standard & Poor's, or if no such ratings are available, the investment must be of comparable quality in the Advisor's opinion.

EQUITY PORTFOLIOS. The Equity Portfolios may invest in convertible debt securities for which there are no specific quality requirements. In addition, at the time the Portfolio invests in any commercial paper, bank obligation or repurchase agreement, the issuer must have outstanding debt rated A or higher by Moody's or Standard & Poor's, the issuer's parent corporation, if any, must have outstanding commercial paper rated Prime-1 by Moody's or A-1 by Standard & Poor's, or if no such ratings are available, the investment must be of comparable quality in the Advisor's opinion. At the time the Portfolio invests in any other short-term debt securities, they must be rated A or higher by Moody's or Standard & Poor's, or if unrated, the investment must be of comparable quality in the Advisor's opinion.

In determining suitability of investment in a particular unrated security, the Advisor takes into consideration asset and debt service coverage, the purpose of the financing, history of the issuer, existence of other rated securities of the issuer and other relevant conditions, such as comparability to other issuers.

OPTIONS AND FUTURES TRANSACTIONS

EXCHANGE TRADED AND OVER-THE-COUNTER OPTIONS. All options purchased or sold by the Portfolios will be traded on a securities exchange or will be purchased or sold by securities dealers (over-the-counter or OTC options) that meet creditworthiness standards approved by the Portfolio's Board of Trustees. While exchange-traded options are obligations of the Options Clearing Corporation, in the case of OTC options, a Portfolio relies on the dealer from which it purchased the option to perform if the option is exercised. Thus, when a Portfolio purchases an OTC option, it relies on the dealer from which it purchased the option to make or take delivery of the underlying securities. Failure by the dealer to do so would result in the loss of the premium paid by the Portfolio as well as loss of the expected benefit of the transaction.

The staff of the Securities and Exchange Commission (the "SEC") has taken the position that, in general, purchased OTC options and the underlying securities used to cover written OTC options are illiquid securities. However, a Portfolio may treat as liquid the underlying securities used to cover written OTC options, provided it has arrangements with certain qualified dealers who agree that the Portfolio may repurchase any option it writes for a maximum price to be calculated by a predetermined formula. In these cases, the OTC option itself would only be considered illiquid to the extent that the maximum repurchase price under the formula exceeds the intrinsic value of the option.

FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS. The Portfolios permitted to enter into futures and options transactions may purchase or sell (write) futures contracts and purchase put and call options, including put and call options on futures contracts. In addition, the Non-U.S. Fixed Income, Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Portfolios may sell (write) uncovered put and call options on futures. Futures contracts obligate the buyer to take and the seller to make delivery at a future date of a specified quantity of a financial instrument or an amount of cash based on the value of a securities index. Currently, futures contracts are available on

various types of fixed income securities, including but not limited to U.S. Treasury bonds, notes and bills, Eurodollar certificates of deposit and on indexes of fixed income securities and indexes of equity securities.

Unlike a futures contract, which requires the parties to buy and sell a

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security or make a cash settlement payment based on changes in a financial instrument or securities index on an agreed date, an option on a futures contract entitles its holder to decide on or before a future date whether to enter into such a contract. If the holder decides not to exercise its option, the holder may close out the option position by entering into an offsetting transaction or may decide to let the option expire and forfeit the premium thereon. The purchaser of an option on a futures contract pays a premium for the option but makes no initial margin payments or daily payments of cash in the nature of "variation" margin payments to reflect the change in the value of the underlying contract as does a purchaser or seller of a futures contract.

The seller of an option on a futures contract receives the premium paid by the purchaser and may be required to pay initial margin. Amounts equal to the initial margin and any additional collateral required on any options on futures contracts sold by a Portfolio are paid by the Portfolio into a segregated account, in the name of the Futures Commission Merchant, as required by the 1940 Act and the SEC's interpretations thereunder.

COMBINED POSITIONS. The Portfolios permitted to purchase and write options may do so in combination with each other, or in combination with futures or forward contracts, to adjust the risk and return characteristics of the overall position. For example, a Portfolio may purchase a put option and write a call option on the same underlying instrument, in order to construct a combined position whose risk and return characteristics are similar to selling a futures contract. Another possible combined position would involve writing a call option at one strike price and buying a call option at a lower price, in order to reduce the risk of the written call option in the event of a substantial price increase. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

CORRELATION OF PRICE CHANGES. Because there are a limited number of types of exchange-traded options and futures contracts, it is likely that the standardized options and futures contracts available will not match a Portfolio's current or anticipated investments exactly. A Portfolio may invest in options and futures contracts based on securities with different issuers, maturities or other characteristics from the securities in which it typically invests, which involves a risk that the options or futures position will not track the performance of the Portfolio's other investments.

Options and futures contracts prices can also diverge from the prices of their underlying instruments, even if the underlying instruments match the Portfolio's investments well. Options and futures contracts prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures and securities are traded, or from imposition of daily price fluctuation limits or trading halts. A Portfolio may purchase or sell options and futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in a Portfolio's options or futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

LIQUIDITY OF OPTIONS AND FUTURES CONTRACTS. There is no assurance a liquid market will exist for any particular option or futures contract at any particular time even if the contract is traded on an exchange. In addition, exchanges may establish daily price fluctuation limits for options and futures contracts and may halt trading if a contract's price moves up or down more than the limit in a given day. On volatile trading days when the price fluctuation limit is reached or a trading halt is imposed, it may be impossible for a Portfolio to enter into new positions or close out existing positions. If the market for a contract is not liquid because of price fluctuation limits or otherwise, it could prevent prompt liquidation of unfavorable positions and

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could potentially require a Portfolio to continue to hold a position until delivery or expiration regardless of changes in its value. As a result, the Portfolio's access to other assets held to cover its options or futures positions could also be impaired. (See "Exchange Traded and Over-the-Counter Options" above for a discussion of the liquidity of options not traded on an exchange.)

POSITION LIMITS. Futures exchanges can limit the number of futures and options on futures contracts that can be held or controlled by an entity. If an adequate exemption cannot be obtained, a Portfolio or the Advisor may be required to reduce the size of its futures and options positions or may not be able to trade a certain futures or options contract in order to avoid exceeding such limits.

ASSET COVERAGE FOR FUTURES CONTRACTS AND OPTIONS POSITIONS. The Portfolios intend to comply with Section 4.5 of the regulations under the Commodity Exchange Act, which limits the extent to which a Portfolio can commit assets to initial margin deposits and option premiums. In addition, the Portfolios will comply with guidelines established by the SEC with respect to coverage of options and futures contracts by mutual funds, and if the guidelines so require, will set aside appropriate liquid assets in a segregated custodial account in the amount prescribed. Securities held in a segregated account cannot be sold while the futures contract or option is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of a Portfolio's assets could impede portfolio management or the Portfolio's ability to meet redemption requests or other current obligations.

RISK MANAGEMENT

The Non-U.S. Fixed Income, Diversified, Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Portfolios may employ non-hedging risk management techniques. Examples of such strategies include synthetically altering the duration of a portfolio or the mix of securities in a portfolio. For example, if the Advisor wishes to extend maturities in a fixed income portfolio in order to take advantage of an anticipated decline in interest rates, but does not wish to purchase the underlying long-term securities, it might cause the Portfolio to purchase futures contracts on long-term debt securities. Similarly, if the Advisor wishes to decrease fixed income securities or purchase equities, it could cause the Portfolio to sell futures contracts on debt securities and purchase futures contracts on a stock index. Such non-hedging risk management techniques are not speculative, but because they involve leverage include, as do all leveraged transactions, the possibility of losses as well as gains that are greater than if these techniques involved the purchase and sale of the securities themselves rather than their synthetic derivatives.

PORTFOLIO TURNOVER

Set forth below are the portfolio turnover rates for the Portfolios corresponding to the Funds. A rate of 100% indicates that the equivalent of all of the Portfolio's assets have been sold and reinvested in a year. High portfolio turnover may result in the realization of substantial net capital gains or losses. To the extent net short term capital gains are realized, any

distributions resulting from such gains are considered ordinary income for federal income tax purposes. See "Taxes" below.

THE U.S. FIXED INCOME PORTFOLIO (U.S. Fixed Income Fund)--For the fiscal year ended October 31, 1994: 234%; for the fiscal year ended October 31, 1995: 293%.

THE NON-U.S. FIXED INCOME PORTFOLIO (International Fixed Income Fund)--For the period October 11, 1994 (commencement of operations) through September 30, 1995: 288%.

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THE SELECTED U.S. EQUITY PORTFOLIO (U.S. Equity Fund)--For the fiscal year ended May 31, 1995: 71%; for the fiscal year ended May 31, 1996: 84.55%.

THE U.S. SMALL COMPANY PORTFOLIO (U.S. Small Cap Equity Fund)--For the fiscal year ended May 31, 1995: 75%; for the fiscal year ended May 31, 1996: 92.58%.

THE NON-U.S. EQUITY PORTFOLIO (International Equity Fund)--For the fiscal year ended October 31, 1994: 56%; for the fiscal year ended October 31, 1995: 59%.

THE DIVERSIFIED PORTFOLIO (Diversified Fund)--For the period July 8, 1993 (commencement of operations) through June 30, 1994: 115%; for the fiscal year ended June 30, 1995: 136%

THE EMERGING MARKETS EQUITY PORTFOLIO (Emerging Markets Equity Fund)--For the period November 15, 1993 (commencement of operations) through October 31, 1994: 27.48%; for the fiscal year ended October 31, 1995: 41.31%.

THE EUROPEAN EQUITY PORTFOLIO (European Equity Fund)--For the period March 28, 1995 (commencement of operations) through December 31, 1995: 36%.

THE JAPAN EQUITY PORTFOLIO (Japan Equity Fund)--For the period March 28, 1995 (commencement of operations) through December 31, 1995: 60%.

THE ASIA GROWTH PORTFOLIO (Asia Growth Fund)--For the period April 5, 1995 (commencement of operations) through December 31, 1995: 70%.

INVESTMENT RESTRICTIONS

The investment restrictions below have been adopted by the Trust with respect to each Fund and by each corresponding Portfolio. Except where otherwise noted, these investment restrictions are "fundamental" policies which, under the 1940 Act, may not be changed without the vote of a majority of the outstanding voting securities of the Fund or Portfolio, as the case may be. A "majority of the outstanding voting securities" is defined in the 1940 Act as the lesser of (a) 67% or more of the voting securities present at a meeting if the holders of more than 50% of the outstanding voting securities are present or represented by proxy, or (b) more than 50% of the outstanding voting securities. The percentage limitations contained in the restrictions below apply at the time of the purchase of securities. Whenever a Fund is requested to vote on a change in the fundamental investment restrictions of its corresponding Portfolio, the Trust will hold a meeting of Fund shareholders and will cast its votes as instructed by the shareholders.

The investment restrictions of each Fund and its corresponding Portfolio are identical, unless otherwise specified and except that each Fund may invest all of its investable assets in another open-end management investment company with the same investment objective, policies and restrictions (such as the Fund's corresponding Portfolio). Accordingly, references below to a Portfolio also include the Portfolio's corresponding Fund unless the context requires otherwise.

The U.S. Fixed Income Portfolio may not:

1. Borrow money, except from banks for extraordinary or emergency purposes and then only in amounts up to 30% of the value of the Portfolio's total assets, taken at cost at the time of such borrowing and except in connection with reverse repurchase agreements permitted by Investment Restriction No. 8., mortgage, pledge or hypothecate any assets except in connection with any such borrowing in amounts up to 30% of the value of the Portfolio's net assets at the time of such borrowing. The Portfolio will not purchase securities while borrowings (including reverse repurchase agreements) exceed 5% of the Portfolio's total assets. This borrowing provision facilitates the orderly sale of portfolio securities, for example, in the event of abnormally heavy redemption requests. This provision is not for investment purposes. Collateral

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arrangements for premium and margin payments in connection with the Portfolio's hedging activities are not deemed to be a pledge of assets;

2. Purchase the securities or other obligations of any one issuer if, immediately after such purchase, more than 5% of the value of the Portfolio's total assets would be invested in securities or other obligations of any one such issuer. This limitation shall not apply to securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities or to permitted investments of up to 25% of the Portfolio's total assets;

3. Purchase the securities of an issuer if, immediately after such purchase, the Portfolio owns more than 10% of the outstanding voting securities of such issuer. This limitation shall not apply to permitted investments of up to 25% of the Portfolio's total assets;

4. Purchase securities or other obligations of issuers conducting their principal business activity in the same industry if, immediately after such purchase the value of its investments in such industry would exceed 25% of the value of the Portfolio's total assets. For purposes of industry concentration, there is no percentage limitation with respect to investments in U.S. Government securities;

5. Make loans, except through the purchase or holding of debt obligations (including privately placed securities) or the entering into of repurchase agreements, or loans of portfolio securities in accordance with the Portfolio's investment objective and policies;

6. Purchase or sell puts, calls, straddles, spreads, or any combination thereof, real estate, commodities, commodity contracts, except for the Portfolio's interest in hedging activities as described under "Investment Objectives and Policies"; or interests in oil, gas, or mineral exploration or development programs. However, the Portfolio may purchase debt obligations secured by interests in real estate or issued by companies which invest in real estate or interests therein including real estate investment trusts;

7. Purchase securities on margin, make short sales of securities, or maintain a short position in securities, except in the course of the Portfolio's hedging activities, unless at all times when a short position is open the Portfolio owns an equal amount of such securities, provided that this restriction shall not be deemed to be applicable to the purchase or sale of when-issued securities or delayed delivery securities;

8. Issue any senior security, except as appropriate to evidence indebtedness which constitutes a senior security and which the Portfolio is permitted to incur pursuant to Investment Restriction No. 1 and except that the Portfolio may enter into reverse repurchase agreements, provided that the aggregate of senior securities, including reverse repurchase agreements, shall not exceed one-third of the market value of the Portfolio's total assets, less liabilities other than obligations created by reverse repurchase agreements. The

Portfolio's arrangements in connection with its hedging activities as described in "Investment Objectives and Policies" shall not be considered senior securities for purposes hereof;

9. Acquire securities of other investment companies, except as permitted by the 1940 Act; or

10. Act as an underwriter of securities.

Each of the Selected U.S. Equity and U.S. Small Company Portfolios may not:

1. Purchase the securities or other obligations of issuers conducting their principal business activity in the same industry if, immediately after such purchase the value of its investments in such industry would exceed 25% of the value of the Portfolio's total assets. For purposes of industry concentration, there is no percentage limitation with respect to investments in U.S. Government securities;

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2. Borrow money, except from banks for extraordinary or emergency purposes and then only in amounts not to exceed 10% of the value of the Portfolio's total assets, taken at cost, at the time of such borrowing. Mortgage, pledge or hypothecate any assets except in connection with any such borrowing and in amounts not to exceed 10% of the value of the Portfolio's net assets at the time of such borrowing. The Portfolio will not purchase securities while borrowings exceed 5% of the Portfolio's total assets. This borrowing provision is included to facilitate the orderly sale of portfolio securities, for example, in the event of abnormally heavy redemption requests, and is not for investment purposes. Collateral arrangements for premium and margin payments in connection with the Portfolio's hedging activities are not deemed to be a pledge of assets;

3. Purchase the securities or other obligations of any one issuer if, immediately after such purchase, more than 5% of the value of the Portfolio's total assets would be invested in securities or other obligations of any one such issuer. This limitation shall not apply to issues of the U.S. Government, its agencies or instrumentalities or to permitted investments of up to 25% of the Portfolio's total assets;

4. Purchase the securities of an issuer if, immediately after such purchase, the Portfolio owns more than 10% of the outstanding voting securities of such issuer. This limitation shall not apply to permitted investments of up to 25% of the Portfolio's total assets;

5. Make loans, except through the purchase or holding of debt obligations (including privately placed securities), or the entering into of repurchase agreements, or loans of portfolio securities in accordance with the Portfolio's investment objective and policies (see "Investment Objectives and Policies");

6. Purchase or sell puts, calls, straddles, spreads, or any combination thereof, real estate, commodities, or commodity contracts, except for the Portfolio's interests in hedging activities as described under "Investment Objectives and Policies"; or interests in oil, gas, or mineral exploration or development programs. However, the Portfolio may purchase securities or commercial paper issued by companies which invest in real estate or interests therein, including real estate investment trusts;

7. Purchase securities on margin, make short sales of securities, or maintain a short position, except in the course of the Portfolio's hedging activities, provided that this restriction shall not be deemed to be applicable to the purchase or sale of when-issued securities or delayed delivery securities;

8. Acquire securities of other investment companies, except as permitted by the 1940 Act;

9. Act as an underwriter of securities;

10. Issue any senior security, except as appropriate to evidence indebtedness which the Portfolio is permitted to incur pursuant to Investment Restriction No. 2. The Portfolio's arrangements in connection with its hedging activities as described in "Investment Objectives and Policies" shall not be considered senior securities for purposes hereof; or

11. Purchase any equity security if, as a result, the Portfolio would then have more than 5% of its total assets invested in securities of companies (including predecessors) that have been in continuous operation for fewer than three years.

The Non-U.S. Equity Portfolio may not:

1. Borrow money, except from banks for extraordinary or emergency purposes and then only in amounts up to 30% of the value of the Portfolio's net assets at the time of borrowing, and except in connection with reverse repurchase agreements and then only in amounts up to 33 1/3% of the value of the Portfolio's net assets; or purchase securities while borrowings, including reverse repurchase agreements, exceed 5% of the Portfolio's total assets. The Portfolio will not mortgage, pledge or hypothecate any assets except in connection with any such borrowing and in amounts not to exceed 30% of the value

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of the Portfolio's net assets at the time of such borrowing;

2. Purchase the securities or other obligations of any one issuer if, immediately after such purchase, more than 5% of the value of the Portfolio's total assets would be invested in securities or other obligations of any one such issuer. This limitation shall not apply to securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities or to permitted investments of up to 25% of the Portfolio's total assets;

3. Purchase the securities of an issuer if, immediately after such purchase, the Portfolio owns more than 10% of the outstanding voting securities of such issuer. This limitation shall not apply to permitted investments of up to 25% of the Portfolio's total assets;

4. Purchase the securities or other obligations of issuers conducting their principal business activity in the same industry if, immediately after such purchase, the value of its investments in such industry would exceed 25% of the value of the Portfolio's total assets. For purposes of industry concentration, there is no percentage limitation with respect to investments in U.S. Government securities;

5. Make loans, except through the purchase or holding of debt obligations (including restricted securities), or the entering into of repurchase agreements, or loans of portfolio securities in accordance with the Portfolio's investment objective and policies, see "Risk Factors and Additional Investment Information" in the Prospectus and "Investment Objectives and Policies" in this Statement of Additional Information;

6. Purchase or sell puts, calls, straddles, spreads, or any combination thereof, real property, including limited partnership interests, commodities, or commodity contracts, except for the Portfolio's interests in hedging and foreign exchange activities as described under "Risk Factors and Additional Investment Information" in the Prospectus; or interests in oil, gas, mineral or other exploration or development programs or leases. However, the Portfolio may purchase securities or commercial paper issued by companies that invest in real estate or interests therein including real estate investment trusts;

7. Purchase securities on margin, make short sales of securities, or maintain a short position in securities, except to obtain such short-term credit

as necessary for the clearance of purchases and sales of securities, provided that this restriction shall not be deemed to apply to the purchase or sale of when-issued securities or delayed delivery securities;

8. Acquire securities of other investment companies, except as permitted by the 1940 Act;

9. Act as an underwriter of securities, except insofar as the Portfolio may be deemed to be an underwriter under the 1933 Act by virtue of disposing of portfolio securities; or

10. Issue any senior security, except as appropriate to evidence indebtedness which the Portfolio is permitted to incur pursuant to Investment Restriction No. 1. The Portfolio's arrangements in connection with its hedging activities as described in "Risk Factors and Additional Investment Information" in the Prospectus shall not be considered senior securities for purposes hereof.

Unless Sections 8(b)(1) and 13(a) of the 1940 Act or any SEC or SEC staff interpretations thereof are amended or modified, each of the Emerging Markets Equity, Asia Growth and European Equity Portfolios may not:

1. Purchase any security if, as a result, more than 25% of the value of the Portfolio's total assets would be invested in securities of issuers having their principal business activities in the same industry. This limitation shall not apply to obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities;

2. Borrow money, except that the Portfolio may (i) borrow money from banks for temporary or emergency purposes (not for leveraging purposes) and (ii) enter

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into reverse repurchase agreements for any purpose; provided that (i) and (ii) in total do not exceed 33 1/3% of the value of the Portfolio's total assets (including the amount borrowed) less liabilities (other than borrowings). If at any time any borrowings come to exceed 33 1/3% of the value of the Portfolio's total assets, the Portfolio will reduce its borrowings within three business days to the extent necessary to comply with the 33 1/3% limitation;

3. With respect to 75% of its total assets, purchase any security if, as a result, (a) more than 5% of the value of the Portfolio's total assets would be invested in securities or other obligations of any one issuer; or (b) the Portfolio would hold more than 10% of the outstanding voting securities of that issuer. This limitation shall not apply to Government securities (as defined in the 1940 Act);

4. Make loans to other persons, except through the purchase of debt obligations, loans of portfolio securities and participation in repurchase agreements;

5. Purchase or sell physical commodities or contracts thereon, unless acquired as a result of the ownership of securities or instruments, but the Portfolio may purchase or sell futures contracts or options (including options on futures contracts, but excluding options or futures contracts on physical commodities) and may enter into foreign currency forward contracts;

6. Purchase or sell real estate, but the Portfolio may purchase or sell securities that are secured by real estate or issued by companies (including real estate investment trusts) that invest or deal in real estate;

7. Underwrite securities of other issuers, except to the extent the Portfolio, in disposing of portfolio securities, may be deemed an underwriter within the meaning of the 1933 Act; or

8. Issue senior securities, except as permitted under the 1940 Act or any rule, order or interpretation thereunder.

Unless Sections 8(b)(1) and 13(a) of the 1940 Act or any SEC or SEC staff interpretations thereof are amended or modified, each of the Non-U.S. Fixed Income and Japan Equity Portfolios may not:

1. Purchase any security if, as a result, more than 25% of the value of the Portfolio's total assets would be invested in securities of issuers having their principal business activities in the same industry. This limitation shall not apply to obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities;

2. Borrow money, except that the Portfolio may (i) borrow money from banks for temporary or emergency purposes (not for leveraging purposes) and (ii) enter into reverse repurchase agreements for any purpose; provided that (i) and (ii) in total do not exceed 33 1/3% of the value of the Portfolio's total assets (including the amount borrowed) less liabilities (other than borrowings). If at any time any borrowings come to exceed 33 1/3% of the value of the Portfolio's total assets, the Portfolio will reduce its borrowings within three business days to the extent necessary to comply with the 33 1/3% limitation;

3. Make loans to other persons, except through the purchase of debt obligations, loans of portfolio securities and participation in repurchase agreements;

4. Purchase or sell physical commodities or contracts thereon, unless acquired as a result of the ownership of securities or instruments, but the Portfolio may purchase or sell futures contracts or options (including options on futures contracts, but excluding options or futures contracts on physical commodities) and may enter into foreign currency forward contracts;

5. Purchase or sell real estate, but the Portfolio may purchase or sell securities that are secured by real estate or issued by companies (including real estate investment trusts) that invest or deal in real estate;

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6. Underwrite securities of other issuers, except to the extent the Portfolio, in disposing of portfolio securities, may be deemed an underwriter within the meaning of the 1933 Act; or

7. Issue senior securities, except as permitted under the 1940 Act or any rule, order or interpretation thereunder.

The Diversified Portfolio may not:

1. Purchase the securities or other obligations of issuers conducting their principal business activity in the same industry if, immediately after such purchase the value of its investments in such industry would exceed 25% of the value of the Fund's total assets; provided, however, that the Fund may invest all or part of its investable assets in an open-end management investment company with the same investment objective and restrictions as the Fund's. For purposes of industry concentration, there is no percentage limitation with respect to investments in U.S. Government securities;

2. Purchase the securities or other obligations of any one issuer if, immediately after such purchase, more than 5% of the value of the Fund's total assets would be invested in securities or other obligations of any one such issuer; provided, however, that the Fund may invest all or part of its investable assets in an open-end management investment company with the same investment objective and restrictions as the Fund's. This limitation shall not apply to securities issued or guaranteed by the U.S. Government, its agencies or

instrumentalities or to permitted investments of up to 25% of the Fund's total assets;

3. Purchase the securities of an issuer if, immediately after such purchase, the Fund owns more than 10% of the outstanding voting securities of such issuer; provided, however, that the Fund may invest all or part of its investable assets in an open-end management investment company with the same investment objective and restrictions as the Fund's. This limitation shall not apply to permitted investments of up to 25% of the Fund's total assets;

4. Borrow money (not including reverse repurchase agreements), except from banks for temporary or extraordinary or emergency purposes and then only in amounts up to 30% of the value of the Fund's or the Portfolio's total assets, taken at cost at the time of such borrowing (and provided that such borrowings and reverse repurchase agreements do not exceed in the aggregate one-third of the market value of the Fund's and the Portfolio's total assets less liabilities other than the obligations represented by the bank borrowings and reverse repurchase agreements). The Fund will not mortgage, pledge, or hypothecate any assets except in connection with any such borrowing and in amounts not to exceed 30% of the value of the Fund's or the Portfolio's net assets at the time of such borrowing. The Fund or the Portfolio will not purchase securities while borrowings exceed 5% of the Fund's total assets; provided, however, that the Fund may increase its interest in an open-end management investment company with the same investment objective and restrictions as the Fund's while such borrowings are outstanding. This borrowing provision is included to facilitate the orderly sale of portfolio securities, for example, in the event of abnormally heavy redemption requests, and is not for investment purposes. Collateral arrangements for premium and margin payments in connection with the Fund's use of futures contracts and options are not deemed to be a pledge of assets;

5. Issue any senior security, except as appropriate to evidence indebtedness which constitutes a senior security and which the Fund is permitted to incur pursuant to Investment Restriction No. 4 and except that the Fund may enter into reverse repurchase agreements, provided that the aggregate of senior securities, including reverse repurchase agreements, shall not exceed one-third of the market value of the Fund's total assets, less liabilities other than obligations created by reverse repurchase agreements. The Fund's arrangements in connection with its use of futures contracts and options shall not be considered senior securities for purposes hereof;

6. Make loans, except through the purchase or holding of debt obligations (including privately placed securities), or the entering into of repurchase agreements, or loans of portfolio securities in accordance with the Fund's

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investment objective and policies (see "Investment Objectives and Policies");

7. Purchase or sell commodities or commodity contracts, but this restriction shall not prohibit the Fund from purchasing or selling futures contracts or options (including options on futures contracts, but excluding options or futures contracts on physical commodities) or entering into foreign currency forward contracts; or purchase or sell real estate or interests in oil, gas, or mineral exploration or development programs. However, the Fund may purchase securities or commercial paper issued by companies which invest in real estate or interests therein, including real estate investment trusts, and purchase instruments secured by real estate or interests therein;

8. Purchase securities on margin, make short sales of securities, or maintain a short position in securities, except to obtain such short term credit as necessary for the clearance of purchases and sales of securities, provided that this restriction shall not be deemed to be applicable to the purchase or sale of when-issued securities or delayed delivery securities or to restrict the Fund's use of futures contracts or options;

9. Acquire securities of other investment companies, except as permitted by the 1940 Act or in connection with a merger, consolidation, reorganization, acquisition of assets or an offer of exchange; provided, however, that nothing in this investment restriction shall prevent the Trust from investing all or part of the Fund's assets in an open-end management investment company with the same investment objective and restrictions as the Fund; or

10. Act as an underwriter of securities.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - ALL PORTFOLIOS. The investment restriction described below is not a fundamental policy of each Portfolio and may be changed by the Portfolio's Trustees. This non-fundamental investment policy requires that each Portfolio may not:

(i) acquire any illiquid securities, such as repurchase agreements with more than seven days to maturity or fixed time deposits with a duration of over seven calendar days, if as a result thereof, more than 15% of the market value of the Portfolio's total assets would be in investments that are illiquid.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - NON-U.S. EQUITY PORTFOLIO AND DIVERSIFIED PORTFOLIO. The investment restrictions described below are not fundamental policies of these Portfolios and may be changed by their respective Trustees. These non-fundamental investment policies require that each such Portfolio may not:

(i) purchase any equity security if, as a result, the Portfolio would then have more than 5% of its total assets invested in securities of companies (including predecessors) that have been in continuous operation for fewer than three years;

(ii) invest in warrants (other than warrants acquired by the Portfolio as part of a unit or attached to securities at the time of purchase) if, as a result, the investments (valued at the lower of cost or market) would exceed 5% of the value of the Portfolio's net assets or if, as a result, more than 2% of the Portfolio's net assets would be invested in warrants not listed on a recognized U.S. or foreign stock exchange, to the extent permitted by applicable state securities laws; or

(iii) invest in any securities issued by an issuer any of whose officers, directors, trustees or security holders is an officer or Trustee of the Portfolio, or is an officer of the Advisor, if after the Portfolio's purchase of the securities of such issuer, one or more of such persons owns beneficially more than 1/2 of 1% of the shares or securities, or both, all taken at market value, of such issuer, and such persons owning more than 1/2 of 1% of such shares or securities together own beneficially more than 5% of such shares or securities, or both, all taken at market value.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - SELECTED U.S. EQUITY AND U.S. SMALL COMPANY PORTFOLIOS. The investment restrictions described below are not fundamental policies of these Portfolios and may be changed by the Portfolios'

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Trustees. These non-fundamental investment policies require that each of these Portfolios may not:

(i) invest in warrants (other than warrants acquired by the Portfolio as part of a unit or attached to securities at the time of purchase) if, as a result, the investments (valued at the lower of cost or market) would exceed 5% of the value of the Portfolio's net assets or if, as a result, more than 2% of the Portfolio's net assets would be invested in warrants not listed on a recognized U.S. or foreign stock exchange, to the extent permitted by applicable state securities laws;

(ii) invest in any securities issued by an issuer any of whose officers, directors, trustees or security holders is an officer or Trustee of the Portfolio, or is an officer of the Advisor, if after the Portfolio's purchase of the securities of such issuer, one or more of such persons owns beneficially more than 1/2 of 1% of the shares or securities, or both, all taken at market value, of such issuer, and such persons owning more than 1/2 of 1% of such shares or securities together own beneficially more than 5% of such shares or securities, or both, all taken at market value;

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - SELECTED U.S. EQUITY, U.S. SMALL COMPANY AND DIVERSIFIED PORTFOLIOS. The investment restrictions described below are not fundamental policies of these Portfolios and may be changed by the Portfolios' Trustees. These non-fundamental investment policies require that each of these Portfolios may not:

(i) invest in real estate limited partnership interests; or

(ii) invest in oil, gas or other mineral leases.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - EMERGING MARKETS EQUITY, ASIA GROWTH AND EUROPEAN EQUITY PORTFOLIOS. The investment restrictions described below are not fundamental policies of these Portfolios and may be changed by the Portfolios' Trustees. These non-fundamental investment policies require that each of these Portfolios may not:

(i) Acquire securities of other investment companies, except as permitted by the 1940 Act or any rule, order or interpretation thereunder, or in connection with a merger, consolidation, reorganization, acquisition of assets or an offer of exchange;

(ii) Purchase any security if, as a result, the Portfolio would then have more than 5% of its total assets invested in securities of companies (including predecessors) that have been in continuous operation for fewer than three years;

(iii) Invest in warrants (other than warrants acquired by the Portfolio as part of a unit or attached to securities at the time of purchase) if, as a result, the investments (valued at the lower of cost or market) would exceed 5% of the value of the Portfolio's net assets or if, as a result, more than 2% of the Portfolio's net assets would be invested in warrants not listed on a recognized U.S. or foreign stock exchange, to the extent permitted by applicable state securities laws;

(iv) Sell any security short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold or unless it covers such short sales as required by the current rules or positions of the SEC or its staff. Transactions in futures contracts and options shall not constitute selling securities short;

(v) Purchase securities on margin, but the Portfolio may obtain such short term credits as may be necessary for the clearance of transactions;

(vi) Purchase or retain securities of any issuer if, to the knowledge of the Portfolio, any of the Portfolio's officers or Trustees or any officer of the Advisor individually owns more than 1/2 of 1% of the issuer's outstanding securities and such persons owning more than 1/2 of 1% of such securities together beneficially own more than 5% of such securities, all taken at market; or

(vii) Invest in real estate limited partnerships or purchase interests in

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oil, gas or mineral exploration or development programs or leases.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - JAPAN EQUITY PORTFOLIO. The investment restrictions described below are not fundamental policies of the Japan Equity Portfolio and may be changed by the Portfolio's Trustees. These non-fundamental investment policies require that the Portfolio may not:

(i) Acquire securities of other investment companies, except as permitted by the 1940 Act or any rule, order or interpretation thereunder, or in connection with a merger, consolidation, reorganization, acquisition of assets or an offer of exchange;

(ii) Purchase any security if, as a result, the Portfolio would then have more than 5% of its total assets invested in securities of companies (including predecessors) that have been in continuous operation for fewer than three years;

(iii) Sell any security short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold or unless it covers such short sales as required by the current rules or positions of the SEC or its staff. Transactions in futures contracts and options shall not constitute selling securities short;

(iv) Purchase securities on margin, but the Portfolio may obtain such short term credits as may be necessary for the clearance of transactions;

(v) Purchase or retain securities of any issuer if, to the knowledge of the Portfolio, any of the Portfolio's officers or Trustees or any officer of the Advisor individually owns more than 1/2 of 1% of the issuer's outstanding securities and such persons owning more than 1/2 of 1% of such securities together beneficially own more than 5% of such securities, all taken at market; or

(vi) Invest in real estate limited partnerships or purchase interests in oil, gas or mineral exploration or development programs or leases.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS - NON-U.S. FIXED INCOME PORTFOLIO. The investment restrictions described below are not fundamental policies of the Non-U.S. Fixed Income Portfolio and may be changed by the Portfolio's Trustees. These non-fundamental investment policies require that the Portfolio may not:

(i) Acquire securities of other investment companies, except as permitted by the 1940 Act or any rule, order or interpretation thereunder, or in connection with a merger, consolidation, reorganization, acquisition of assets or an offer of exchange;

(ii) Purchase any security if, as a result, the Portfolio would then have more than 5% of its total assets invested in securities of companies (including predecessors) that have been in continuous operation for fewer than three years;

(iii) Sell any security short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold or unless it covers such short sales as required by the current rules or positions of the SEC or its staff. Transactions in futures contracts and options shall not constitute selling securities short;

(iv) Purchase or retain securities of any issuer if, to the knowledge of the Portfolio, any of the Portfolio's officers or Trustees or any officer of the Advisor individually owns more than 1/2 of 1% of the issuer's outstanding securities and such persons owning more than 1/2 of 1% of such securities together beneficially own more than 5% of such securities, all taken at market;

(v) Purchase securities on margin, but the Portfolio may obtain such short term credits as may be necessary for the clearance of transactions; or

(vi) Invest in real estate limited partnerships or purchase interests in oil, gas or mineral exploration or development programs or leases.

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ALL PORTFOLIOS. There will be no violation of any investment restriction if that restriction is complied with at the time the relevant action is taken notwithstanding a later change in market value of an investment, in net or total assets, in the securities rating of the investment or any other later change.

TRUSTEES AND OFFICERS

The Trustees of the Trust and the Trustees of the Portfolios, their business addresses and their principal occupations during the past five years are set forth below. An asterisk indicates that a Trustee is an "interested person" (as defined in the 1940 Act) of the Trust or the Portfolios, as the case may be.

TRUSTEES OF THE TRUST

JOHN C. COX*--Trustee; Nomura Professor of Finance, Massachusetts Institute of Technology (since 1983); Director, Asset Specialization Corporation (since May, 1992); Director, Nomura Asset Securities Corporation (since May, 1992); Fellow, Econometric Society (since December, 1990); Director, Nomura Mortgage Capital Corporation (since 1989); Director, American Finance Association (prior to 1993); Consultant J.P. Morgan Investment Management Inc.* (since 1985). His address is 15 Stony Brook Road, Weston, Massachusetts 02193.

JOHN R. RETTBERG--Trustee; retired; Consultant, Northrop Grumman Corporation ("Northrop") (since January, 1995); Corporate Vice President and Treasurer, Northrop (prior to January, 1995); Director, Independent Colleges of Southern California (prior to 1994); Director, Junior Achievement (prior to 1993). His address is 79-165 Montego Bay Drive, Bermuda Dunes, California 92201.

JOHN F. RUFFLE*--Trustee; retired; Consultant, J.P. Morgan & Co. Incorporated (since June, 1993); Director and Vice Chairman of J.P. Morgan & Co. Incorporated (prior to June, 1993); Director, Trident Corporation (since April, 1994); Director, Bethlehem Steel Corporation (since September, 1990); Trustee, Johns Hopkins University (since April, 1990); Trustee, Overlook Hospital Foundation (since April, 1990); Director, Student Loan Marketing Association (since April, 1990). His address is 103 Spruce Knob Road, Middletown Springs, VT 05757.

KENNETH WHIPPLE, JR.--Trustee; Executive Vice President, Ford Motor Company, President, Ford Financial Services Group, and Director, Ford Motor Credit Company (since 1988); Director and President, Ford Holdings, Inc. (since 1989); Director, CMS Energy Corporation and Consumers Power Company (since January, 1993); Director, Detroit Country Day School (since January, 1993); Director Granite Management Corporation (formerly First Nationwide Financial Corporation) and Granite Savings Bank (formerly First Nationwide Bank) (since 1988); Director, United Way of Southeastern Michigan (since 1988); Director, USL Capital Corporation (since 1988); Chairman, Director and First Vice President, WTVS-TV (since 1988). His address is 1115 Country Club Drive, Bloomfield Hills, Michigan 48304.

JOHN BAUMGARDNER*--Trustee; Partner, Sullivan & Cromwell (law firm) (since 1983); Supervisory Director, The Turkish Private Equity Investment Company, N.V. (1991-1993). His address is Sullivan & Cromwell, 125 Broad Street, New York, NY 10004.

Each Trustee of the Trust is paid a $16,000 annual fee for serving as Trustee of the Trust and is reimbursed for expenses incurred in connection with service as a Trustee. Under the Services Agreement, Morgan is responsible for paying the Trustees' fees. The compensation paid to the Trust's Trustees in calendar 1995 is set forth below. The Trustees may hold various other

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directorships unrelated to the Trust. The Trustees of the Trust, in addition to reviewing actions of the Trust's various service providers, decide upon matters of general policy.

NAME OF TRUSTEE	AGGREGATE COMPENSATION FROM THE TRUST DURING 1995	PENSION OR RETIREMENT BENEFITS ACCRUED AS PART OF FUND EXPENSES	ESTIMATED ANNUAL BENEFITS UPON RETIREMENT
John E. Baumgardner, Jr.*	$0	None	None
John C. Cox	$13,067	None	None
Joyce M. Nelson**	$13,067	None	None
John R. Rettberg	$13,067	None	None
John F. Ruffle	$13,067	None	None
Kenneth Whipple, Jr.	$13,067	None	None

____

*Trustee elected February [6], 1996.

**Trustee resigned January 2, 1996.

The dollar figure reported in the second column above was the total compensation paid to the Trustee in 1995 for service on the Trust's board. None of the Trust's Trustees serve on the board of another investment company in the fund complex. As of the date of this Statement of Additional Information there were 17 investment companies (including the Trust) in the fund complex.

TRUSTEES OF THE PORTFOLIOS

FREDERICK S. ADDY--Trustee; Retired; Executive Vice President and Chief Financial Officer from January 1990 to April 1994, Amoco Corporation. His address is 5300 Arbutus Cove, Austin, TX 78746.

WILLIAM G. BURNS--Trustee; Retired; Former Vice Chairman, NYNEX. His address is 2200 Alaqua Drive, Longwood, FL 32779.

ARTHUR C. ESCHENLAUER--Trustee; Retired; Senior Vice President, Morgan Guaranty Trust Company of New York until 1987. His address is 14 Alta Vista Drive, RD #2, Princeton, NJ 08540.

MATTHEW HEALEY*--Trustee, Chairman and Chief Executive Officer; Chairman, Pierpont Group, Inc., since 1989. His address is Pine Tree Club Estates, 10286 Saint Andrews Road, Boynton Beach, FL 33436.

MICHAEL P. MALLARDI--Trustee; Retired; Senior Vice President, Capital Cities/ABC, Inc. and President, Broadcast Group prior to April 1996. His address is 10 Charnwood Drive, Suffern, NY 10910.

Each Trustee of the Portfolios is paid an annual fee as follows for serving as Trustee of The Pierpont Funds, The JPM Institutional Funds, the Portfolios and the other portfolios in which these funds invest, and is reimbursed for any expenses incurred in connection with service as a Trustee. The Trustees may hold various other directorships unrelated to the Portfolios.

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NAME, POSITION	AGGREGATE COMPENSATION FROM THE TRUST DURING 1995	PENSION OR RETIREMENT BENEFITS ACCRUED AS PART OF FUND EXPENSES	ESTIMATED ANNUAL BENEFITS UPON RETIREMENT	TOTAL COMPENSATION FROM THE PORTFOLIOS**, JPM INSTITUTIONAL AND PIERPONT FUNDS PAID TO TRUSTEES DURING 1995
<S>	<C>	<C>	<C>	<C>
Frederick S. Addy, Trustee	N/A	None	None	$62,500
William G. Burns, Trustee	N/A	None	None	$62,500
Arthur C. Eschenlauer, Trustee	N/A	None	None	$62,500
Matthew Healey, Trustee, Chairman and Chief Executive Officer*	N/A	None	None	$62,500
Michael P. Mallardi, Trustee	N/A	None	None	$62,500

</TABLE>

*During 1995, Pierpont Group, Inc. paid Mr. Healey, in his role as Chairman of Pierpont Group, Inc., compensation in the amount of $140,000, contributed $21,000 to a defined contribution plan on his behalf, and paid $20,000 in insurance premiums for his benefit.

**Includes the Portfolios and The Treasury Money Market Portfolio, The Money Market Portfolio, The Tax Exempt Money Market Portfolio, The Short Term Bond Portfolio, The Tax Exempt Bond Portfolio and The New York Total Return Bond Portfolio.

As of April 1, 1995 the annual fee paid to each Trustee for serving as a Trustee of each of the Portfolios and the six other registered investment companies referenced directly above (collectively the "Master Portfolios"), The JPM Institutional Funds and The Pierpont Funds was adjusted to $65,000.

The Portfolios' Trustees, in addition to reviewing actions of the Portfolios' various service providers, decide upon matters of general policy. Each of the Portfolios has entered into a Fund Services Agreement with Pierpont Group, Inc. to assist the Trustees in exercising their overall supervisory responsibilities over the affairs of the Portfolios. Pierpont Group, Inc. was organized in July 1989 to provide services for The Pierpont Family of Funds, and the Trustees of the Portfolios are the shareholders of Pierpont Group, Inc. The Portfolios have agreed to pay Pierpont Group, Inc. a fee in an amount representing its reasonable costs in performing these services. These costs are periodically reviewed by the Portfolios' Trustees. The aggregate fees paid by each Portfolio during the indicated fiscal years are set forth below:

U.S. FIXED INCOME PORTFOLIO--For the fiscal year ended October 31, 1994: $23,028; for the fiscal year ended October 31, 1995: $40,729.

NON-U.S. FIXED INCOME PORTFOLIO--For the period October 11, 1994 (commencement of operations) through September 30, 1995: $20,446.

SELECTED U.S. EQUITY PORTFOLIO--For the period July 19, 1993 (commencement of operations) through May 31, 1994: $20,385; for the fiscal year ended May 31, 1995: $52,948; for the fiscal year ended May 31, 1996: $46,626.

U.S. SMALL COMPANY PORTFOLIO--For the period July 19, 1993 (commencement of operations) through May 31, 1994: $33,435; for the fiscal year ended May 31, 1995: $62,256; for the fiscal year ended May 31, 1996: $48,688.

NON-U.S. EQUITY PORTFOLIO--For the fiscal year ended October 31, 1994: $32,512; for the fiscal year ended October 31, 1995: $48,442.

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DIVERSIFIED PORTFOLIO--For the period July 8, 1993 (commencement of operations) through June 30, 1994: $3,434. For the fiscal year ended June 30, 1995: $11,702.

EMERGING MARKETS EQUITY PORTFOLIO--For the period November 13, 1993 (commencement of operations) through October 31, 1994: $42,764; for the fiscal year ended October 31, 1995: $53,162.

ASIA GROWTH PORTFOLIO--For the period April 5, 1995 (commencement of operations) through December 31, 1995: $4,788.

EUROPEAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $19,953.

JAPAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $21,727.

OFFICERS

The Trust's and Portfolios' executive officers (listed below), other than the Chief Executive Officer of the Portfolios, are provided and compensated by Funds Distributor, Inc. ("FDI"), a wholly owned indirect subsidiary of Boston Institutional Group, Inc. The officers conduct and supervise the business operations of the Trust and the Portfolios. The Trust and the Portfolios have no employees.

The officers of the Trust and the Portfolios and their principal occupations during the past five years are set forth below. Unless otherwise specified, each officer holds the same position with the Trust and each Portfolio. The business address of each of the officers unless otherwise noted is Funds Distributor, Inc., 60 State Street, Suite 1300, Boston, Massachusetts 02109.

MATTHEW HEALEY; Chief Executive Officer of the Portfolios; Chairman, Pierpont Group, Inc., since 1989. His address is Pine Tree Club Estates, 10286 Saint Andrews Road, Boynton Beach, FL 33436.

ELIZABETH A. BACHMAN; Vice President and Assistant Secretary. Counsel, FDI and Premier Mutual Fund Services, Inc. ("Premier Mutual") and an officer of RCM Capital Funds, Inc., RCM Equity Funds, Inc., Waterhouse Investors Cash Management Fund, Inc. and certain investment companies advised or administered by the Dreyfus Corporation ("Dreyfus"). Prior to September 1995, Ms. Bachman was enrolled at Fordham University School of Law and received her JD in May 1995. Prior to September 1992, Ms. Bachman was an assistant at the National Association for Public Interest Law. Address: FDI, 200 Park Avenue, New York, New York 10166.

MARIE E. CONNOLLY; Vice President and Assistant Treasurer. President and Chief Executive Officer and Director of FDI, Premier Mutual and an officer of RCM Capital Funds, Inc., RCM Equity Funds, Inc. and certain investment companies advised or administered by Dreyfus. From December 1991 to July 1994, she was President and Chief Compliance Officer of FDI. Prior to December 1991, she served as Vice President and Controller, and later as Senior Vice President of The Boston Company Advisors, Inc. ("TBCA").

DOUGLAS C. CONROY; Vice President and Assistant Treasurer. Supervisor of Treasury Services and Administration of FDI and an officer of certain investment companies advised or administered by Dreyfus. From April 1993 to January 1995, Mr. Conroy was a Senior Fund Accountant for Investors Bank & Trust Company.

Prior to March 1993, Mr. Conroy was employed as a fund accountant at The Boston Company.

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JACQUELINE HENNING; Assistant Secretary and Assistant Treasurer of the Portfolios. Managing Director, State Street Cayman Trust Company, Ltd. since October 1994. Prior to October 1994, Mrs. Henning was head of mutual funds at Morgan Grenfell in Cayman and for five years was Managing director of Bank of Nova Scotia Trust Company (Cayman) Limited from September 1988 to September 1993. Address: P.O. Box 2508 GT, Elizabethan Square, 2nd Floor, Shedden Road, George Town, Grand Cayman, Cayman Islands.

RICHARD W. INGRAM; President and Treasurer. Senior Vice President and Director of Client Services and Treasury Administration of FDI, Senior Vice President of Premier Mutual and an officer of RCM Capital Funds, Inc., RCM Equity Funds, Inc., Waterhouse Investors Cash Management Fund, Inc. and certain investment companies advised or administered by Dreyfus. From March 1994 to November 1995, Mr. Ingram was Vice President and Division Manager of First Data Investor Services Group, Inc. From 1989 to 1994, Mr. Ingram was Vice President, Assistant Treasurer and Tax Director - Mutual Funds of The Boston Company.

KAREN JACOPPO-WOOD; Vice President and Assistant Secretary. Assistant Vice President of FDI and an officer of RCM Capital Funds, Inc. and RCM Equity Funds, Inc. From June 1994 to January 1996, Ms. Jacoppo was a Manager, SEC Registration, Scudder, Stevens & Clark, Inc. From 1988 to May 1994, Ms. Jacoppo was a senior paralegal at TBCA.

CHRISTOPHER J. KELLEY; Vice President and Assistant Secretary. Vice President and Associate General Counsel of FDI. From April 1994 to July 1996, Mr. Kelley was Assistant Counsel at Forum Financial Group. From 1992 to 1994, Mr. Kelley was employed by Putnam Investments in legal and compliance capacities. Prior to September 1992, Mr. Kelley was enrolled at Boston College Law School and received his JD in May 1992.

LENORE J. MCCABE; Assistant Secretary and Assistant Treasurer of the Portfolios. Assistant Vice President, State Street Bank and Trust Company since November 1994. Assigned as Operations Manager, State Street Cayman Trust Company, Ltd. since February 1995. Prior to November, 1994, employed by Boston Financial Data Services, Inc. as Control Group Manager. Address: P.O. Box 2508 GT, Elizabethan Square, 2nd Floor, Shedden Road, George Town, Grand Cayman, Cayman Islands.

MARY A. NELSON; Vice President and Assistant Treasurer. Vice President and Manager of Treasury Services and Administration of FDI, an officer of RCM Capital Funds, Inc., RCM Equity Funds, Inc. and certain investment companies advised or administered by Dreyfus. From 1989 to 1994, Ms. Nelson as an Assistant Vice President and client manager for The Boston Company.

JOHN E. PELLETIER; Vice President and Secretary. Senior Vice President and General Counsel of FDI and Premier Mutual and an officer of RCM Capital Funds, Inc., RCM Equity Funds, Inc., Waterhouse Investors Cash Management Fund, Inc. and certain investment companies advised or administered by Dreyfus. From February 1992 to April 1994, Mr. Pelletier served as Counsel for TBCA. From August 1990 to February 1992, Mr. Pelletier was employed as an Associate at Ropes & Gray.

JOSEPH F. TOWER III; Vice President and Assistant Treasurer. Senior Vice President, Treasurer and Chief Financial Officer of FDI and Premier Mutual and an officer of Waterhouse Investors Cash Management Fund, Inc. and certain investment companies advised or administered by Dreyfus. From July 1988 to November 1993, Mr. Tower was Financial Manager of The Boston Company.

INVESTMENT ADVISOR

The investment advisor to the Portfolios is Morgan Guaranty Trust Company of New York, a wholly owned subsidiary of J.P. Morgan & Co. Incorporated ("J.P. Morgan"), a bank holding company organized under the laws of the State of Delaware. Morgan, whose principal offices are at 60 Wall Street, New York, New York 10260, is a New York trust company which conducts a general banking and trust business. Morgan is subject to regulation by the New York State Banking Department and is a member bank of the Federal Reserve System. Through offices in New York City and abroad, Morgan offers a wide range of services, primarily

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to governmental, institutional, corporate and high net worth individual customers in the United States and throughout the world.

J.P. Morgan, through the Advisor and other subsidiaries, acts as investment advisor to individuals, governments, corporations, employee benefit plans, mutual funds and other institutional investors with combined assets under management of approximately $179 billion (of which the Advisor advises over $28 billion).

J.P. Morgan has a long history of service as adviser, underwriter and lender to an extensive roster of major companies and as a financial advisor to national governments. The firm, through its predecessor firms, has been in business for over a century and has been managing investments since 1913.

The basis of Morgan's investment process is fundamental investment research as the firm believes that fundamentals should determine an asset's value over the long term. J.P. Morgan currently employs over 100 full time research analysts, among the largest research staffs in the money management industry, in its investment management divisions located in New York, London, Tokyo, Frankfurt, Melbourne and Singapore to cover companies, industries and countries on site. In addition, the investment management divisions employ approximately 300 capital market researchers, portfolio managers and traders. The conclusions of the equity analysts' fundamental research is quantified into a set of projected returns for individual companies through the use of a dividend discount model. These returns are projected for 2 to 5 years to enable analysts to take a longer term view. These returns, or normalized earnings, are used to establish relative values among stocks in each industrial sector. These values may not be the same as the markets' current valuations of these companies. This provides the basis for ranking the attractiveness of the companies in an industry according to five distinct quintiles or rankings. This ranking is one of the factors considered in determining the stocks purchased and sold in each sector. The Advisor's fixed income investment process is based on analysis of real rates, sector diversification and quantitative and credit analysis.

The investment advisory services the Advisor provides to the Portfolios are not exclusive under the terms of the Advisory Agreements. The Advisor is free to and does render similar investment advisory services to others. The Advisor serves as investment advisor to personal investors and other investment companies and acts as fiduciary for trusts, estates and employee benefit plans. Certain of the assets of trusts and estates under management are invested in common trust funds for which the Advisor serves as trustee. The accounts which are managed or advised by the Advisor have varying investment objectives and the Advisor invests assets of such accounts in investments substantially similar to, or the same as, those which are expected to constitute the principal investments of the Portfolios. Such accounts are supervised by officers and employees of the Advisor who may also be acting in similar capacities for the Portfolios. See "Portfolio Transactions."

Sector weightings are generally similar to a fund's benchmark with the emphasis on security selection as the method to achieve investment performance superior to the benchmark. The benchmarks for the Portfolios in which the Funds invest are currently: The U.S. Fixed Income Portfolio--Salomon Brothers Broad Investment Grade Bond Index; The Non-U.S. Fixed Income Portfolio--Salomon

Brothers Non-U.S. World Government Bond Index (currency hedged); The Selected U.S. Equity Portfolio--S&P 500 Index; The U.S. Small Company Portfolio--Russell 2500 Index; The Non-U.S. Equity Portfolio--EAFE Index; The Diversified Portfolio--diversified benchmark (52% S&P 500, 35% Salomon Brothers Broad Investment Grade Bond, 3% Russell 2000 and 10% EAFE indexes); The Emerging Markets Equity Portfolio--MSCI Emerging Markets Free Index; The European Equity Portfolio--the MSCI Europe Index; The Japan Equity Portfolio--the TOPIX; and The Asia Growth Portfolio--the MSCI indexes for Hong Kong and Singapore and the International Finance Corporation Investable indexes for China, Indonesia, Malaysia, Philippines, South Korea, Taiwan and Thailand.

J.P. Morgan Investment Management Inc., also a wholly owned subsidiary of J.P. Morgan, is a registered investment adviser under the Investment Advisers

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Act of 1940, as amended, which manages employee benefit funds of corporations, labor unions and state and local governments and the accounts of other institutional investors, including investment companies. Certain of the assets of employee benefit accounts under its management are invested in commingled pension trust funds for which the Advisor serves as trustee. J.P. Morgan Investment Management Inc. advises the Advisor on investment of the commingled pension trust funds.

The Portfolios are managed by officers of the Advisor who, in acting for their customers, including the Portfolios, do not discuss their investment decisions with any personnel of J.P. Morgan or any personnel of other divisions of the Advisor or with any of its affiliated persons, with the exception of J.P. Morgan Investment Management Inc.

As compensation for the services rendered and related expenses such as salaries of advisory personnel borne by the Advisor under the Advisory Agreements, the Portfolio corresponding to each Fund has agreed to pay the Advisor a fee, which is computed daily and may be paid monthly, equal to the annual rates of each Portfolio's average daily net assets shown below.

PORTFOLIO	FEE RATE
U.S. FIXED INCOME	0.30%
NON-U.S. FIXED INCOME	0.35%
SELECTED U.S. EQUITY	0.40%
U.S. SMALL COMPANY	0.60%
NON-U.S. EQUITY	0.60%
DIVERSIFIED	0.55%
EMERGING MARKETS EQUITY	1.00%
ASIA GROWTH	0.80%
EUROPEAN EQUITY	0.65%
JAPAN EQUITY	0.65%

The table below sets forth for each Fund listed the advisory fees paid by its corresponding Portfolio to the Advisor for the fiscal periods indicated. See "Expenses" in the Prospectus and below for applicable expense limitations.

U.S. FIXED INCOME PORTFOLIO (U.S. FIXED INCOME FUND)--For the period July 12, 1993 (commencement of operations) through October 31, 1993: $119,488. For the fiscal year ended October 31, 1994: $699,081. For the fiscal year ended October 31, 1995: $1,339,147.

NON-U.S. FIXED INCOME PORTFOLIO (INTERNATIONAL FIXED INCOME FUND)--For the period October 11, 1994 (commencement of operations) through September 30, 1995: $782,748.

SELECTED U.S. EQUITY PORTFOLIO (U.S. EQUITY FUND)--For the period July 19, 1993 (commencement of operations) through May 31, 1994: $1,263,048. For the fiscal year ended May 31, 1995: $2,025,936. For the fiscal year ended May 31, 1996: $2,744,054.

U.S. SMALL COMPANY PORTFOLIO (U.S. SMALL CAP EQUITY FUND)--For the period July 19, 1993 (commencement of operations) through May 31, 1994: $2,912,670. For the fiscal year ended May 31, 1995: $3,514,331. For the fiscal year ended May 31, 1996: $4,286,311.

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NON-U.S. EQUITY PORTFOLIO (INTERNATIONAL EQUITY FUND)--For the period October 4, 1993 (commencement of operations) through October 31, 1993: $78,550. For the fiscal year ended October 31, 1994: $1,911,202. For the fiscal year ended October 31, 1995: $3,174,965.

THE DIVERSIFIED PORTFOLIO (Diversified Fund)--For the period July 8, 1993 (commencement of operations) through June 30, 1994: $197,026. For the fiscal year ended June 30, 1995: $663,000.

EMERGING MARKETS EQUITY PORTFOLIO (EMERGING MARKETS EQUITY FUND)--For the period November 15, 1993 (commencement of operations) through October 31, 1994: $4,122,465. For the fiscal year ended October 31, 1995: $5,713,506.

ASIA GROWTH PORTFOLIO--For the period April 5, 1995 (commencement of operations) through December 31, 1995: $528,956.

EUROPEAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $1,675,355.

JAPAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $1,777,126.

The Investment Advisory Agreements provide that they will continue in effect for a period of two years after execution only if specifically approved thereafter annually in the same manner as the Distribution Agreement. See "Co-Administrator and Distributor" below. Each of the Investment Advisory Agreements will terminate automatically if assigned and is terminable at any time without penalty by a vote of a majority of the Portfolio's Trustees, or by a vote of the holders of a majority of the Portfolio's outstanding voting securities, on 60 days' written notice to the Advisor and by the Advisor on 90 days' written notice to the Portfolio. See "Additional Information."

The Glass-Steagall Act and other applicable laws generally prohibit banks such as Morgan from engaging in the business of underwriting or distributing securities, and the Board of Governors of the Federal Reserve System has issued an interpretation to the effect that under these laws a bank holding company registered under the federal Bank Holding Company Act or certain subsidiaries thereof may not sponsor, organize or control a registered open-end investment company continuously engaged in the issuance of its shares, such as the Trust. The interpretation does not prohibit a holding company or a subsidiary thereof from acting as investment advisor and custodian to such an investment company. Morgan believes that it may perform the services for the Portfolios contemplated by the Advisory Agreements without violation of the Glass-Steagall Act or other applicable banking laws or regulations. State laws on this issue may differ from the interpretation of relevant federal law, and banks and financial institutions may be required to register as dealers pursuant to state securities laws. However, it is possible that future changes in either federal or state statutes and regulations concerning the permissible activities of banks or trust

companies, as well as further judicial or administrative decisions and interpretations of present and future statutes and regulations, might prevent Morgan from continuing to perform such services for the Portfolios.

If Morgan were prohibited from acting as investment advisor to any Portfolio, it is expected that the Trustees of the Portfolio would recommend to investors that they approve the Portfolio's entering into a new investment advisory agreement with another qualified investment advisor selected by the Trustees.

Under separate agreements, Morgan also provides certain financial, fund accounting and administrative services to the Trust and the Portfolios and shareholder services for the Trust (see "Services Agent").

CO-ADMINISTRATOR AND DISTRIBUTOR

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FDI serves as the Trust's exclusive Distributor and holds itself available to receive purchase orders for each of the Fund's shares. In that capacity, FDI has been granted the right, as agent of the Trust, to solicit and accept orders for the purchase of each of the Fund's shares in accordance with the terms of the Distribution Agreement between the Trust and FDI. The Distribution Agreement shall continue in effect with respect to each of the Funds for a period of two years after execution only if it is approved at least annually thereafter (i) by a vote of the holders of a majority of the Fund's outstanding shares or by its Trustees and (ii) by a vote of a majority of the Trustees of the Trust who are not "interested persons" (as defined by the 1940 Act) of the parties to the Distribution Agreement, cast in person at a meeting called for the purpose of voting on such approval (see "Trustees and Officers"). The Distribution Agreement will terminate automatically if assigned by either party thereto and is terminable at any time without penalty by a vote of a majority of the Trustees of the Trust, a vote of a majority of the Trustees who are not "interested persons" of the Trust, or by a vote of the holders of a majority of the Fund's outstanding shares as defined under "Additional Information," in any case without payment of any penalty on not more than 60 days' written notice to the other party. The principal offices of FDI are located at 60 State Street, Suite 1300, Boston, Massachusetts 02109.

FDI also serves as the Trust's and the Portfolios' Co-Administrator. The Co-Administration Agreements may be renewed or amended by the respective Trustees without a shareholder vote. The Co-Administration Agreements are terminable at any time without penalty by a vote of a majority of the Trustees of the Trust or the Portfolios, as applicable, on not more than 60 days' written notice nor less than 30 days' written notice to the other party. The Co-Administrator may subcontract for the performance of its obligations, provided, however, that unless the Trust or the Portfolios, as applicable, expressly agrees in writing, the Co-Administrator shall be fully responsible for the acts and omissions of any subcontractor as it would for its own acts or omissions. See "Services Agent" below.

Below are set forth for each Fund listed and its corresponding Portfolio the administrative fees paid to Signature Broker-Dealer Services, Inc. (which provided distribution and administrative services to the Trust and placement agent and administrative services to the Portfolios prior to August 1, 1996) for the fiscal periods indicated. See "Expenses" in the Prospectus and below for applicable expense limitations.

U.S. FIXED INCOME PORTFOLIO--For the period July 12, 1993 (commencement of operations) through October 31, 1993: $950. For the fiscal year ended October 31, 1994: $16,107. For the fiscal year ended October 31, 1995: $27,436.

NON-U.S. FIXED INCOME PORTFOLIO--For the period October 11, 1994 (commencement of operations) through September 30, 1995: $13,862.

SELECTED U.S. EQUITY PORTFOLIO--For the period July 19, 1993 (commencement of operations) through May 31, 1994: $19,348. For the fiscal year ended May 31, 1995: $32,670. For the fiscal year ended May 31, 1996: $62,404.

U.S. EQUITY FUND--For the period February 5, 1996 (commencement of operations) through May 31, 1996: $2.

U.S. SMALL COMPANY PORTFOLIO--For the period July 19, 1993 (commencement of operations) through May 31, 1994: $30,420. For the fiscal year ended May 31, 1995: $38,215. For the fiscal year ended May 31, 1996: $65,079.

U.S. SMALL CAP EQUITY FUND--For the period January 19, 1996 (commencement of operations) through May 31, 1996: $3.

NON-U.S. EQUITY PORTFOLIO--For the period October 4, 1993 (commencement of operations) through October 31, 1993: $1,005. For the fiscal year ended October 31, 1994: $22,024. For the fiscal year ended October 31, 1995: $31,500.

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THE DIVERSIFIED PORTFOLIO--For the period July 8, 1993 (commencement of operations) through June 30, 1994: $2,423. For the fiscal year ended June 30, 1995: $7,770.

EMERGING MARKETS EQUITY PORTFOLIO--For the period November 15, 1993 (commencement of operations) through October 31, 1994: $30,828. For the fiscal year ended October 31, 1995: $35,189.

ASIA GROWTH PORTFOLIO--For the period April 5, 1995 (commencement of operations) through December 31, 1995: $4,037. For the six months ended June 30, 1996: $6,530 (unaudited).

ASIA GROWTH FUND--For the period January 5, 1996 (commencement of operations) through June 30, 1996: $16 (unaudited).

EUROPEAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $15,623. For the six months ended June 30, 1996: $32,409 (unaudited).

EUROPEAN EQUITY FUND--For the period January 23, 1996 (commencement of operations) through June 30, 1996: $34 (unaudited).

JAPAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $17,418. For the six months ended June 30, 1996: $30,693 (unaudited).

JAPAN EQUITY FUND--For the period January 24, 1996 (commencement of operations) through June 30, 1996: $26 (unaudited).

SERVICES AGENT

The Trust and the Portfolios have entered into a Services Agreement and an Administrative Services Agreements (the "Services Agreements"), respectively, with Morgan effective December 29, 1995, as amended effective August 1, 1996, pursuant to which Morgan is responsible for certain financial, fund accounting and administrative services provided to the Funds and Portfolios. The Services Agreements may be terminated at any time, without penalty, by the respective Trustees or Morgan, in each case on not more than 60 days' nor less than 30 days' written notice to the other party.

Under the Services Agreement with the Trust, Morgan is also responsible for performing shareholder account administrative and servicing functions for each Fund, which includes, but is not limited to, answering inquiries regarding account status and history, the manner in which purchases and redemptions of Fund shares may be effected, and certain other matters pertaining to the Funds; assisting customers in designating and changing dividend options, account designations and addresses; providing necessary personnel and facilities to coordinate the establishment and maintenance of shareholder accounts and records with the Funds' transfer agent; transmitting purchase and redemption orders to the Funds' transfer agent and arranging for the wiring or other transfer of funds to and from customer accounts in connection with orders to purchase or redeem Fund shares; verifying purchase and redemption orders, transfers among and changes in accounts; informing the Distributor of the gross amount of purchase orders for Fund shares; and providing other related services.

In addition, Morgan is responsible for the annual costs to the Funds of certain usual and customary expenses incurred by the Funds (the "expense undertaking"). The expenses covered by the expense undertaking include, but are not limited to, transfer, registrar, and dividend disbursing costs, legal and accounting expenses, the fees of the Co-Administrator for services to the Trust, the cost of any liability insurance or fidelity bonds, the compensation and expenses of the Trust's Trustees, the expenses of printing and mailing reports, notices and proxies to Fund shareholders, interest charges, membership dues in the Investment Company Institute allocable to the Funds, shareholder meeting fees and registration fees under federal or state securities laws. When the Funds pay these expenses directly, such amounts will be deducted from the fees to be paid to Morgan under the Trust's Services Agreement. If such amounts are

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more than the amount of Morgan's fees under the agreement, Morgan will reimburse the applicable Fund for such excess amounts.

Under the Trust's Services Agreement, the administration and operation expenses of each Fund not covered by the expense undertakings, and for which each Fund is responsible, include the Trust's services agent fee, organization expenses and extraordinary expenses as defined in the Services Agreement, which includes litigation and indemnification expenses and material increases in expenses due to occurrences such as significant increases in the fee schedules of service providers or significant decreases in a Fund's asset level due to changes in tax or other laws or other extraordinary occurrences outside of the ordinary course of a Fund's business.

The Trust's Services Agreement provides for each Fund to pay Morgan a fee for these services which is computed daily and may be paid monthly at the following annual rates of average daily net assets: U.S. Fixed Income Fund, 0.60%; International Fixed Income Fund, 0.68%; U.S. Equity, U.S. Small Cap Equity and Diversified Funds, 0.69%; International Equity Fund, 0.76%; Emerging Markets Equity Fund, 0.77%; and Asia Growth, European Equity and Japan Equity Funds, 0.75%. As noted immediately above, these fee levels reflect payments made directly to third parties by each of the Funds for expenses covered by the expense undertaking, as well as payments to Morgan for services rendered under the agreement. The Trust's Trustees regularly review amounts paid to and accounted for by Morgan pursuant to this agreement. See "Expenses" in the Prospectus and below for applicable expense limitations.

Under the Portfolios' amended Services Agreements and the Co-Administration Agreements, each of the Portfolios has agreed to pay Morgan and FDI fees equal to its allocable share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Master Portfolios (in which series of the Trust, The Pierpont Funds or The JPM Institutional Funds invest) in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.04% of the Master Portfolios' average daily net assets in excess of $7 billion.

Under Administrative Services Agreements in effect from December 29, 1995 through July 31, 1996, with Morgan, each Portfolio paid Morgan a fee equal to its proportionate share of an annual complex-wide charge. This charge was calculated daily based on the aggregate net assets of the Master Portfolios in accordance with the following schedule: 0.06% of the first $7 billion of the Master Portfolios' aggregate average daily net assets, and 0.03% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

Prior to December 29, 1995, each Portfolio had entered into a Financial and Fund Accounting Services Agreement with Morgan, the provisions of which included certain of the activities described above and, prior to September 1, 1995, also included reimbursement of the Portfolio's usual and customary expenses. Below are set forth for each Fund listed and its corresponding Portfolio the fees paid to Morgan, net of fee waivers and reimbursements, as Services Agent. See "Expenses" in the Prospectus and below for applicable expense limitations.

THE U.S. FIXED INCOME PORTFOLIO--For the fiscal year ended October 31, 1995: $167,081.

THE NON-U.S. FIXED INCOME PORTFOLIO--For the period October 11, 1994 (commencement of operations) through September 30, 1995: $156,367.

THE SELECTED U.S. EQUITY PORTFOLIO--For the fiscal year ended May 31, 1996: $138,134.

U.S. EQUITY FUND--For the period February 5, 1996 (commencement of operations) through May 31, 1996: $(46,245)*.

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THE U.S. SMALL COMPANY PORTFOLIO--For the fiscal year ended May 31, 1996: $144,277.

U.S. SMALL CAP EQUITY FUND--For the period January 19, 1996 (commencement of operations) through May 31, 1996: $(37,481)*.

THE NON-U.S. EQUITY PORTFOLIO--For the fiscal year ended October 31, 1995: $349,443.

THE DIVERSIFIED PORTFOLIO--For the fiscal year ended June 30, 1995: $63,153.

THE EMERGING MARKETS EQUITY PORTFOLIO--For the fiscal year ended October 31, 1995: $337,050.

ASIA GROWTH PORTFOLIO--For the period April 5, 1995 (commencement of operations) through December 31, 1995: $21,823; for the six months ended June 30, 1996: $12,972 (unaudited).

ASIA GROWTH FUND--For the period January 5, 1996 (commencement of operations) through June 30, 1996: $(27,641)* (unaudited).

EUROPEAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $128,335; for the six months ended June 30, 1996: $64,388 (unaudited).

EUROPEAN EQUITY FUND--For the period January 23, 1996 (commencement of operations) through June 30, 1996: $(27,180)* (unaudited).

JAPAN EQUITY PORTFOLIO--For the period March 28, 1995 (commencement of operations) through December 31, 1995: $147,974; for the six months ended June 30, 1996: $60,965 (unaudited).

JAPAN EQUITY FUND--For the period January 24, 1996 (commencement of operations) through June 30, 1996: $(24,930)* (unaudited).

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*Indicates a reimbursement by Morgan for expenses in excess of its fees under the Trust's Services Agreement. No fees were paid by the Fund for the fiscal period.

As discussed under "Investment Advisor", the Glass-Steagall Act and other applicable laws and regulations limit the activities of bank holding companies and certain of their subsidiaries in connection with registered open-end investment companies. The activities of Morgan in acting as shareholder servicing agent for Fund shareholders and providing administrative services to the Funds and the Portfolios under the Services Agreements and in acting as Advisor to the Portfolios under the Investment Advisory Agreements, may raise issues under these laws. However, Morgan believes that it may properly perform these services and the other activities described in the Prospectuses without violation of the Glass-Steagall Act or other applicable banking laws or regulations.

If Morgan were prohibited from providing any of the services under the Services Agreements, the Trustees would seek an alternative provider of such services. In such event, changes in the operation of the Funds or the Portfolios might occur and a shareholder might no longer be able to avail himself or herself of any services then being provided to shareholders by Morgan.

CUSTODIAN

State Street Bank and Trust Company ("State Street"), 225 Franklin Street, Boston, Massachusetts 02101, serves as the Trust's and each of the Portfolio's

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Custodian and Transfer and Dividend Disbursing Agent. Pursuant to the Custodian Contracts, State Street is responsible for maintaining the books of account and records of portfolio transactions and holding portfolio securities and cash. In the case of foreign assets held outside the United States, the Custodian employs various subcustodians who were approved by the Trustees of the Portfolios in accordance with the regulations of the SEC. The Custodian maintains portfolio transaction records. As Transfer Agent and Dividend Disbursing Agent, State Street is responsible for maintaining account records detailing the ownership of Fund shares and for crediting income, capital gains and other changes in share ownership to shareholder accounts. Under the terms of the Services Agreement between the Trust and Morgan, Morgan is responsible for the usual and customary fees of the Custodian for each Fund (see "Services Agent"); the corresponding Portfolio is responsible for the fees of the Custodian for the Portfolio (see "Services Agent").

INDEPENDENT ACCOUNTANTS

The independent accountants of the Trust and the Portfolios are Price Waterhouse LLP, 1177 Avenue of the Americas, New York, New York 10036. Price Waterhouse LLP conducts an annual audit of the financial statements of each of the Funds and the Portfolios, assists in the preparation and/or review of each of the Fund's and the Portfolio's federal and state income tax returns and consults with the Funds and the Portfolios as to matters of accounting and federal and state income taxation.

EXPENSES

Each Fund is responsible for Morgan's fee under the Trust's Services Agreement and any fees or expenses not covered by the Services Agreement with the Trust (see "Services Agent" above and "Expenses" in the Prospectuses). In addition, each Portfolio is responsible for all fees and other usual and

customary expenses associated with its operations (see "Expenses" in the Prospectuses).

Morgan has agreed to waive fees as necessary if in any fiscal year the sum of any Fund's expenses exceeds the limits set by applicable regulations of state securities commissions. Currently, Morgan believes that the most restrictive expense limitation of state securities commissions limits expenses to 2.5% of the first $30 million of average net assets, 2% of the next $70 million of such net assets and 1.5% of such net assets in excess of $100 million for any fiscal year. For additional information regarding waivers or expense subsidies, see "Management of the Trust and the Portfolio" in the Prospectuses.

PURCHASE OF SHARES

Investors may open Fund accounts and purchase shares as described in the relevant Prospectus under "Purchase of Shares." References in the Prospectus and this Statement of Additional Information to customers of Morgan or an Eligible Institution include customers of their affiliates and references to transactions by customers with Morgan or an Eligible Institution include transactions with their affiliates. Only Fund investors who are using the services of Morgan or a financial institution acting pursuant to an agreement with Morgan or the Trust on behalf of a Fund may make transactions in shares of a Fund.

Each Fund may, at its own option, accept securities in payment for shares. The securities delivered in payment for shares are valued by the method described under "Net Asset Value" as of the day the Fund receives the securities. This is a taxable transaction to the shareholder. Securities may be accepted in payment for shares only if they are, in the judgment of Morgan, appropriate investments for the Fund's corresponding Portfolio. In addition, securities accepted in payment for shares must: (i) meet the investment objective and policies of the acquiring Fund's corresponding Portfolio; (ii) be acquired by the applicable Fund for investment and not for resale (other than for resale to the Fund's corresponding Portfolio); (iii) be liquid securities which are not restricted as to transfer either by law or liquidity of market;

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and (iv) if stock, have a value which is readily ascertainable as evidenced by a listing on a stock exchange, over-the-counter market or by readily available market quotations from a dealer in such securities. Each Fund reserves the right to accept or reject at its own option any and all securities offered in payment for its shares.

Prospective investors may purchase shares with the assistance of an Eligible Institution, and the Eligible Institution may charge the investor a fee for this service and other services it provides to its customers.

REDEMPTION OF SHARES

Investors may redeem shares as described in the relevant Prospectus under "Redemption of Shares."

If the Trust on behalf of a Fund and its corresponding Portfolio determine that it would be detrimental to the best interest of the remaining shareholders of a Fund to make payment wholly or partly in cash, payment of the redemption price may be made in whole or in part by a distribution in kind of securities from the Portfolio, in lieu of cash, in conformity with the applicable rule of the SEC. If shares are redeemed in kind, the redeeming shareholder might incur transaction costs in converting the assets into cash. The method of valuing portfolio securities is described under "Net Asset Value," and such valuation will be made as of the same time the redemption price is determined. The Trust on behalf of all of the Funds and their corresponding Portfolios (except the Non-U.S. Fixed Income, Asia Growth, European Equity and Japan Equity Portfolios) have elected to be governed by Rule 18f-1 under the 1940 Act pursuant to which the Funds and the corresponding Portfolios are obligated to redeem shares solely in cash up to the lesser of $250,000 or 1% of the net asset value of the Fund

during any 90-day period for any one shareholder. The Trust will redeem Fund shares in kind only if it has received a redemption in kind from the corresponding Portfolio and therefore shareholders of the Fund that receive redemptions in kind will receive securities of the Portfolio. The Portfolios have advised the Trust that the Portfolios will not redeem in kind except in circumstances in which a Fund is permitted to redeem in kind.

FURTHER REDEMPTION INFORMATION. The Trust on behalf of a Fund and the Portfolios reserve the right to suspend the right of redemption and to postpone the date of payment upon redemption as follows: (i) for up to seven days, (ii) during periods when the New York Stock Exchange is closed for other than weekends and holidays or when trading on such Exchange is restricted as determined by the SEC by rule or regulation, (iii) during periods in which an emergency, as determined by the SEC, exists that causes disposal by the Portfolio of, or evaluation of the net asset value of, its portfolio securities to be unreasonable or impracticable, or (iv) for such other periods as the SEC may permit.

EXCHANGE OF SHARES

An investor may exchange shares from any JPM Advisor Fund into any other JPM Advisor Fund, as described under "Exchange of Shares" in the Prospectus. For complete information, the Prospectus as it relates to the Fund into which a transfer is being made should be read prior to the transfer. Requests for exchange are made in the same manner as requests for redemptions. See "Redemption of Shares." Shares of the Fund to be acquired are purchased for settlement when the proceeds from redemption become available. In the case of investors in certain states, state securities laws may restrict the availability of the exchange privilege. The Trust reserves the right to discontinue, alter or limit the exchange privilege at any time.

DIVIDENDS AND DISTRIBUTIONS

Each Fund declares and pays dividends and distributions as described under "Dividends and Distributions" in the Prospectus.

NET ASSET VALUE

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Each of the Funds computes its net asset value once daily on Monday through Friday as described under "Net Asset Value" in the Prospectus. The net asset value will not be computed on the day the following legal holidays are observed: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On days when U.S. trading markets close early in observance of these holidays, the Funds and the Portfolios would expect to close for purchases and redemptions at the same time. The days on which net asset value is determined are the Funds' business days.

The net asset value of each Fund is equal to the net asset value of the Fund's investment in its corresponding Portfolio (which is equal to the Fund's pro rata share of the total investment of the Fund and of any other investors in the Portfolio less the Fund's pro rata share of the Portfolio's liabilities) less the Fund's liabilities. The following is a discussion of the procedures used by the Portfolios corresponding to each Fund in valuing their assets.

U.S. FIXED INCOME, DIVERSIFIED AND INTERNATIONAL FIXED INCOME FUNDS. In the case of the Portfolios for the U.S. Fixed Income, Diversified and International Fixed Income Funds, 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 closing 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 service, such securities are priced in accordance with procedures adopted by the Portfolio's Trustees. All portfolio securities with a remaining maturity of less than 60 days are valued by the amortized cost method. Securities listed on a foreign exchange are valued at the last quoted sale price available before the time when net assets are valued. Because of the large number of municipal bond issues outstanding and the varying maturity dates, coupons and risk factors applicable to each issuer's books, no readily available market quotations exist for most municipal securities. The Portfolio values municipal securities on the basis of prices from a pricing service which uses information with respect to transactions in bonds, quotations from bond dealers, market transactions in comparable securities and various relationships between securities in determining values.

Trading in securities in most foreign markets is normally completed before the close of trading in U.S. markets and may also take place on days on which the U.S. markets are closed. If events materially affecting the value of securities occur between the time when the market in which they are traded closes and the time when a Portfolio's net asset value is calculated, such securities will be valued at fair value in accordance with procedures established by and under the general supervision of the Portfolio's Trustees.

U.S. EQUITY, U.S. SMALL CAP EQUITY, INTERNATIONAL EQUITY, EMERGING MARKETS EQUITY, DIVERSIFIED, ASIA GROWTH, EUROPEAN EQUITY AND JAPAN EQUITY FUNDS. In the case of each of the Equity Portfolios, the value of investments listed on a domestic securities exchange, other than options on stock indexes, is based on the last sale prices on the New York Stock Exchange at 4:00 P.M. or, in the absence of recorded sales, at the average of readily available closing bid and asked prices on such exchange. Securities listed on a foreign exchange are valued at the last quoted sale price available before the time when net assets are valued. Unlisted securities are valued at the average of the quoted bid and asked prices in the over-the-counter market. The value of each security for which readily available market quotations exist is based on a decision as to the broadest and most representative market for such security. For purposes of calculating net asset value, all assets and liabilities initially expressed in foreign currencies will be converted into U.S. dollars at the prevailing market rates available at the time of valuation.

Options on stock indexes traded on national securities exchanges are valued

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at the close of options trading on such exchanges which is currently 4:10 P.M., New York time. Stock index futures and related options, which are traded on commodities exchanges, are valued at their last sales price as of the close of such commodities exchanges which is currently 4:15 P.M., New York time. Securities or other assets for which market quotations are not readily available (including certain restricted and illiquid securities) are valued at fair value in accordance with procedures established by and under the general supervision and responsibility of the Portfolio's Trustees. Such procedures include the use of independent pricing services which use prices based upon yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. Short-term investments which mature in 60 days or less are valued at amortized cost if their original maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if their original maturity when acquired by the Portfolio was more than 60 days, unless this is determined not to represent fair value by the Trustees.

Trading in securities on most foreign exchanges and over-the-counter markets is normally completed before the close of the New York Stock Exchange and may also take place on days on which the New York Stock Exchange is closed. If

events materially affecting the value of securities occur between the time when the exchange on which they are traded closes and the time when a Portfolio's net asset value is calculated, such securities will be valued at fair value in accordance with procedures established by and under the general supervision of the Portfolio's Trustees.

PERFORMANCE DATA

From time to time, the Funds may quote performance in terms of yield, actual distributions, total return or capital appreciation in reports, sales literature and advertisements published by the Trust. Current performance information for the Funds may be obtained by calling the number provided on the cover page of this Statement of Additional Information. See "Additional Information" in the Prospectus.

YIELD QUOTATIONS. As required by regulations of the SEC, the annualized yield for the U.S. Fixed Income and International Fixed Income Funds is computed by dividing each Fund's net investment income per share earned during a 30-day period by the net asset value on the last day of the period. The average daily number of shares outstanding during the period that are eligible to receive dividends is used in determining the net investment income per share. Income is computed by totaling the interest earned on all debt obligations during the period and subtracting from that amount the total of all recurring expenses incurred during the period. The 30-day yield is then annualized on a bond-equivalent basis assuming semi-annual reinvestment and compounding of net investment income, as described under "Additional Information" in the Prospectus.

TOTAL RETURN QUOTATIONS. As required by regulations of the SEC, the annualized total return of each of the Funds for a period is computed by assuming a hypothetical initial payment of $1,000. It is then assumed that all of the dividends and distributions by the Fund over the period are reinvested. It is then assumed that at the end of the period, the entire amount is redeemed. The annualized total return is then calculated by determining the annual rate required for the initial payment to grow to the amount which would have been received upon redemption.

Aggregate total returns, reflecting the cumulative percentage change over a measuring period, may also be calculated.

Historical performance information for any period or portion thereof prior to the commencement of operations of each Fund will be that of its corresponding Pierpont Fund (or, in the case of the International Fixed Income Fund, its corresponding JPM Institutional Fund) which also invests all of its investable assets in the Fund's corresponding Portfolio, as permitted by applicable SEC staff interpretations, if the Pierpont or JPM Institutional Fund commenced operations before its corresponding JPM Advisor Fund. The applicable financial

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information in the registration statement for The Pierpont Funds (Registration Nos. 33-54632 and 811-7340) and The JPM Institutional Funds (Registration Nos. 33-54642 and 811-7342) is incorporated herein by reference.

Below is set forth historical information for the Funds for the periods indicated:

INTERNATIONAL FIXED INCOME FUND (3/31/96): Average annual total return, 1 year: 12.24%; average annual total return, 5 years: N/A; average annual total return, commencement of operations(*) to period end: 13.70%; aggregate total return, 1 year: 12.24%; aggregate total return, 5 years: N/A; aggregate total return, commencement of operations(*) to period end: 18.64%.

U.S. EQUITY FUND (5/30/96): Average annual total return, 1 year: 24.98%; average annual total return, 5 years: 14.51%; average annual total return, 10

years: 13.61%; aggregate total return, 1 year: 24.98%; aggregate total return, 5 years: 96.89%; aggregate total return, 10 years: 258.26%.

U.S. SMALL CAP FUND (5/30/96): Average annual total return, 1 year: 34.77%; average annual total return, 5 years: 16.42%; average annual total return, 10 years: 11.18%; aggregate total return, 1 year: 34.77%; aggregate total return, 5 years: 113.83%; aggregate total return, 10 years: 188.46%.

INTERNATIONAL EQUITY FUND (4/30/96): Average annual total return, 1 year: 11.64%; average annual total return, 5 years: 7.05%; average annual total return, commencement of operations(*) to period end: 5.13%; aggregate total return, 1 year: 11.64%; aggregate total return, 5 years: 40.58%; aggregate total return, commencement of operations(*) to period end: 34.44%.

EMERGING MARKETS EQUITY FUND (4/30/96): Average annual total return, 1 year: 11.58%; average annual total return, 5 years: N/A; average annual total return, commencement of operations(*) to period end: 3.80%; aggregate total return, 1 year: 11.58%; aggregate total return, 5 years: N/A; aggregate total return, commencement of operations(*) to period end: 9.59%.

EUROPEAN EQUITY FUND (6/30/96): Average annual total return, 1 year: N/A; average annual total return, 5 years: N/A; average annual total return, commencement of operations(*) to period end: 6.78%; aggregate total return, 1 year: N/A; aggregate total return, 5 years: N/A; aggregate total return, commencement of operations(*) to period end: 6.78%.

JAPAN EQUITY FUND (6/30/96): Average annual total return, 1 year: N/A; average annual total return, 5 years: N/A; average annual total return, commencement of operations(*) to period end: 5.55%; aggregate total return, 1 year: N/A; aggregate total return, 5 years: N/A; aggregate total return, commencement of operations(*) to period end: 5.55%.

ASIA GROWTH FUND (6/30/96): Average annual total return, 1 year: N/A; average annual total return, 5 years: N/A; average annual total return, commencement of operations(*) to period end: 4.30%; aggregate total return, 1 year: N/A; aggregate total return, 5 years: N/A; aggregate total return, commencement of operations(*) to period end: 4.30%.

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*The International Fixed Income, U.S. Equity, U.S. Small Cap Equity, International Equity, Emerging Markets Equity, European Equity, Japan Equity and Asia Growth Funds commenced operations on March 6, 1996, February 5, 1996, January 19, 1996, November 22, 1996, November 22, 1996, January 23, 1996, January 24, 1996 and January 5, 1996, respectively. The Pierpont Funds corresponding to the U.S. Fixed Income, U.S. Equity, U.S. Small Cap Equity and International Equity Funds commenced operations on July 12, 1993, July 19, 1993, July 19, 1993 and October 4, 1993, and their predecessors commenced operations on March 11, 1988, June 27, 1985 and June 1, 1990, respectively. The JPM Institutional Funds corresponding to the International Fixed Income Fund and the Diversified Fund commenced operations on December 1, 1994 and September 10,

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1993, respectively. The Pierpont Fund corresponding to the Emerging Markets Equity Fund commenced operations on November 15, 1993. These corresponding Pierpont and JPM Institutional Funds had lower expenses than the Funds.

GENERAL. A Fund's performance will vary from time to time depending upon market conditions, the composition of its corresponding Portfolio and its operating expenses. Consequently, any given performance quotation should not be considered representative of a Fund's performance for any specified period in the future. In addition, because performance will fluctuate, it may not provide a basis for comparing an investment in a Fund with certain bank deposits or other investments that pay a fixed yield or return for a stated period of time.

Comparative performance information may be used from time to time in advertising the Fund's shares, including appropriate market indices including the benchmarks indicated under "Investment Advisor" above or data from Lipper Analytical Services, Inc., Micropal, Inc., Ibbotson Associates, Morningstar Inc., and other industry publications.

In order to illustrate the benefits of balanced investing across asset classes over longer periods of time, the Diversified Fund may use performance data that will be based on the return of, as appropriate, the S&P 500 Index, the Salomon Brothers Broad Investment Grade Bond Index, the Frank Russell 2000 and 2500 Indexes, and the EAFE Index. The quoted performance will illustrate what results could have been achieved had the Fund invested specified percentages of the Fund's assets in classes of securities that would have produced a return equal to the relevant index over the time period at issue.

From time to time, the Funds may quote performance in terms of yield, actual distributions, total return, or capital appreciation in reports, sales literature, and advertisements published by the Funds. Current performance information for the Funds may be obtained by calling the number provided on the cover page of this Statement of Additional Information. See "Additional Information" in the Prospectus.

PORTFOLIO TRANSACTIONS

The Advisor places orders for all Portfolios for all purchases and sales of portfolio securities. See "Investment Objectives and Policies."

Fixed income and debt securities and municipal bonds and notes are generally traded at a net price with dealers acting as principal for their own accounts without a stated commission. The price of the security usually includes profit to the dealers. In underwritten offerings, securities are purchased at a fixed price which includes an amount of compensation to the underwriter, generally referred to as the underwriter's concession or discount. On occasion, certain securities may be purchased directly from an issuer, in which case no commissions or discounts are paid.

U.S. FIXED INCOME AND INTERNATIONAL FIXED INCOME FUNDS. Portfolio transactions for the Portfolios corresponding to the U.S. Fixed Income and International Fixed Income Funds will be undertaken principally to accomplish a Portfolio's objective in relation to expected movements in the general level of interest rates. The Fixed Income and Non-U.S. Fixed Income Portfolios may engage in short-term trading consistent with their objectives. See "Investment Objectives and Policies--Portfolio Turnover".

In connection with portfolio transactions for the Portfolios, the Advisor intends to seek best price and execution on a competitive basis for both purchases and sales of securities.

U.S. EQUITY, U.S. SMALL CAP EQUITY, INTERNATIONAL EQUITY, EMERGING MARKETS EQUITY, DIVERSIFIED, ASIA GROWTH, EUROPEAN EQUITY AND JAPAN EQUITY FUNDS. In connection with portfolio transactions for the Equity Portfolios, the overriding objective is to obtain the best possible execution of purchase and sale orders.

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In selecting a broker, the Advisor considers a number of factors including: the price per unit of the security; the broker's reliability for prompt, accurate confirmations and on-time delivery of securities; the firm's financial condition; as well as the commissions charged. A broker may be paid a brokerage commission in excess of that which another broker might have charged for effecting the same transaction if, after considering the foregoing factors, the Advisor decides that the broker chosen will provide the best possible execution. The Advisor monitors the reasonableness of the brokerage commissions paid in light of the execution received. The Trustees of each Portfolio review

regularly the reasonableness of commissions and other transaction costs incurred by the Portfolios in light of facts and circumstances deemed relevant from time to time, and, in that connection, will receive reports from the Advisor and published data concerning transaction costs incurred by institutional investors generally. Research services provided by brokers to which the Advisor has allocated brokerage business in the past include economic statistics and forecasting services, industry and company analyses, portfolio strategy services, quantitative data, and consulting services from economists and political analysts. Research services furnished by brokers are used for the benefit of all the Advisor's clients and not solely or necessarily for the benefit of an individual Portfolio. The Advisor believes that the value of research services received is not determinable and does not significantly reduce its expenses. The Portfolios do not reduce their fee to the Advisor by any amount that might be attributable to the value of such services.

The Portfolios or their predecessors corresponding to the U.S. Equity, U.S. Small Cap Equity, International Equity, Emerging Markets Equity, Diversified, European Equity, Japan Equity and Asia Growth Funds paid the following approximate brokerage commissions for the indicated fiscal periods:

SELECTED U.S. EQUITY FUND (May): 1996: $1,376,000; 1995: $1,179,132; 1994: $744,676.

U.S. SMALL COMPANY FUND (May): 1996: $1,554,000; 1995: $1,217,016; 1994: $1,760,320.

INTERNATIONAL EQUITY FUND (October): 1995: $1,691,642; 1994: $1,413,238; 1994: $1,413,238.

DIVERSIFIED FUND (June): 1995: $145,589; 1994: $78,737; 1993: N/A.

EMERGING MARKETS EQUITY FUND (October): 1995: $1,475,147; 1994: $1,262,905; 1993: N/A.

ASIA GROWTH FUND (December): 1995: $27,322; 1994: N/A; 1993: N/A.

EUROPEAN EQUITY FUND (December): 1995: $143,416; 1994: N/A; 1993: N/A.

JAPAN EQUITY FUND (December): 1995: $0; 1994: N/A; 1993: N/A.

Any increases in brokerage commissions reflected above were due to increased portfolio activity and an increase in net investments in the Portfolio.

Subject to the overriding objective of obtaining the best possible execution of orders, the Advisor may allocate a portion of a Portfolio's brokerage transactions to affiliates of the Advisor. In order for affiliates of the Advisor to effect any portfolio transactions for a Portfolio, the commissions, fees or other remuneration received by such affiliates must be reasonable and fair compared to the commissions, fees, or other remuneration paid to other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time. Furthermore, the Trustees of each Portfolio, including a majority of the Trustees who are not "interested persons," have adopted procedures which are reasonably designed to provide that any commissions, fees, or other remuneration paid to such affiliates are consistent with the foregoing standard.

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Portfolio securities will not be purchased from or through or sold to or through the Co-Administrator, the Distributor or the Advisor or any other "affiliated person" (as defined in the 1940 Act) of the Co-Administrator, Distributor or Advisor when such entities are acting as principals, except to the

extent permitted by law. In addition, the Portfolios will not purchase securities during the existence of any underwriting group relating thereto of which the Advisor or an affiliate of the Advisor is a member, except to the extent permitted by law.

On those occasions when the Advisor deems the purchase or sale of a security to be in the best interests of a Portfolio as well as other customers including other Portfolios, the Advisor to the extent permitted by applicable laws and regulations may, but is not obligated to, aggregate the securities to be sold or purchased for a Portfolio with those to be sold or purchased for other customers in order to obtain best execution, including lower brokerage commissions if appropriate. In such event, allocation of the securities so purchased or sold as well as any expenses incurred in the transaction will be made by the Advisor in the manner it considers to be most equitable and consistent with its fiduciary obligations to a Portfolio. In some instances, this procedure might adversely affect a Portfolio.

If a Portfolio that writes options effects a closing purchase transaction with respect to an option written by it, normally such transaction will be executed by the same broker-dealer who executed the sale of the option. The writing of options by a Portfolio will be subject to limitations established by each of the exchanges governing the maximum number of options in each class which may be written by a single investor or group of investors acting in concert, regardless of whether the options are written on the same or different exchanges or are held or written in one or more accounts or through one or more brokers. The number of options which a Portfolio may write may be affected by options written by the Advisor for other investment advisory clients. An exchange may order the liquidation of positions found to be in excess of these limits, and it may impose certain other sanctions.

MASSACHUSETTS TRUST

The Trust is a trust fund of the type commonly known as a "Massachusetts business trust" of which each Fund is a separate and distinct series. A copy of the Declaration of Trust for the Trust is on file in the office of the Secretary of The Commonwealth of Massachusetts. The Declaration of Trust and the By-Laws of the Trust are designed to make the Trust similar in most respects to a Massachusetts business corporation. The principal distinction between the two forms concerns shareholder liability described below.

Under Massachusetts law, shareholders of such a trust may, under certain circumstances, be held personally liable as partners for the obligations of the trust which is not the case for a corporation. However, the Trust's Declaration of Trust provides that the shareholders shall not be subject to any personal liability for the acts or obligations of any Fund and that every written agreement, obligation, instrument or undertaking made on behalf of any Fund shall contain a provision to the effect that the shareholders are not personally liable thereunder.

No personal liability will attach to the shareholders under any undertaking containing such provision when adequate notice of such provision is given, except possibly in a few jurisdictions. With respect to all types of claims in the latter jurisdictions, (i) tort claims, (ii) contract claims where the provision referred to is omitted from the undertaking, (iii) claims for taxes, and (iv) certain statutory liabilities in other jurisdictions, a shareholder may be held personally liable to the extent that claims are not satisfied by the Fund. However, upon payment of such liability, the shareholder will be entitled to reimbursement from the general assets of the Fund. The Trustees intend to conduct the operations of the Trust in such a way so as to avoid, as far as possible, ultimate liability of the shareholders for liabilities of the Funds.

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The Trust's Declaration of Trust further provides that the name of the Trust refers to the Trustees collectively as Trustees, not as individuals or personally, that no Trustee, officer, employee or agent of a Fund is liable to a Fund or to a shareholder, and that no Trustee, officer, employee or agent is liable to any third persons in connection with the affairs of a Fund, except as such liability may arise from his or its own bad faith, willful misfeasance, gross negligence or reckless disregard of his or its duties to such third persons. It also provides that all third persons shall look solely to Fund property for satisfaction of claims arising in connection with the affairs of a Fund. With the exceptions stated, the Trust's Declaration of Trust provides that a Trustee, officer, employee or agent is entitled to be indemnified against all liability in connection with the affairs of a Fund.

The Trust shall continue without limitation of time subject to the provisions in the Declaration of Trust concerning termination by action of the shareholders or by action of the Trustees upon notice to the shareholders.

DESCRIPTION OF SHARES

The Trust is an open-end management investment company organized as a Massachusetts business trust in which each Fund represents a separate series of shares of beneficial interest. See "Massachusetts Trust."

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares ($0.001 par value) of one or more series and classes within any series and to divide or combine the shares (of any series, if applicable) without changing the proportionate beneficial interest of each shareholder in a Fund (or in the assets of other series, if applicable). To date shares of the ten series described in this Statement of Additional Information have been authorized and nine are available for sale to the public. Each share represents an equal proportional interest in a Fund with each other share. Upon liquidation of a Fund, holders are entitled to share pro rata in the net assets of a Fund available for distribution to such shareholders. See "Massachusetts Trust." Shares of a Fund have no preemptive or conversion rights and are fully paid and nonassessable. The rights of redemption and exchange are described in the Prospectus and elsewhere in this Statement of Additional Information.

The shareholders of the Trust are entitled to a full vote for each full share held and to a fractional vote for each fractional share. Subject to the 1940 Act, the Trustees themselves have the power to alter the number and the terms of office of the Trustees, to lengthen their own terms, or to make their terms of unlimited duration subject to certain removal procedures, and to appoint their own successors, PROVIDED, HOWEVER, that immediately after such appointment the requisite majority of the Trustees have been elected by the shareholders of the Trust. The voting rights of shareholders are not cumulative so that holders of more than 50% of the shares voting can, if they choose, elect all Trustees being selected while the shareholders of the remaining shares would be unable to elect any Trustees. It is the intention of the Trust not to hold meetings of shareholders annually. The Trustees may call meetings of shareholders for action by shareholder vote as may be required by either the 1940 Act or the Trust's Declaration of Trust.

Shareholders of the Trust have the right, upon the declaration in writing or vote of more than two-thirds of its outstanding shares, to remove a Trustee. The Trustees will call a meeting of shareholders to vote on removal of a Trustee upon the written request of the record holders of 10% of the Trust's shares. In addition, whenever ten or more shareholders of record who have been such for at least six months preceding the date of application, and who hold in the aggregate either shares having a net asset value of at least $25,000 or at least 1% of the Trust's outstanding shares, whichever is less, shall apply to the Trustees in writing, stating that they wish to communicate with other shareholders with a view to obtaining signatures to request a meeting for the purpose of voting upon

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the question of removal of any Trustee or Trustees and accompanied by a form of communication and request which they wish to transmit, the Trustees shall within five business days after receipt of such application either: (1) afford to such applicants access to a list of the names and addresses of all shareholders as recorded on the books of the Trust; or (2) inform such applicants as to the approximate number of shareholders of record, and the approximate cost of mailing to them the proposed communication and form of request. If the Trustees elect to follow the latter course, the Trustees, upon the written request of such applicants, accompanied by a tender of the material to be mailed and of the reasonable expenses of mailing, shall, with reasonable promptness, mail such material to all shareholders of record at their addresses as recorded on the books, unless within five business days after such tender the Trustees shall mail to such applicants and file with the SEC, together with a copy of the material to be mailed, a written statement signed by at least a majority of the Trustees to the effect that in their opinion either such material contains untrue statements of fact or omits to state facts necessary to make the statements contained therein not misleading, or would be in violation of applicable law, and specifying the basis of such opinion. After opportunity for hearing upon the objections specified in the written statements filed, the SEC may, and if demanded by the Trustees or by such applicants shall, enter an order either sustaining one or more of such objections or refusing to sustain any of them. If the SEC shall enter an order refusing to sustain any of such objections, or if, after the entry of an order sustaining one or more of such objections, the SEC shall find, after notice and opportunity for hearing, that all objections so sustained have been met, and shall enter an order so declaring, the Trustees shall mail copies of such material to all shareholders with reasonable promptness after the entry of such order and the renewal of such tender.

The Trustees have no current intention to create any classes within the initial series or any subsequent series. The Trustees may, however, authorize the issuance of shares of additional series and the creation of classes of shares within any series with such preferences, privileges, limitations and voting and dividend rights as the Trustees may determine. The proceeds from the issuance of any additional series would be invested in separate, independently managed portfolios with distinct investment objectives, policies and restrictions, and share purchase, redemption and net asset valuation procedures. Any additional classes would be used to distinguish among the rights of different categories of shareholders, as might be required by future regulations or other unforeseen circumstances. All consideration received by the Trust for shares of any additional series or class, and all assets in which such consideration is invested, would belong to that series or class, subject only to the rights of creditors of the Trust and would be subject to the liabilities related thereto. Shareholders of any additional series or class will approve the adoption of any management contract or distribution plan relating to such series or class and of any changes in the investment policies related thereto, to the extent required by the 1940 Act.

For information relating to mandatory redemption of Fund shares or their redemption at the option of the Trust under certain circumstances, see "Redemption of Shares" in the Prospectus.

As of July 26, 1996, SFG Investors II Limited Partnership, c/o H.C. Wainwright & Co., Inc., One Boston Place, Boston, MA 02108-4400, owned of record and beneficially 95.3% of the outstanding shares of beneficial interest of the U.S. Fixed Income Fund. As of July 26, 1996, Charles Schwab & Co., Inc. ("Charles Schwab"), 101 Montgomery Street, San Francisco, CA 94104-4122, held of record the following outstanding shares of the Funds: the International Fixed Income Fund (99.8%); the U.S. Equity Fund (16.4%); the U.S. Small Cap Equity Fund (47%); the International Equity Fund (81%); the Japan Equity Fund (14.4%) and the Emerging Markets Equity Fund (14.1%). Charles Schwab disclaims beneficial ownership of such shares, and the Trust has no knowledge as to the beneficial ownership of such shares. As of July 26, 1996, Morgan as agent for

the American Hospital of Paris held of record the following outstanding shares of the Funds: the European Equity Fund (100%) and the Japan Equity Fund

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(85.4%). As of July 26, 1996, State Street Bank and Trust Company as Custodian for the IRA accounts of George D. Watson, 3508 Duke St., College Park, MD 20740-4016, held of record the following outstanding shares: the U.S. Equity Fund (9.1%). As of July 26, 1996, Donaldson Lufkin & Jenrette Securities Corporation, P.O. Box 2052, Jersey City, NJ 07303-2052, held of record the following outstanding shares of the Funds: the Asia Growth Fund (99%) and the Emerging Markets Equity Fund (85.2%). As of July 26, 1996, Steve J. Serder as Guardian for the Estate of Ashley Serder, 1140 Tewes, Zion, IL 60099-4513, owned of record and beneficially the following outstanding shares of the Funds: the U.S. Equity Fund (42%); the U.S. Small Cap Equity Fund (15%) and the International Equity Fund (15.5%). As of July 26, 1996, Laura D. Gross, 310 Cypress St., Phoenix, AZ 85003-1105, owned of record and beneficially the following outstanding shares of the Funds: the U.S. Equity Fund (24.5%) and the U.S. Small Cap Equity Fund (12.5%). As of July 26, 1996, John Thayer Sidel c/o Nancy Sidel, 200 East 66th Street, Apt. D 906, New York, NY 10021-6728, owned of record and beneficially 25.2% of the outstanding shares of the U.S. Small Cap Fund. As of the same date, the officers and Trustees as a group owned less than 1% of the shares of each Fund.

TAXES

Each Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a regulated investment company, a Fund must, among other things, (a) derive at least 90% of its gross income from dividends, interest, payments with respect to loans of stock and securities, gains from the sale or other disposition of stock, securities or foreign currency and other income (including but not limited to gains from options, futures, and forward contracts) derived with respect to its business of investing in such stock, securities or foreign currency; (b) derive less than 30% of its gross income from the sale or other disposition of stock, securities, options, futures, or forward contracts (other than options, futures or forward contracts on foreign currencies) held less than three months, or foreign currencies (or options, futures or forward contracts on foreign currencies), but only if such currencies (or options, futures or forward contracts on foreign currencies) are not directly related to a Fund's principal business of investing in stocks or securities (or options and futures with respect to stocks or securities); and (c) diversify its holdings so that, at the end of each fiscal quarter, (i) at least 50% of the value of the Fund's total assets is represented by cash, U.S. Government securities, investments in other regulated investment companies and other securities limited, in respect of any one issuer, to an amount not greater than 5% of the Fund's total assets, and 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its total assets is invested in the securities of any one issuer (other than U.S. Government securities). As a regulated investment company, a Fund (as opposed to its shareholders) will not be subject to federal income taxes on the net investment income and capital gains that it distributes to its shareholders, provided that at least 90% of its net investment income and realized net short-term capital gains in excess of net long-term capital losses for the taxable year is distributed.

Under the Code, a Fund will be subject to a 4% excise tax on a portion of its undistributed income if it fails to meet certain distribution requirements by the end of the calendar year. Each Fund intends to make distributions in a timely manner and accordingly does not expect to be subject to the excise tax.

For federal income tax purposes, dividends that are declared by a Fund in October, November or December as of a record date in such month and actually paid in January of the following year will be treated as if they were paid on December 31 of the year declared. Therefore, such dividends will generally be taxable to a shareholder in the year declared rather than the year paid.

Distributions of net investment income and realized net short-term capital gains in excess of net long-term capital losses (other than exempt interest dividends) are generally taxable to shareholders of the Funds as ordinary income whether such distributions are taken in cash or reinvested in additional shares. The U.S. Equity, U.S. Small Cap Equity and Diversified Funds expect that a portion of these distributions to corporate shareholders will be eligible for the dividends-received deduction. Distributions to corporate shareholders of the U.S. Fixed Income, International Fixed Income, International Equity,

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Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Funds are not eligible for the dividends-received deduction. Distributions of net long-term capital gains (i.e., net long-term capital gains in excess of net short-term capital losses) are taxable to shareholders of a Fund as long-term capital gains, regardless of whether such distributions are taken in cash or reinvested in additional shares and regardless of how long a shareholder has held shares in the Fund. See "Taxes" in the Prospectus for a discussion of the federal income tax treatment of any gain or loss realized on the redemption or exchange of a Fund's shares. Additionally, any loss realized on a redemption or exchange of shares of a Fund will be disallowed to the extent the shares disposed of are replaced within a period of 61 days beginning 30 days before such disposition, such as pursuant to reinvestment of a dividend in shares of the Fund.

Gains or losses on sales of portfolio securities will be treated as long-term capital gains or losses if the securities have been held for more than one year except in certain cases where, if applicable, a put is acquired or a call option is written thereon. Other gains or losses on the sale of securities will be short-term capital gains or losses. Gains and losses on the sale, lapse or other termination of options on securities will be treated as gains and losses from the sale of securities. If an option written by a Portfolio lapses or is terminated through a closing transaction, such as a repurchase by the Portfolio of the option from its holder, the Portfolio will realize a short-term capital gain or loss, depending on whether the premium income is greater or less than the amount paid by the Portfolio in the closing transaction. If securities are purchased by a Portfolio pursuant to the exercise of a put option written by it, the Portfolio will subtract the premium received from its cost basis in the securities purchased.

Under the Code, gains or losses attributable to disposition of foreign currency or to certain foreign currency contracts, or to fluctuations in exchange rates between the time a Portfolio accrues income or receivables or expenses or other liabilities denominated in a foreign currency and the time a Portfolio actually collects such income or pays such liabilities, are treated as ordinary income or ordinary loss. Similarly, gains or losses on the disposition of debt securities held by a Portfolio, if any, denominated in foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates are also treated as ordinary income or loss.

Forward currency contracts, options and futures contracts entered into by a Portfolio may create "straddles" for U.S. federal income tax purposes and this may affect the character and timing of gains or losses realized by the Portfolio on forward currency contracts, options and futures contracts or on the underlying securities. Straddles may also result in the loss of the holding period of underlying securities for purposes of the 30% of gross income test described above, and therefore, the Portfolio's ability to enter into forward currency contracts, options and futures contracts may be limited.

Certain options, futures and foreign currency contracts held by a Portfolio at the end of each fiscal year will be required to be "marked to market" for federal income tax purposes -- i.e., treated as having been sold at market value. For options and futures contracts, 60% of any gain or loss recognized on these deemed sales and on actual dispositions will be treated as long-term capital gain or loss, and the remainder will be treated as short-term capital gain or loss regardless of how long the Portfolio has held such options or futures.

However,

gain or loss recognized on certain foreign currency contracts will be treated as ordinary income or loss.

The Equity Portfolios may invest in Equity Securities of foreign issuers. If a Portfolio purchases shares in certain foreign corporations (referred to as passive foreign investment companies ("PFICs") under the Code), the Portfolio may be subject to federal income tax on a portion of an "excess distribution" from such foreign corporation or gain from the disposition of such shares, even though such income may have to be distributed as a taxable dividend by the Fund to its shareholders. In addition, certain interest charges may be imposed on a Fund or its shareholders in respect of unpaid taxes arising from such distributions or gains. Alternatively, a Fund may each year include in its

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income and distribute to shareholders a pro rata portion of the foreign investment fund's income, whether or not distributed to the Fund.

Pursuant to proposed regulations, open-end regulated investment companies such as the Funds would be entitled to elect to mark to market their stock in certain PFICs. Marking to market in this context means recognizing as gain for each taxable year the excess, as of the end of that year, of the fair market value of each PFIC's stock over the owner's adjusted basis in that stock (including mark to market gains of a prior year for which an election was in effect).

FOREIGN SHAREHOLDERS. Dividends of net investment income and distributions of realized net short-term gains in excess of net long-term losses to a shareholder who, as to the United States, is a nonresident alien individual, fiduciary of a foreign trust or estate, foreign corporation or foreign partnership (a "foreign shareholder") will be subject to U.S. withholding tax at the rate of 30% (or lower treaty rate) unless the dividends are effectively connected with a U.S. trade or business of the shareholder, in which case the dividends will be subject to tax on a net income basis at the graduated rates applicable to U.S. individuals or domestic corporations. Distributions of net long term capital gains to foreign shareholders will not be subject to U.S. tax unless the distributions are effectively connected with the shareholder's trade or business in the United States or, in the case of a shareholder who is a nonresident alien individual, the shareholder was present in the United States for more than 182 days during the taxable year and certain other conditions are met.

In the case of a foreign shareholder who is a nonresident alien individual and who is not otherwise subject to withholding as described above, a Fund may be required to withhold U.S. federal income tax at the rate of 31% unless IRS Form W-8 is provided. Transfers by gift of shares of a Fund by a foreign shareholder who is a nonresident alien individual will not be subject to U.S. federal gift tax, but the value of shares of the Fund held by such a shareholder at his or her death will be includible in his or her gross estate for U.S. federal estate tax purposes.

FOREIGN TAXES. It is expected that the corresponding Portfolios of the International Fixed Income, U.S. Equity, U.S. Small Cap Equity, International Equity, Emerging Markets Equity, Diversified, Asia Growth, European Equity and Japan Equity Funds may be subject to foreign withholding taxes with respect to income received from sources within foreign countries. In the case of each of these Funds, so long as more than 50% in value of the total assets of the Fund's corresponding Portfolio at the close of any taxable year consists of stock or securities of foreign corporations, the Fund may elect to treat any foreign income taxes paid by it as paid directly by its shareholders. These Funds will make such an election only if they deem it to be in the best interest of their shareholders. The Funds will notify their respective shareholders in writing each year if they make the election and of the amount of foreign income taxes, if any, to be treated as paid by the shareholders. If a Fund makes the election, each shareholder will be required to include in his or her income his or her

proportionate share of the amount of foreign income taxes paid by the Fund and will be entitled to claim either a credit (subject to the limitations discussed below) or, if he or she itemizes deductions, a deduction for his or her share of the foreign income taxes in computing federal income tax liability. (No deduction will be permitted in computing an individual's alternative minimum tax liability.) A shareholder who is a nonresident alien individual or a foreign corporation may be subject to U.S. withholding tax on the income resulting from the election described in this paragraph, but may not be able to claim a credit or deduction against such U.S. tax for the foreign taxes treated as having been paid by such shareholder. A tax-exempt shareholder will not ordinarily benefit from this election. Shareholders who choose to utilize a credit (rather than a deduction) for foreign taxes will be subject to the limitation that the credit may not exceed the shareholder's U.S. tax (determined without regard to the availability of the credit) attributable to his or her total foreign source taxable income. For this purpose, the portion of dividends and distributions paid by each of the International Fixed Income, International Equity, Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Funds from its foreign source net investment income will be treated as foreign source income.

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Each of these Funds' gains and losses from the sale of securities will generally be treated as derived from U.S. sources, however, and certain foreign currency gains and losses likewise will be treated as derived from U.S. sources. The limitation on the foreign tax credit is applied separately to foreign source "passive income," such as the portion of dividends received from the Fund which qualifies as foreign source income. In addition, the foreign tax credit is allowed to offset only 90% of the alternative minimum tax imposed on corporations and individuals. Because of these limitations, shareholders may be unable to claim a credit for the full amount of their proportionate shares of the foreign income taxes paid by the International Fixed Income, International Equity, Emerging Markets Equity, Asia Growth, European Equity and Japan Equity Funds.

STATE AND LOCAL TAXES. Each Fund may be subject to state or local taxes in jurisdictions in which the Fund is deemed to be doing business. In addition, the treatment of a Fund and its shareholders in those states which have income tax laws might differ from treatment under the federal income tax laws. Shareholders should consult their own tax advisors with respect to any state or local taxes.

OTHER TAXATION. The Trust is organized as a Massachusetts business trust and, under current law, neither the Trust nor any Fund is liable for any income or franchise tax in The Commonwealth of Massachusetts, provided that the Fund continues to qualify as a regulated investment company under Subchapter M of the Code. The Portfolios are organized as New York trusts. The Portfolios are not subject to any federal income taxation or income or franchise tax in the State of New York or The Commonwealth of Massachusetts. The investment by a Fund in its corresponding Portfolio does not cause the Fund to be liable for any income or franchise tax in the State of New York.

ADDITIONAL INFORMATION

As used in this Statement of Additional Information and the Prospectus, the term "majority of the outstanding voting securities" means the vote of (i) 67% or more of the Fund's shares or the Portfolio's outstanding voting securities present at a meeting if the holders of more than 50% of the Fund's outstanding shares or the Portfolio's outstanding voting securities are present or represented by proxy, or (ii) more than 50% of the Fund's outstanding shares or the Portfolio's outstanding voting securities, whichever is less.

Telephone calls to the Funds, Morgan or Eligible Institutions may be tape recorded. With respect to the securities offered hereby, this Statement of Additional Information and the Prospectuses do not contain all the information included in the Trust's Registration Statement filed with the SEC under the 1933 Act and the Trust's and the Portfolios' Registration Statements filed under

the 1940 Act. Pursuant to the rules and regulations of the SEC, certain portions have been omitted. The Registration Statements including the exhibits filed therewith may be examined at the office of the SEC in Washington D.C.

Statements contained in this Statement of Additional Information and the Prospectuses concerning the contents of any contract or other document are not necessarily complete, and in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the applicable Registration Statements. Each such statement is qualified in all respects by such reference.

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in the Prospectuses and this Statement of Additional Information, in connection with the offer contained therein and, if given or made, such other information or representations must not be relied upon as having been authorized by the Trust, the Funds or the Distributor. The Prospectus and this Statement of Additional Information do not constitute an offer by any Fund or by the Distributor to sell or solicit any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Fund or the Distributor to make such offer in such jurisdictions.

FINANCIAL STATEMENTS

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Attached are audited statements of assets and liabilities and the reports thereon of Price Waterhouse LLP for each of the Funds (excluding the U.S. Fixed Income, Diversified, U.S. Equity and U.S. Small Cap Equity Funds). The current financial statements for each Portfolio and the U.S. Fixed Income, International Fixed Income, International Equity, Emerging Markets Equity, U.S. Equity and U.S. Small Cap Equity Funds are incorporated herein by reference from their respective annual and, if applicable, semi-annual reports as filed with the SEC pursuant to Section 30(b) of the 1940 Act and Rule 30b2-1 thereunder. A copy of each such report will be provided, without charge, to each person receiving this Statement of Additional Information.

THE JPM ADVISOR FUNDS - THE JPM ADVISOR INTERNATIONAL FIXED INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 1995

ASSETS	
Cash	$ 100
Deferred Organization Expenses	32,251
Total Assets	32,351
LIABILITIES	
Organization Expenses Payable	32,251
Total Liabilities	32,251
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor International Fixed Income Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Non-U.S. Fixed Income Portfolio (the "Portfolio"). The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $32,251 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be

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reduced by the pro rata portion of any unamortized organization expenses of the Fund which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-1A. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of September 30, 1995 the Fund had not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor International Fixed Income Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor International Fixed Income Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at September 30, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
January 30, 1996

THE JPM ADVISOR FUNDS - THE JPM ADVISOR INTERNATIONAL EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1995

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ASSETS

Investment in The Non-U.S. Equity Portfolio	$ 100
Deferred Organization Expenses	33,596
Total Assets	33,696

LIABILITIES

Organization Expenses Payable	33,596
Total Liabilities	33,596
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor International Equity Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Non-U.S. Equity Portfolio (the "Portfolio"). The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $33,596 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust

are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients.

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The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of October 31, 1995 the Fund had not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor International Equity Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor International Equity Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at October 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
January 30, 1996

THE JPM ADVISOR FUNDS - THE JPM ADVISOR EMERGING MARKETS EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
OCTOBER 31, 1995

ASSETS	
Investment in The Emerging Markets Equity Portfolio	$ 100
Deferred Organization Expenses	33,628
Total Assets	33,728
LIABILITIES	
Organization Expenses Payable	33,628
Total Liabilities	33,628
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-

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Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor Emerging Markets Equity Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Emerging Markets Equity Portfolio (the "Portfolio"). The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $33,628 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such

registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of October 31, 1995 the Fund had not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

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To the Shareholder and Trustees of
The JPM Advisor Emerging Markets Equity Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor Emerging Markets Equity Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at October 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
January 30, 1996

THE JPM ADVISOR FUNDS - THE JPM ADVISOR ASIA GROWTH FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1995

ASSETS	
Investment in The Asia Growth Portfolio	$ 100
Deferred Organization Expenses	32,208
Total Assets	32,308
LIABILITIES	
Organization Expenses Payable	32,208
Total Liabilities	32,208
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor Asia Growth Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16,

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1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Asia Growth Portfolio (the "Portfolio"), a series of The Series Portfolio, a trust organized under the laws of the State of New York. The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $32,208 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund and the Portfolio which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption, and the amount of such reduction in excess of the unamortized organization expenses of the Fund shall be contributed by the Fund to the Portfolio.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of December 31, 1995, the Fund has not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor Asia Growth Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor Asia Growth Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at December 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An

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audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
June 27, 1996

THE JPM ADVISOR FUNDS - THE JPM ADVISOR EUROPEAN EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1995

ASSETS	
Investment in The European Equity Portfolio	$ 100
Deferred Organization Expenses	31,966
Total Assets	32,066
LIABILITIES	
Organization Expenses Payable	31,966
Total Liabilities	31,966
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor European Equity Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The European Equity Portfolio (the "Portfolio"), a series of The Series Portfolio, a trust organized under the laws of the State of New York. The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $31,966 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust.

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These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund and the Portfolio which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption, and the amount of such reduction in excess of the unamortized organization expenses of the Fund shall be contributed by the Fund to the Portfolio.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of December 31, 1995, the Fund has not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor European Equity Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor European Equity Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at December 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
June 27, 1996

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THE JPM ADVISOR FUNDS - THE JPM ADVISOR JAPAN EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1995

ASSETS

Investment in The Japan Equity Portfolio	$ 100
Deferred Organization Expenses	32,684
Total Assets	32,784

LIABILITIES

Organization Expenses Payable	32,684
Total Liabilities	32,684
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor Japan Equity Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Japan Equity Portfolio (the "Portfolio"), a series of The Series Portfolio, a trust organized under the laws of the State of New York. The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $32,684 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund and the Portfolio which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption, and the amount of such reduction in excess of the unamortized organization expenses of the Fund shall be contributed by the Fund to the Portfolio.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

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The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of December 31, 1995, the Fund has not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor Japan Equity Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor Japan Equity Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at December 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
June 27, 1996

THE JPM ADVISOR ASIA GROWTH FUND
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
JUNE 30, 1996

<TABLE>

<S>	<C>
ASSETS	
Investment in The Asia Growth Portfolio ("Portfolio"), at value	$ 116,397
Deferred Organization Expenses	29,086
Total Assets	145,483
LIABILITIES	
Administration Fee Payable	2
Organization Expenses Payable	29,352

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Total Liabilities	29,354
NET ASSETS	
Applicable to 10,395 Shares of Beneficial Interest Outstanding (par value $0.001, unlimited shares authorized)	$ 116,129
Net Asset Value, Offering and Redemption Price Per Share	$11.17
ANALYSIS OF NET ASSETS	
Paid-in Capital	$ 106,634
Undistributed Net Investment Income	1,089
Accumulated Net Realized Gain on Investment and Foreign Currency Transactions	6,056
Net Unrealized Appreciation of Investment and Foreign Currency Translations	2,350
Net Assets	$ 116,129

</TABLE>

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

THE JPM ADVISOR ASIA GROWTH FUND
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE PERIOD JANUARY 5, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996

<TABLE>

<S>	<C>	<C>
INVESTMENT INCOME ALLOCATED FROM PORTFOLIO		
Allocated Dividend Income (Net of $204 Foreign Withholding Taxes)		$ 3,064
Allocated Interest Income		340
Allocated Portfolio Expenses (Net of $8 Reimbursement)		(1,520)
Net Investment Income Allocated from Portfolio		1,884
FUND EXPENSES		
Transfer Agent Fees	$ 7,550	
Printing Expenses	6,635	
Registration Fees	6,516	
Professional Fees	3,990	
Amortization of Organization Expenses	3,122	
Trustees' Fees and Expenses	2,259	
Administration Fee	16	
Miscellaneous	1,659	
Total Expenses	31,747	
Less: Reimbursement of Expenses	(30,952)	
NET FUND EXPENSES		(795)
NET INVESTMENT INCOME		1,089
NET REALIZED GAIN ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS ALLOCATED FROM PORTFOLIO		6,056
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENT AND FOREIGN CURRENCY TRANSLATIONS ALLOCATED FROM PORTFOLIO		2,350
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 9,495

</TABLE>

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

THE JPM ADVISOR ASIA GROWTH FUND
STATEMENT OF CHANGES IN NET ASSETS

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	FOR THE PERIOD JANUARY 5, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
INCREASE IN NET ASSETS	
FROM OPERATIONS	
Net Investment Income	$ 1,089
Net Realized Gain on Investment and Foreign Currency Transactions Allocated from Portfolio	6,056
Net Change in Unrealized Appreciation of Investment and Foreign Currency Translations Allocated from Portfolio	2,350
Net Increase in Net Assets Resulting from Operations	9,495
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST	
Proceeds from Shares of Beneficial Interest Sold	1,724,669
Cost of Shares of Beneficial Interest Redeemed	(1,618,142)
Net Increase from Transactions in Shares of Beneficial Interest	106,527
Total Increase in Net Assets	116,022
NET ASSETS	
Beginning of Period	107
End of Period (including undistributed net investment income of $1,089)	$ 116,129

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

THE JPM ADVISOR ASIA GROWTH FUND
FINANCIAL HIGHLIGHTS

Selected Data for a share outstanding throughout the period are as follows:

	FOR THE PERIOD JANUARY 5, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
NET ASSET VALUE, BEGINNING OF PERIOD	$ 10.71
INCOME FROM INVESTMENT OPERATIONS	
Net Investment Income	0.10
Net Realized and Unrealized Gain on Investment and Foreign Currency	0.36
Total from Investment Operations	0.46
NET ASSET VALUE, END OF PERIOD	$ 11.17
Total Return	4.30%(a)

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RATIOS AND SUPPLEMENTAL DATA

Net Assets at End of Period (in thousands)	$ 116
Ratios to Average Net Assets	
Expenses	1.85%(b)
Net Investment Income	0.87%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement	0.65%(b)(c)

</TABLE>

(a) Not Annualized.
(b) Annualized.
(c) After consideration of certain state limitations.

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

THE JPM ADVISOR ASIA GROWTH FUND
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The JPM Advisor Asia Growth Fund (the "Fund") is a separate series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Fund commenced operations on January 5, 1996.

The Fund invests all of its investable assets in The Asia Growth Portfolio (the "Portfolio"), a no load, diversified open-end management investment company having the same investment objective as the Fund. The value of such investment included in the Statement of Assets and Liabilities reflects the Fund's proportionate interest in the net assets of the Portfolio (less than 1% at June 30, 1996). The performance of the Fund is directly affected by the performance of the Portfolio. The financial statements of the Portfolio, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with the Fund's financial statements.

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

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) Distributions to shareholders of net investment income and net realized capital gain, if any, are declared and paid annually.

d) The Fund incurred organization expenses in the amount of $32,208. 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) The Fund is treated as a separate entity for federal income tax purposes and 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 gain, 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.

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2. TRANSACTIONS WITH AFFILIATES

a) The Trust has retained 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 Administration Agreement provides for a fee to be paid to Signature equal to the Fund's proportionate share of a complex-wide fee based on the following annual schedule: 0.03% on the first $7 billion of the aggregate average daily net assets of the Portfolio and the other portfolios (the "Master Portfolios") in which series of the Trust, The JPM Institutional Funds, or The Pierpont Funds invest and 0.01% on the aggregate average daily net assets of the Master Portfolios in excess of $7 billion. The portion of this charge payable by the Fund is determined by the proportionate share its net assets bear to the total net assets of the Trust, The JPM Institutional Funds, The Pierpont Funds and the Master Portfolios. For the period January 5, 1996 (commencement of operations) through June 30, 1996, such fees amounted to $16. The fees payable by the Fund under the Administration Agreement between Signature and the Trust are subject to the expense limit provided by the Services Agreement (see Note 2b.)

Effective August 1, 1996, administrative functions provided by Signature will be provided by Funds Distributor, Inc. ("FDI"), a registered broker-dealer, and by Morgan Guaranty Trust Company of New York ("Morgan"). FDI will also become the Fund's distributor. The fees payable by the Fund under a Co-Administration Agreement between FDI and the Trust on behalf of the Fund are based on the Fund's allocable share of a complex-wide fee and will also be subject to the expense limit provided by the Services Agreement (see Note 2b).

b) The Trust, on behalf of the Fund, has a Services Agreement with Morgan under which Morgan would receive a fee, based on the percentage described below, for overseeing certain aspects of the administration and operation of the Fund and for providing shareholder servicing to Fund shareholders. The Services Agreement is also designed to provide an expense limit for certain expenses of the Fund. If total expenses of the Fund, excluding amortization of organization expenses, exceed the expense limit of 0.77% of the Fund's average daily net assets, Morgan will reimburse the Fund for the excess expense amount and receive no fee. Should such expenses be less than the expense limit, Morgan's fee would be limited to the difference between such expenses and the fee calculated under the Services Agreement. For the period January 5, 1996 (commencement of operations) through June 30, 1996, Morgan has agreed to reimburse the Fund $27,641 under the Services Agreement.

In addition to the expenses that Morgan assumes under the Services Agreement, 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 1.85% of the average daily net assets of the Fund through December 31, 1996. For the period from January 5, 1996 (commencement of operations) through June 30, 1996, Morgan has agreed to reimburse the Fund $3,342 for expenses which exceeded this limit. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment

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advisors and other financial intermediaries who are Schwab's clients. The Fund is not responsible for payments to Schwab under the Schwab Agreements; however, in the event the Services Agreement with the Trust is terminated, the Fund would be responsible for the ongoing payments to Schwab.

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c) An aggregate annual fee of $16,000 is paid to each Trustee for serving as a Trustee of The Trust. The Trustees' Fees and Expenses shown in the financial statements represents the Fund's allocated portion of the total fees and expenses.

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:

	FOR THE PERIOD JANUARY 5, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996
Shares of beneficial interest sold	153,895
Shares of beneficial interest redeemed	(143,510)
Net increase	10,385

The Asia Growth Portfolio
Semi-Annual Report June 30, 1996
(unaudited)

(The following pages should be read in conjunction with The JPM Advisor Asia Growth Fund Semi-Annual Financial Statements)

THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)
JUNE 30, 1996

SECURITY DESCRIPTION	SHARES	VALUE
COMMON STOCK (92.8%)		
CHINA (2.6%)		
Huaneng Power International Inc. (ADR) (Telecommunication Services)+	64,000	$ 1,144,000
Shanghai Dajiang Co. Ltd. (Multi-Industry)	1,487,100	780,727
Shanghai Haixin Shipping Co. (Transport & Services)	3,500,000	230,605
Shanghai Tyre and Rubber Co. Ltd. (Metals & Mining)+ ...	1,435,800	358,950
Shanghai Yaohua Pilkington Glass Co. Ltd. (Building Materials) .	602,750	361,650
		2,875,932
HONG KONG (35.6%)		
C.P. Pokphand Co. (Agriculture)	500,000	198,630
Cathay Pacific Airways (Airlines)	635,000	1,164,911
CDL Hotels International Ltd. (Restaurants & Hotels)	400,000	219,624
Cheung Kong Holdings Ltd. (Real Estate)	560,000	4,033,328
China Light and Power Co. Ltd. (Telecommunications)	370,000	1,677,797
Citic Pacific Ltd.		

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(Multi-Industry)	266,000	1,075,614
Dao Heng Bank Group Ltd. (Banking)	55,000	212,454
Dickson Concepts International Ltd. (Retail)	300,000	383,696
Dong Fang Electrical Machinery Co. (Electrical Equipment)	1,884,000	472,186
Guangdon Electric Power (Electric)	1,000,000	639,493
Hang Seng Bank (Banking)	217,500	2,191,717
Henderson Land Development Company Ltd. (Real Estate)	266,000	1,993,151
Hong Kong Electric Holdings Ltd. (Electric)	525,000	1,600,670
Hong Kong Telecommunications Ltd. (Telecommunications)	1,922,000	3,451,428

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

HONG KONG (CONTINUED)

<TABLE>

<S>	<C>	<C>
HSBC Holdings PLC (Banking)	149,303	$ 2,256,758
Hutchison Whampoa Ltd. (Multi-Industry)	549,000	3,454,076
JCG Holdings Limited (Financial Services)	554,000	450,901
Johnson Electric Holdings Ltd. (Electronics)	451,000	1,013,810
Joyce Boutique Holdings (Retail)	622,000	208,927
Luoyang Glass Co. Ltd. (Building Materials)	1,576,000	374,632
National Mutual Asia Ltd. (Insurance)	220,000	193,269
New World Development Co. Ltd. (Real Estate)	300,000	1,391,382
Shangri-La Asia Ltd. (Restaurants & Hotels)	170,000	238,292
Sing Tao Holdings (Broadcasting & Publishing)	672,000	397,183
Sun Hung Kai Properties Ltd. (Real Estate)	327,000	3,305,694
Swire Pacific Ltd., Class A (Multi-Industry)	402,500	3,444,946
Television Broadcast Ltd. (Entertainment, Leisure & Media)	186,000	698,055
Tingyi (Cayman Islands) Holding Co. (Food, Beverages & Tobacco)+	648,000	177,895
Wai Kee Holdings Ltd. (Construction & Housing)	820,000	235,708
Wharf (Holdings) Ltd. (Real Estate)	90,000	322,072
Yizheng Chemical Fibre Co. Ltd. (Chemicals)	1,340,000	296,027
Yue Yuen Industrial Holdings (Metals & Mining)	1,416,000	402,454
Zhenhai Refining & Chemical Co. (Chemicals)	3,946,000	1,121,529
		39,298,309

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</TABLE>

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

THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

SECURITY DESCRIPTION	SHARES	VALUE
INDONESIA (3.9%)		
P.T. Gudang Garam (Food, Beverages & Tobacco)	178,500	$ 765,025
P.T. Hanjaya Mandala Sampoerna (Food, Beverages & Tobacco)	23,000	261,877
P.T. Indosat (ADR) (Telecommunications)	6,000	201,000
P.T. International Nickel Indonesia (Metals & Mining) .	210,000	478,211
P.T. Japfa Comfeed Indonesia (Food, Beverages & Tobacco)	351,500	203,884
P.T. Kabelmetal Indonesia (Telecommunications-Equipment)	200,000	90,228
P.T. Matahari Putra Prima (Retail)	157,000	286,690
P.T. Pabris Kertas Tjiwi Kimia (Metals & Mining) ...	543,693	554,807
P.T. Pan Indonesia Bank (Banking)	518,125	478,627
P.T. Semen Cibinong (Building Materials)	146,000	329,334
P.T. Telekomunikasi Indonesia (Telecommunications)	427,500	647,470
P.T. Tigaraksa Satria (Multi-Industry)	75,800	195,409
		4,492,562
MALAYSIA (15.0%)		
Arab Malaysian Finance Berhad (Financial Services)	75,000	327,624
Commerce Asset-Holding Berhad (Banking)	104,000	633,527
Edaran Otomobil Nasional Berhad (Automotive)	57,000	545,960
Guinness Anchor Berhad (Food, Beverages & Tobacco)	240,000	495,344
Hicom Holdings Berhad (Diversified Manufacturing)	133,000	378,441
IJM Corp. Berhad (Building Materials)	188,000	325,484
Industrial Oxygen Inc. Berhad (Agriculture)	358,000	496,418

SECURITY DESCRIPTION	SHARES	VALUE

</TABLE>

MALAYSIA (CONTINUED)

Intiplus Berhad (Financial		

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Services)	456,000	$ 447,733
Konsortium Perkapalan Berhad (Transport & Services)+ ...	95,000	571,088
Leader Universal Holdings Berhad (Electronics)	125,000	353,173
Lingui Developments Berhad (Forest Products & Paper)	318,000	751,913
Malayan Banking Berhad (Banking)	79,000	759,848
Malayan Cement Berhad (Building Materials)	233,000	560,267
Malaysian Assurance Alliance Berhad (Insurance)	750	3,968
Malaysian Oxygen Berhad (Chemicals)	186,500	1,009,022
Malaywata Steel Berhad (Metals & Mining)	305,000	523,157
Maruichi Malaysian Steel Tube Berhad (Metals & Mining)	118,000	439,798
Matsushita Electric Co. Malaysia Berhad (Electronics)	27,000	275,926
Metroplex Berhad (Real Estate) .	149,000	160,033
New Straits Times Press Berhad (Entertainment, Leisure & Media)	242,000	1,260,802
Pacific & Orient Berhad (Insurance)	104,000	291,756
Petronas Dagangan Berhad (Oil-Services)	83,000	224,528
Reliance Pacific Berhad (Entertainment, Leisure & Media)	152,000	371,588
Resorts World Berhad (Entertainment, Leisure & Media)	249,000	1,426,999
Sime Darby Berhad (Multi-Industry)	270,000	746,622
Sime U.E.P. Properties Berhad (Real Estate)	431,000	876,600
TA Enterprise Berhad (Financial Services)	362,000	565,798

</TABLE>

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

THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

MALAYSIA (CONTINUED)

<TABLE>

<S>	<C>	<C>
Technological Resources Industries Berhad (Multi-Industry)	124,000	$ 432,344
Tenaga Nasional Berhad (Telecommunications)	253,000	1,064,628
		16,320,389

PHILIPPINES (3.7%)
Aboitiz Equity Ventures Inca

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(GDS) (Banking)+	1,930,800	361,115
Alaska Milk Corp. (Food, Beverages & Tobacco)+	3,183,000	388,775
Alsons Cement Corp. (Building Materials)+	436,000	199,701
Bankard Inc. (Banking)+	790,000	331,690
Fil-Estate Land Inc. (Real Estate)	296,100	378,613
JG Summit Holdings Inc. (Multi-Industry)	852,000	318,697
Manila Electric Co. (Electric)	60,000	629,790
Petron Corp. (Oil-Services)	612,812	280,686
Philippine Long Distance Telephone Co. (ADR) (Utilities)	5,700	331,313
Philippine National Bank (Banking)+	16,628	277,671
Pryce Properties Corp. (Real Estate)	5,405,400	342,490
Steniel Manufacturing Corp. (Metals & Mining)	2,300,000	267,756

		4,108,297

SINGAPORE (8.4%)		
Acma Ltd. (Computer Peripherals)	117,600	343,274
Cycle & Carriage Ltd. (Automotive)	27,000	288,853
DBS Land Ltd. (Real Estate)	105,000	360,057
Development Bank Singapore (Banking)	74,000	922,744
Fraser & Neave Ltd. (Food, Beverages & Tobacco)	98,000	1,013,714

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

SINGAPORE (CONTINUED)

<TABLE>

<S>	<C>	<C>
Hotel Properties Ltd. (Restaurants & Hotels)	215,000	$ 380,816
Jurong Engineering Ltd. (Capital Goods)	99,000	347,899
Jurong Shipyard Ltd. (Transport & Services)	32,000	162,104
NatSteel Ltd. (Metals & Mining)	147,500	292,608
Osprey Maritime Ltd. (Transport & Services)	139,500	246,218
Overseas Chinese Bank (Banking)	76,000	888,452
Singapore Airlines Ltd. (Airlines)	159,000	1,678,495
Singapore Telecommunications Ltd. (Telecommunications)	336,000	895,084
United Overseas Bank Ltd. (Banking)	155,310	1,485,490

		9,305,808

SOUTH KOREA (5.9%)		
Cho Hung Bank (Banking)	61,000	758,689
Chung Ho Computer Co. (Computer Peripherals)	8,000	580,393

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Dong Ah Construction Industrial Co. (Construction & Housing)	7,300	277,700
Dongbu Insurance (Insurance)+	8,030	434,477
Hana Bank (Banking)	17,596	323,298
Hansol Paper Co. Ltd. (GDS) (Forest Products & Paper)	14,937	287,537
Hansol Paper Co. Ltd. (GDS) 144A (Forest Products & Paper)+	2,195	42,254
Hyundai Engineering & Construction Co. (Construction & Housing)+	4,000	186,120
Korea Electric Power Corp. (Electric)	18,000	726,946
Korea First Bank (Banking)+	83,000	719,827
Korea Housing Bank (Banking)+	540	12,582

</TABLE>

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

THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

SOUTH KOREA (CONTINUED)

SECURITY DESCRIPTION	SHARES	VALUE
Korea Mobile Telecommunications (Telecommunications)	430	$ 519,070
Korea Zinc Co. (Metals & Mining)	14,100	323,309
Oriental Fire & Marine Insurance (Insurance)	4,200	147,564
Pohang Iron & Steel Co. (Metals & Mining)	5,100	416,023
Samsung Electronics (GDR represents 1/2 non-voting common share) 144A (Electronics)	11,374	275,820
Samsung Electronics (GDR represents 1/2 non-voting preferred share) 144A (Electronics)+	5,236	104,720
Samsung Electronics (GDR represents 1/2 voting common share) 144A (Electronics)+	266	10,906
Samsung Electronics (GDR represents 1/2 voting common share) 144A (Electronics)+	884	45,305
Seoul City Gas Co. Ltd. (Natural Gas)	4,500	352,267
		6,544,807
TAIWAN (5.3%)		
Acer Incorporation (GDR) (Computer Peripherals)+ ...	44,240	336,224

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Asia Cement Corp. (GDS) (Building Materials)	83,865	1,698,275
China Steel Corp. (GDS) (Metals & Mining)	60,000	1,530,000
Hocheng Group Corp. (GDR) 144A (Building Materials)+	13,114	162,286
President Enterprises Corp. (GDR) (Food, Beverages & Tobacco)+	72,051	1,459,033

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

TAIWAN (CONTINUED)

<TABLE>

<S>	<C>	<C>
Siliconware Precision Industries (GDR) (Semiconductors)+	24,000	$ 189,000
Yageo Corp. (GDR) (Electronics)+	68,600	514,500
		5,889,318
THAILAND (12.4%)		
Advanced Info Service Public Co. Ltd. (Telecommunications)	95,900	1,419,666
Bangkok Bank Public Co. Ltd. (Banking)	159,000	2,153,452
Bangkok Expressway Public Co. Ltd. (Transport & Services)+	100,000	164,375
Banpu Public Co. Ltd. (Metals & Mining)	10,700	308,372
Central Pattana Public Co. Ltd. (Real Estate)	144,500	671,320
Dhana Siam Finance and Securities Public Co. Ltd. (Financial Services)	126,500	702,246
Finance One Public Co. Ltd. (Financial Services)	83,000	535,922
Krung Thai Bank Public Co. Ltd. (Banking)	85,000	398,241
Land & House Public Co. Ltd. (Real Estate)	44,000	554,348
Modern Form Group Public Co. Ltd. (Manufacturing)	174,700	135,844
Phatra Thanakit Co. Ltd. (Financial Services)	45,000	313,592
Regional Container Line Public Co. Ltd. (Packaging & Containers)	37,500	549,230
Saha-Union Public Co. Ltd. (Textiles)	200,000	313,002
Sahavirya Steel Industries Public Co. Ltd. (Metals & Mining)+ .	470,000	305,324
Siam Cement Public Co. Ltd. (Building Materials)	22,000	1,079,246
Siam Commercial Bank Co. Ltd. (Banking)	18,000	260,795
TelecomAsia Corp. Public Co. Ltd. (Telecommunications)+	674,000	1,479,396

</TABLE>

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THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

SECURITY DESCRIPTION	SHARES	VALUE
THAILAND (CONTINUED)		
Thai Farmers Bank Public Co. Ltd. (Banking)	114,600	1,254,322
Thai Petrochemical Industry Public Co. Ltd. (Chemicals)	252,000	384,461
United Communication Industry (Telecommunications-Equipment)	51,000	682,698
		13,665,852
TOTAL COMMON STOCK (COST $95,359,277)		102,501,274
CONVERTIBLE PREFERRED STOCKS (0.5%)		
PHILIPPINES (0.5%)		
Philippine Long Distance Telephone Co. (GDS represents 1 Series 2 Convertible Preferred) (Utilities) (cost $532,650)	15,900	532,650
PREFERRED STOCK (0.4%)		
SOUTH KOREA (0.4%)		
Mando Machinery Corp. (Automotive Supplies)	11,000	211,545
Shin Won Corp. (Apparels & Textiles)	13,530	193,733
TOTAL PREFERRED STOCK (COST $591,526)		405,278
RIGHTS (0.1%)+		
SINGAPORE (0.1%)		
Overseas Chinese Bank (expire 07/09/96) (Banking)	7,600	61,061
SOUTH KOREA (0.0%)(A)		
Hana Bank (Expire 07/26/96) (Banking)	3,045	14,640
TOTAL RIGHTS (COST $55,410)		75,701

SECURITY DESCRIPTION	SHARES	VALUE
WARRANTS (0.9%)+		
MALAYSIA (0.5%)		
Petronas Dagangan Berhad (Expire 02/23/99) (Oil-Services)	$ 340,000	$ 501,435
SINGAPORE (0.4%)		
United Overseas Land Ltd. (Expire 06/09/97) (Real Estate)	697,536	513,968
TOTAL WARRANTS (COST $1,028,686)		1,015,403

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	PRINCIPAL AMOUNT	
CONVERTIBLE BONDS (3.4%)		
HONG KONG (0.3%)		
Regal Hotels International, 5.25% due 12/13/08 (Restaurants & Hotels)	350,000	346,062
MALAYSIA (1.3%)		
Commerce Asset Holding Berhad, 1.75% due 09/26/04 (Banking)	720,000	860,400
Telekom Malaysia Berhad, 4.00% due 10/03/04 (Telecommunications)	560,000	590,100
		1,450,500
SOUTH KOREA (0.3%)		
Ssangyong Oil Refining Co. Ltd., 3.75% due 12/31/08 (Oil-Production)	305,000	315,675
TAIWAN (1.5%)		
Far Eastern Department Stores Ltd., 3.00% due 07/06/01 (Retail)	600,000	569,250
Nan Ya Plastics Corp., 1.75% due 07/19/01 (Chemicals)	470,000	507,013

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

THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

SECURITY DESCRIPTION	PRINCIPAL AMOUNT	VALUE
TAIWAN (CONTINUED)		
U-Ming Marine Transport Corp., 1.50% due 02/07/01 (Transport & Services)	390,000	349,050
Yang Ming Marine Transport, 2.00% due 10/06/01 (Transport & Services)	200,000	251,500
		1,676,813
TOTAL CONVERTIBLE BONDS (COST $3,714,252)		3,789,050
SHORT-TERM INVESTMENTS (1.5%)		
EURO DOLLAR TIME DEPOSITS (1.5%)		
State Street Cayman Islands, 4.88% due 07/01/96 (cost $1,651,000)	1,651,000	1,651,000
TOTAL INVESTMENTS		

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(COST $102,932,801) (99.6%)	109,970,356
OTHER ASSETS IN EXCESS OF LIABILITIES (0.4%)	471,826
NET ASSETS (100.0%)	$110,442,182

</TABLE>

Note: For Federal Income Tax purposes, the cost of securities owned at June 30, 1996 was substantially the same as the cost of securities for financial statement purposes.

+ -- Non-income producing security.

(a) -- Less than 0.1%

ADR -- American Depositary Receipt.

GDS -- Global Depositary Shares.

GDR -- Global Depositary Receipt.

144A -- Security restricted for resale to Qualified Institutional Buyers.

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

THE ASIA GROWTH PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)(CONTINUED)
June 30, 1996

INDUSTRY DIVERSIFICATION

<TABLE>
<CAPTION>

<S>	<C> PERCENT OF TOTAL INVESTMENTS
Banking	16.26%
Real Estate	13.75%
Telecommunications	11.03%
Multi - Industry	9.64%
Metals & Mining	5.72%
Building Materials	4.70%
Food, Beverages & Tobacco	4.40%
Entertainment, Leisure & Media	3.47%
Electric	3.32%
Financial Services	3.09%
Chemicals	3.06%
Airlines	2.63%
Electronics	2.39%
Transport & Services	1.82%
Retail	1.80%
Computer Peripherals	1.16%
Restaurants & Hotels	1.09%
Telecommunication Services	1.06%
Forest Products & Paper	1.00%
Insurance	0.99%
Utilities	0.80%
Automotive	0.77%
Telecommunications-Equipment	0.71%
Construction & Housing	0.65%
Agriculture	0.64%
Packaging & Containers	0.51%
Oil-Services	0.47%
Electrical Equipment	0.44%
Broadcasting & Publising	0.37%
Diversified Manufacturing	0.35%
Natural Gas	0.33%

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Capital Goods	0.32%
Oil-Production	0.29%
Textiles	0.29%
Automotive Supplies	0.20%
Apparels & Textiles	0.18%
Semiconductors	0.17%
Manufacturing	0.13%
	100.00%

</TABLE>

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

THE ASIA GROWTH PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
JUNE 30, 1996

<TABLE>

<S>	<C>
ASSETS	
Investments at Value (Cost $102,932,801)	$109,970,356
Foreign Currency at Value (Cost $312,407)	312,108
Cash	38,223
Unrealized Appreciation on Open Spot Foreign Currency Contracts	584
Receivable for Investments Sold	977,321
Dividends Receivable	319,684
Interest Receivable	52,318
Deferred Organization Expenses	25,469
Total Assets	111,696,063
LIABILITIES	
Payable for Investments Purchased	991,727
Custody Fee Payable	112,771
Advisory Fee Payable	72,481
Organization Expenses Payable	5,750
Administrative Services Fee Payable	4,530
Administration Fee Payable	1,161
Fund Services Fee Payable	320
Accrued Expenses & Other Liabilities	65,141
Total Liabilities	1,253,881
NET ASSETS	
Applicable to Investors' Beneficial Interests	$110,442,182

</TABLE>

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

THE ASIA GROWTH PORTFOLIO
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1996

<TABLE>

<S>	<C>	<C>
INVESTMENT INCOME		
Dividend Income (Net of Foreign Withholding Tax of $108,976)		$1,157,622
Interest Income		134,734
Investment Income		1,292,356
EXPENSES		
Advisory Fee	$ 414,049	
Custodian Fees and Expenses	183,844	
Professional Fees	29,654	
Administrative Services Fee	12,972	
Administration Fee	6,530	

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Fund Services Fee	2,840	
Amortization of Organization Expenses	2,633	
Printing Expenses	1,716	
Trustees' Fees and Expenses	1,135	
Insurance Expense	361	
Registration Fees	349	
Miscellaneous	1,164	
Total Expenses	657,247	
Less: Reimbursement of Expenses	(7,302)	
NET EXPENSES		(649,945)
NET INVESTMENT INCOME		642,411
NET REALIZED GAIN (LOSS) ON		
Investment Transactions	3,216,295	
Foreign Currency Transactions	(198,727)	
Net Realized Gain		3,017,568
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) OF		
Investments	4,622,842	
Foreign Currency Contracts and Translations	(61)	
Net Change in Unrealized Appreciation		4,622,781
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$8,282,760

</TABLE>

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

THE ASIA GROWTH PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S>	<C> FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	<C> FOR THE PERIOD APRIL 5, 1995 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 1995
INCREASE IN NET ASSETS		
FROM OPERATIONS		
Net Investment Income	$ 642,411	$ 783,140
Net Realized Gain on Investments and Foreign Currency Transactions	3,017,568	2,768,176
Net Change in Unrealized Appreciation of Investments and Foreign Currency Translations	4,622,781	2,414,409
Net Increase in Net Assets Resulting from Operations	8,282,760	5,965,725
TRANSACTIONS IN INVESTORS' BENEFICIAL INTEREST		
Contributions	38,835,059	104,554,882
Withdrawals	(23,657,025)	(23,539,419)
Net Increase from Investors' Transactions	15,178,034	81,015,463
Total Increase in Net Assets	23,460,794	86,981,188
NET ASSETS		
Beginning of Period	86,981,388	200

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End of Period	$110,442,182	$ 86,981,388

</TABLE>

SUPPLEMENTARY DATA

<TABLE>
<CAPTION>

<S>	<C> FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	<C> FOR THE PERIOD APRIL 5, 1995 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 1995
RATIOS TO AVERAGE NET ASSETS		
Expenses	$ 1.26%(a)	$ 1.40%(a)
Net Investment Income	1.24%(a)	1.18%(a)
Decrease reflected in Expense Ratio due to Expense Reimbursement	0.01%(a)	--
Portfolio Turnover	42%(b)	70%(b)

</TABLE>

(a)Annualized.

(b)Not Annualized.

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

THE ASIA GROWTH PORTFOLIO
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Asia Growth Portfolio (the "Portfolio") one of three Portfolios comprising The Series Portfolio (the "Series Portfolio"), is registered under the Investment Company Act of 1940, as amended, (the "Act") as a no-load, diversified, open-end management investment company which was organized under the laws of the State of New York on June 24, 1994. The Portfolio commenced operations on April 5, 1995. The Portfolio's investment objective is to achieve a high total return from a portfolio of equity securities of companies in Asian growth markets. The Declaration of Trust permits the Trustees to issue an unlimited number of beneficial interests in the Portfolio.

Investments in Asian growth markets may involve certain considerations and risks not typically associated with investments in the United States. Future economic and political developments in Asian growth market countries could adversely affect the liquidity or value, or both of such securities in which the Portfolio is invested. The ability of the issuers of debt securities held by the Portfolio to meet their obligations may be affected by economic and political developments in a specific industry or region.

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

a) The value of each security for which readily available market quotations exists is based on a decision as to the broadest and most representative market for such security. The value of such security will be based either on the last sale price on a national securities exchange, or, in the absence of recorded sales, at the readily available closing bid price on such exchanges. Securities listed on a foreign exchange are valued at the last quoted sale price available before the time when net assets are

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valued. Unlisted securities are valued at the average of the quoted bid and asked prices in the over-the-counter market. Securities or other assets for which market quotations are not readily available are valued at fair value in accordance with procedures established by the Portfolio's Trustees. Such procedures may include the use of independent pricing services, which use prices based upon yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; operating data and general market conditions. All portfolio securities with a remaining maturity of less than 60 days are valued by the amortized cost method.

Trading in securities on most foreign exchanges and over-the-counter markets is normally completed before the close of the domestic market and may also take place on days on which the domestic market is closed. If events materially affecting the value of foreign securities occur between the time when the exchange on which they are traded closes and the time when the Portfolio's net assets are calculated, such securities will be valued at fair value in accordance with procedures established by and under the general supervision of the Portfolio's Trustees.

b) The books and records of the Portfolio are maintained in U.S. dollars. The market values of investment securities, other assets and liabilities and foreign currency contracts are translated at the prevailing exchange rates at the end of the period. Purchases, sales, income and expense are translated at the exchange rate prevailing on the respective dates of such transactions. Translation

gains and losses resulting from changes in exchange rates during the reporting period and gains and losses realized upon settlement of foreign currency transactions are reported in the Statement of Operations.

Since the net assets of the Portfolio are presented at the exchange rates and market values prevailing at the end of the period, the Portfolio does not isolate the portion of the results of operations arising as a result of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities during the period.

c) Securities transactions are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date or at the time that the relevant ex-dividend date and amount becomes known. 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 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 Portfolio's Trustees and the change in the market value is recorded by the Portfolio as unrealized appreciation or depreciation of foreign forward and spot currency contract translations.

At June 30, 1996 the Portfolio had open spot foreign currency contracts as follows:

SUMMARY OF OPEN CONTRACTS

<TABLE>
<CAPTION>

FOREIGN CURRENCY SALE CONTRACTS	PROCEEDS	U.S. DOLLAR VALUE AT 6/30/96	NET UNREALIZED APPRECIATION (DEPRECIATION)

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Hong Kong Dollar, 123,668, expiring 7/1/96	$ 15,976	$ 15,977	$ (1)
Indonesian Rupiah, 35,697,600, expiring 7/1/96	15,325	15,337	(12)
Indonesian Rupiah, 67,034,724, expiring 7/2/96	28,808	28,815	(7)
Malaysian Ringgit, 107,306, expiring 7/1/96	42,948	43,004	(56)
Malaysian Ringgit, 303,974, expiring 7/2/96	121,737	121,821	(84)
Malaysian Ringgit, 176,114, expiring 7/3/96	70,610	70,580	30
Malaysian Ringgit, 168,944, expiring 7/3/96	67,699	67,706	(7)
			(137)

THE ASIA GROWTH PORTFOLIO
NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

FOREIGN CURRENCY PURCHASE CONTRACTS	COST	U.S. DOLLAR VALUE AT 6/30/96	NET UNREALIZED APPRECIATION (DEPRECIATION)
Indonesian Rupiah, 122,504,623, expiring 7/3/96	$ 52,635	$ 52,645	$ 10
Malaysian Ringgit, 61,314, expiring 7/1/96	24,582	24,572	(10)
Malaysian Ringgit, 18,016, expiring 7/2/96	7,217	7,220	3
Malaysian Ringgit, 231,115, expiring 7/3/96	112,455	112,661	206
Malaysian Ringgit, 105,585, expiring 7/3/96	42,238	42,315	77
Malaysian Ringgit, 58,619, expiring 7/3/96	23,462	23,492	30
Malaysian Ringgit, 709,045, expiring 7/3/96	283,777	284,159	382
Malaysian Ringgit, 166,798, expiring 7/5/96	66,795	66,846	51
Malaysian Ringgit, 96,380, expiring 7/8/96	38,638	38,626	(12)
Malaysian Ringgit, 96,380, expiring 7/8/96	38,638	38,626	(12)
Malaysian Ringgit, 92,598, expiring 7/9/96	37,110	37,106	(4)
			721
Net Unrealized Appreciation on Foreign Currency Contracts			$ 584

e) 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.

f) The Portfolio incurred organization expenses in the amount of $33,000. These costs were deferred and are being amortized on a straight-line basis over a five year period from the commencement of operations.

g) 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 market-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 agreement, the Portfolio pays Morgan at an annual rate of 0.80% of the Portfolio's average daily net assets. For the six months ended June 30, 1996 such fees

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amounted to $414,049.

b) The Portfolio has retained Signature Broker-Dealer Services, Inc. ("Signature") to serve as administrator and exclusive placement agent. Signature provides administrative services necessary

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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 Administration Agreement provided for a fee to be paid to Signature equal to the Portfolio's proportionate share of a complex-wide fee based on the following annual schedule: 0.03% on the first $7 billion of the aggregate average daily net assets of the Portfolio and the other portfolios subject to this agreement (the "Master Portfolios") and 0.01% on the aggregate average daily net assets of the Master Portfolios in excess of $7 billion. The portion of this charge payable by the Portfolio is determined by the proportionate share its net assets bear to the total net assets of The Pierpont Funds, The JPM Institutional Funds, The JPM Advisor Funds and the Master Portfolios. For the six months ended June 30, 1996, such fees amounted to $6,530.

Effective August 1, 1996, administrative functions provided by Signature will be provided by Funds Distributor, Inc. ("FDI"), a registered broker-dealer, and by Morgan. FDI will also become the Portfolio's exclusive placement agent. Under a Co-Administration Agreement between FDI and the Portfolio, FDI's fees are to be paid by the Portfolio. (see Note 2c).

c) The Portfolio has an Administrative Services Agreement (the "Services Agreement") with Morgan under which Morgan is responsible for certain aspects of the administration and operation of the Portfolio. Under the Services Agreement, the Portfolio has agreed to pay Morgan a fee equal to its proportionate share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Master Portfolios' in accordance with the following annual schedule: 0.06% on the first $7 billion of the Master Portfolios aggregate average daily net assets and 0.03% of the aggregate average daily net assets in excess of $7 billion. The portion of this charge payable by the Portfolio is determined by the proportionate share that the Portfolio's net assets bear to the net assets of the Master Portfolios and other investors in the Master Portfolios for which Morgan provides similar services. For the six months ended June 30, 1996, such fees amounted to $12,972.

Effective August 1, 1996, the Services Agreement will be amended such that the aggregate complex-wide fees to be paid by the Portfolio under both the amended Services Agreement and the Co-Administration Agreement (see Note 2b) will be calculated daily based on the aggregate average daily net assets of the Master Portfolios in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios aggregate average daily net assets and 0.04% of the aggregate average daily net assets in excess of $7 billion.

In addition, Morgan has agreed to reimburse the Portfolio to the extent necessary to maintain the total operating expenses of the Portfolio at no more than 1.25% of the average daily net assets of the Portfolio. For the six months ended June 30, 1996, Morgan has agreed to reimburse the Portfolio $7,302 for expenses under this agreement.

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 $2,840 for the six months ended June 30, 1996.

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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 the Master Portfolios. The Trustees' Fees and Expenses shown in the financial statements represent the Portfolio's allocated portion of the total fees and expenses. The Portfolio's Chairman and Chief Executive 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 $400.

3. INVESTMENT TRANSACTIONS:

Investment transactions (excluding short-term investments) for the six months ended June 30, 1996 were as follows:

COST OF PURCHASES	PROCEEDS FROM SALES
$ 59,105,481	$41,831,889

THE JPM ADVISOR FUNDS - THE JPM ADVISOR ASIA GROWTH FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1995

ASSETS	
Investment in The Asia Growth Portfolio	$ 100
Deferred Organization Expenses	32,208
Total Assets	32,308
LIABILITIES	
Organization Expenses Payable	32,208
Total Liabilities	32,208
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor Asia Growth Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Asia Growth Portfolio (the "Portfolio"), a series of The Series Portfolio, a trust organized under the laws of the State of New York. The Portfolio is an open-end management

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investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $32,208 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund and the Portfolio which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption, and the amount of such reduction in excess of the unamortized organization expenses of the Fund shall be contributed by the Fund to the Portfolio.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of December 31, 1995, the Fund has not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor Asia Growth Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor Asia Growth Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at December 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas

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New York, New York
June 27, 1996

THE JPM ADVISOR EUROPEAN EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
JUNE 30, 1996

<TABLE>

<S>	<C>
ASSETS	
Investment in The European Equity Portfolio ("Portfolio"), at value	$ 592,281
Deferred Organization Expenses	29,129
Total Assets	621,410
LIABILITIES	
Transfer Agent Fee Payable	7,547
Printing Expense Payable	6,634
Registration Fees Payable	4,428
Organization Expenses Payable	4,360
Professional Fees Payable	3,958
Accrued Trustees' Fees and Expenses	2,558
Administration Fee Payable	13
Accrued Expenses	1,782
Total Liabilities	31,280
NET ASSETS	
Applicable to 48,689 Shares of Beneficial Interest Outstanding (par value $0.001, unlimited shares authorized)	$ 590,130
Net Asset Value, Offering and Redemption Price Per Share	$12.12
ANALYSIS OF NET ASSETS	
Paid-in Capital	$ 549,196
Undistributed Net Investment Income	4,036
Accumulated Net Realized Gain on Investment and Foreign Currency Transactions	5,987
Net Unrealized Appreciation of Investment and Foreign Currency Translations	30,911
Net Assets	$ 590,130

</TABLE>

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

THE JPM ADVISOR EUROPEAN EQUITY FUND
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE PERIOD JANUARY 23, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996

<TABLE>

<S>	<C>	<C>
INVESTMENT INCOME ALLOCATED FROM PORTFOLIO		
Allocated Dividend Income (Net of $2,666 Foreign Withholding Taxes)		$ 7,711
Allocated Interest Income (Net of $5 Foreign Withholding Taxes)		740
Allocated Portfolio Expenses		(2,238)
Net Investment Income Allocated from Portfolio		6,213
FUND EXPENSES		
Transfer Agent Fees	$ 7,547	
Printing Expenses	6,634	
Registration Fees	6,517	

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Professional Fees	3,990	
Amortization of Organization Expenses	2,837	
Trustees' Fees and Expenses	2,558	
Administration Fee	34	
Miscellaneous	1,784	
Total Fund Expenses	31,901	
Less: Reimbursement of Expenses	(29,724)	
NET FUND EXPENSES		(2,177)
NET INVESTMENT INCOME		4,036
NET REALIZED GAIN ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS ALLOCATED FROM PORTFOLIO		5,987
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENT AND FOREIGN CURRENCY TRANSLATIONS ALLOCATED FROM PORTFOLIO		30,911
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 40,934

</TABLE>

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

THE JPM ADVISOR EUROPEAN EQUITY FUND
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S>	<C> FOR THE PERIOD JANUARY 23, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
INCREASE IN NET ASSETS	
FROM OPERATIONS	
Net Investment Income	$ 4,036
Net Realized Gain on Investments and Foreign Currency Transactions Allocated from Portfolio	5,987
Net Change in Unrealized Appreciation of Investments and Foreign Currency Translations Allocated from Portfolio	30,911
Net Increase in Net Assets Resulting from Operations	40,934
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST	
Proceeds from Shares of Beneficial Interest Sold	590,000
Cost of Shares of Beneficial Interest Redeemed	(40,948)
Net Increase from Transactions in Shares of Beneficial Interest	549,052
Total Increase in Net Assets	589,986
NET ASSETS	
Beginning of Period	144
End of Period (including undistributed net investment income of $4,036)	$ 590,130

</TABLE>

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THE JPM ADVISOR EUROPEAN EQUITY FUND
FINANCIAL HIGHLIGHTS

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

	FOR THE PERIOD JANUARY 23, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
NET ASSET VALUE, BEGINNING OF PERIOD	$ 11.35
INCOME FROM INVESTMENT OPERATIONS	
Net Investment Income	0.08
Net Realized and Unrealized Gain on Investment and Foreign Currency	0.69
Total from Investment Operations	0.77
NET ASSET VALUE, END OF PERIOD	$ 12.12
Total Return	6.78%(a)
RATIOS AND SUPPLEMENTAL DATA	
Net Assets, End of Period (in Thousands)	$ 590
Ratios to Average Net Assets	
Expenses	1.70%(b)
Net Investment Income	1.55%(b)
Decrease Reflected in Expense Ratio due to Expense Reimbursement	0.80%(b)(c)

(a)Not Annualized.

(b)Annualized.

(c)After consideration of certain state limitations.

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

THE JPM ADVISOR EUROPEAN EQUITY FUND
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The JPM Advisor European Equity Fund (the "Fund") is a separate series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940, as amended, as a no-load, open-end management investment company. The Fund commenced investment operations on January 23, 1996.

The Fund invests all of its investable assets in The European Equity Portfolio (the "Portfolio"), a diversified open-end management investment company having the same investment objective as the Fund. The value of such investment included in the Statement of Assets and Liabilities reflects the Fund's proportionate interest in the net assets of the Portfolio (less than 1% at June 30, 1996.) The performance of the Fund is directly affected by the performance of the Portfolio. The financial statements of the Portfolio, including the schedule of investments, are included elsewhere in this report and should be read in conjunction with the Fund's financial statements.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that

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affect the reported amounts and disclosures. Actual amounts could differ from those estimates. The following is a summary of the significant accounting policies of the Fund:

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) Distributions to shareholders of net investment income and net realized capital gains, if any, are declared and paid annually.

d) The Fund incurred organization expenses in the amount of $31,966. These costs were deferred and are being amortized on a straight-line basis over a five-year period from the commencement of operations.

e) The Fund is treated as a separate entity for federal income tax purposes and 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.

2. TRANSACTIONS WITH AFFILIATES

a) The Trust has retained Signature Broker-Dealer Services, Inc. ("Signature") to serve as administrator and distributor. Signature provides administrative services necessary for the

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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 Administration Agreement provided for a fee to be paid to Signature equal to the Fund's proportionate share of a complex-wide fee based on the following annual schedule: 0.03% on the first $7 billion of the aggregate average daily net assets of the Portfolio and the other portfolios (the "Master Portfolios") in which the Trust, The JPM Institutional Funds, or The Pierpont Funds invest and 0.01% on the aggregate average daily net assets of the Master Portfolios in excess of $7 billion. The portion of this charge payable by the Fund is determined by the proportionate share its net assets bear to the total net assets of the Trust, The JPM Institutional Funds, The Pierpont Funds and the Master Portfolios. For the period January 23, 1996 (commencement of operations) through June 30, 1996, Signature's fee for these services amounted to $34. The fees payable by the Fund under the Administration Agreement between Signature and the Trust are subject to the expense limit provided by the Services Agreement (see Note 2b). Deferred organization expenses included a $15,000 development fee payable to Signature for the use of their portfolio and fund allocation system.

Effective August 1, 1996, administrative functions provided by Signature will be provided by Funds Distributor, Inc. ("FDI"), a registered broker-dealer, and by Morgan Guaranty Trust Company of New York ("Morgan"). FDI will also become the Fund's distributor. The fees payable by the Fund under a Co-Administration Agreement between FDI and the Trust on behalf of the Fund are based on the Fund's allocable share of a complex-wide fee and will also be subject to the expense limit provided by the Services Agreement (see Note 2b).

b) The Trust, on behalf of the Fund, has a Services Agreement with Morgan

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under which Morgan receives a fee, based on the percentage described below, for overseeing certain aspects of the administration and operation of the Fund and for providing shareholder servicing to Fund shareholders. The Services Agreement is also designed to provide an expense limit for certain expenses of the Fund. If total expenses of the Fund, excluding amortization of organization expenses, exceed the expense limit of 0.75% of the Fund's average daily net assets, Morgan will reimburse the Fund for the excess expense amount and receive no fee. Should such expense be less than the expense limit, Morgan's fee would be limited to the difference between such expenses and the fee calculated under the Services Agreement. For the period January 23, 1996 (commencement of operations) through June 30, 1996, Morgan has agreed to reimburse the Fund $27,116 for excess expenses.

In addition to the expenses that Morgan assumes under the Services Agreement, 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 1.70% of the average daily net assets of the Fund through December 31, 1996. For the period from January 23, 1996 (commencement of operations) through June 30, 1996, Morgan has agreed to reimburse the Fund $2,608 for expenses which exceeded this limit. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisors and other financial intermediaries who are Schwab's clients. The Fund is not responsible

for payments to Schwab under the Schwab Agreements; however, in the event the Services Agreement with the Trust is terminated, the Fund would be responsible for the ongoing payments to Schwab.

c) An aggregate annual fee of $16,000 is paid to each Trustee for serving as a Trustee of the Trust. The Trustees' Fees and Expenses shown in the financial statements represents the Fund's allocated portion of the total fees and expenses.

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:

	FOR THE PERIOD JANUARY 23, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996
Shares of beneficial interest sold	52,102
Shares of beneficial interest redeemed	(3,426)
Net increase	48,676

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)
JUNE 30, 1996

SECURITY DESCRIPTION	SHARES	VALUE
COMMON STOCK (92.2%)		
AUSTRIA (0.1%)		
Bohler Uddeholm (Metals & Mining)	4,100	$ 317,672

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BELGIUM (3.0%)		
Arbed SA (Metals & Mining)+ .	9,190	1,051,618
Banque Bruxelles Lambert SA (Banking)	14,660	2,732,752
Delhaize Le Lion (Retail)	17,000	854,639
Electrabel SA (Electric) ...	11,000	2,362,986
Fortis AG (Insurance)	14,464	1,909,050
Generale De Banque SA (Banking)	2,590	911,448
PetroFina SA (Oil-Production)	8,390	2,653,928
Powerfin SA (Electric)	3,820	523,087
Solvay SA (Chemicals)	4,890	3,024,156
Tractebel (Electric)	4,560	1,892,177
		17,915,841
FINLAND (1.5%)		
Metra OY (Industrial)	24,000	1,074,496
Nokia AB (Telecommunications-Equipment)	90,700	3,338,363
Rautaruukki OY (Metals & Mining)	150,300	1,090,232
Sampo Insurance Company Ltd. (Insurance)	22,000	1,273,811
UPM-Kymmene Corporation (Forest Products & Paper)+	85,100	1,760,285
		8,537,187
FRANCE (18.0%)		
Alcatel Alsthom (Telecommunications-Equipment)	25,267	2,203,708
AXA (Multi - Industry)	52,448	2,868,901
AXA - Non Negotiable Certificates (Multi - Industry)+	1,267	69,305
Banque Nationale de Paris (Financial Services)	29,852	1,047,817

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

FRANCE (CONTINUED)

<TABLE>

<S>	<C>	<C>
BIC (Manufacturing)	8,000	$ 1,135,955
Bouygues (Construction & Housing)	17,718	1,975,516
Canal Plus (Broadcasting & Publishing)	7,000	1,711,897
Carrefour Supermarche (Retail)	5,285	2,960,699
Castorama Dubois (Retail)	8,700	1,713,607
CEP Communications (Broadcasting & Publishing) .	13,400	1,132,265
Cetelem (Financial Services)	6,500	1,460,833
Chargeurs International SA (Multi - Industry)+	6,060	270,859
Christian Dior SA (Retail)	37,225	4,844,662

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Compagnie de Saint Gobain (Building Materials)	20,110	2,691,443
Compagnie Financiere de Cic et de l'Union Europeenne (Banking)	13,070	926,664
Compagnie Generale des Eaux (Water)	44,365	4,955,212
Credit Commercial de France (Banking)	37,400	1,733,389
Credit Local de France (Financial Services)	35,600	2,897,464
Essilor International (Health Services)	5,305	1,502,439
Genset ADR (Biotechnology)+	12,000	225,750
Groupe Danone (Food, Beverages & Tobacco)	43,236	6,542,397
Groupe Danone - Non Negotiable Certificates (Food, Beverages & Tobacco)+	702	106,225
Havas Advertising SA (Business & Public Services)	10,100	1,137,898
Imetal (Building Materials)	4,874	691,134
L'Air Liquide (Chemicals)	22,680	4,004,616
L'Oreal (Health & Personal Care)	7,300	2,423,365
Lafarge SA (Building Materials)	17,743	1,073,591

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

FRANCE (CONTINUED)

<TABLE>

<S>	<C>	<C>
Lagardere Groupe (Entertainment, Leisure & Media)	75,150	$ 1,937,108
Pathe SA (Entertainment, Leisure & Media)+	6,060	1,421,980
Peugeot SA (Automotive)	21,705	2,904,912
Pinault-Printemps-Redoute SA (Retail)	6,850	2,396,394
Promodes (Retail)	13,730	3,957,841
Rexel SA (Electrical Equipment)	4,690	1,295,467
Rhone-Poulenc (Chemicals)	73,020	1,919,082
Roussel Uclaf (Pharmaceuticals)	7,785	1,867,581
Sanofi (Pharmaceuticals) ...	30,800	2,308,165
Schneider SA (Electronics)	49,750	2,609,221
SEITA (Food, Beverages & Tobacco)	49,700	2,278,360
SGS - Thomson Microelectronics NV (Electronics)+	16,900	594,182
Sidel, SA (Machinery)	9,900	2,517,264

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Societe Generale (Banking)	35,320	3,883,212
Societe Industrielle de Transports Automobiles SA (Sita) (Pollution Control)	6,500	1,604,770
Sommer Allibert (Diversified Manufacturing)	3,305	839,717
Synthelabo (Pharmaceuticals)	24,710	2,087,930
Television Francaise 1 (Broadcasting & Publishing) .	15,430	1,762,370
Total SA (Oil-Services)	119,515	8,863,644
Union des Assurances Federales (Insurance)	17,960	2,215,307
Usinor Sacilor (Metals & Mining)	116,200	1,675,933
Valeo SA (Automotive)	29,400	1,573,341

		106,821,392

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
GERMANY (13.3%)		
Allgemeine Handelsgesellschaft der Verbraucher AG (Retail)	4,306	$ 1,329,589
Allianz AG Holding (Insurance)	2,131	3,689,009
Bankgesellschaft Berlin AG (Banking)	7,170	1,523,839
BASF AG (Chemicals)	27,300	7,801,850
Bayer AG (Chemicals)	121,240	4,281,245
Beiersdorf AG (Health & Personal Care)	2,590	2,552,329
Bilfinger & Berger Bau AG (Construction & Housing)	7,460	3,146,441
Colonia Konzern AG (Insurance)	2,425	1,959,578
Continental AG (Automotive) .	133,990	2,174,278
Daimler-Benz AG (Automotive)	5,250	2,809,287
Deutsche Bank AG (Banking)	99,935	4,727,111
Deutsche Lufthansa AG (Transportation)	11,700	1,652,609
Deutsche Pfandbrief & Hypothekenbank AG (Banking)	55,900	2,210,823
Douglas Holding AG (Retail)	29,900	1,192,355
Dresdner Bank AG (Banking)	160,500	4,033,222
Fried, Krupp AG Hoesch Krupp (Machinery)	17,785	2,734,106
Karstadt AG (Retail)	1,000	404,365
MAN AG (Automotive)	5,800	1,443,390
Mannesmann AG (Machinery)	5,180	1,790,034
Munchener Rueckversicherungs-Gesellschaft (Insurance)	3,407	7,028,254
RWE AG (Oil-Services)	23,000	896,042
SAP AG (Computer Software) .	22,850	3,385,154
Siemens AG (Electrical Equipment)+	140,800	7,520,364
VEBA AG (Oil-Services)	96,450	5,124,310
Volkswagen AG		

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(Automotive)	9,576	3,557,644
		78,967,228

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
IRELAND (1.5%)		
Allied Irish Banks PLC (Banking)	227,300	$ 1,191,062
Bank of Ireland PLC (Banking)	246,000	1,677,141
CRH PLC (Building Materials)	151,000	1,519,772
Greencore Group PLC (Food, Beverages & Tobacco)	326,000	1,713,462
Irish Life PLC (Insurance)	319,000	1,268,969
Jefferson Smurfit Group PLC (Forest Products & Paper)	645,000	1,741,436
		9,111,842
ITALY (4.4%)		
Arnoldo Mondadori Editore SPA (Entertainment, Leisure & Media)	199,000	1,505,854
Assicurazioni Generali (Insurance)	166,000	3,827,977
Banca Fideuram SPA (Financial Services)	503,000	1,089,376
Banca Populare di Bergamo (Banking)	81,000	1,233,797
ENI SPA (Oil-Services)	644,000	3,211,701
Fiat SPA (Automotive)	756,000	2,532,410
Instituto Mobiliare Italiano SPA (Financial Services)	108,000	901,790
Instituto Nazionale Delle Assicurazioni (Insurance)	1,031,000	1,536,797
Mediolanum SPA (Insurance)+	53,000	527,251
Montedison SPA (Chemicals)+	2,525,000	1,467,611
Olivetti & C SPA (Computer Software)+	2,375,000	1,281,271
Parmalat Finanziaria SPA (Agriculture)	968,000	1,300,811
Telecom Italia (Telecommunications)	933,000	1,609,827
Telecom Italia Mobile SPA (Telecommunications)	647,000	1,445,562
Telecom Italia SPA (Telecommunications)	1,186,000	2,549,247
		26,021,282

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

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NETHERLANDS (6.3%)

ABN Amro Holdings NV (Banking)	51,800	$ 2,779,699
Aegon NV (Insurance)	33,902	1,561,063
Dutch State Mines NV (Chemicals)	19,000	1,886,670
European Vinyls Corporation Vinyls International NV (Packaging & Containers)	30,000	931,472
ING Groep NV (Financial Services)+	55,250	1,647,489
Konin Bijenkorf Beheer (Retail)	19,000	1,605,061
Koninklijke Hoogovens NV (Metals & Mining)	37,000	1,369,908
Koninklijke PTT Nederland NV (Commercial Services)	76,200	2,883,766
Moeara Enim Petroleum MIJ - New Shares (Oil-Services)	144	2,480,175
Moeara Enim Petrol MIJ (Oil-Services)	1,000	1,341,554
Philips Electronics NV (Electronics)	75,270	2,447,302
Royal Dutch Petroleum Co. (Oil-Services)	60,340	9,318,013
Unilever NV (Food, Beverages & Tobacco)	34,100	4,934,281
Wolters Kluwer NV (Broadcasting & Publishing) .	19,600	2,226,417
		37,412,870

NORWAY (1.8%)

Aker AS, Series B (Industrial)	15,000	267,843
Hafslund AS, Series B (Medical Supplies)	50,000	315,563
Kvaerner AS, Series B (Construction & Housing)	57,000	2,202,320
Norsk Hydro AS (Oil-Services)	121,000	5,923,035
Nycomed AS, Series B (Medical Supplies)	50,000	692,699
Uni Storebrand ASA (Insurance)+	301,000	1,352,948
		10,754,408

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
PORTUGAL (0.0%)*		
Banco Espirito Santo (Banking)	7,260	$ 116,479
Cimpor Cimentos de Portugal SA (Building Materials)	5,820	120,861

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		237,340
SPAIN (5.3%)		
Acerinox SA (Metals & Mining)	5,000	520,627
Banco Intercontinental Espanol (Financial Services)	23,900	2,671,278
Banco Pastor (Banking)	22,000	1,372,738
Banco Popular Espanol SA (Banking)	23,700	4,222,012
Cubiertas y Mzov SA (Construction & Housing)	6,600	429,839
Ebro Agricolas Compania de Alimentacion SA (Miscellaneous)	75,800	874,996
Empresa Nacional de Electricidad (Electric)	45,300	2,823,059
Fomento de Construcciones y Contras SA (Construction & Housing)	4,520	373,697
Fuerzas Electric de Cataluna SA (Electric)	193,700	1,578,778
Hidroelectrica del Cantabrico SA (Electric)	28,000	974,020
Iberdrola SA (Electric)	365,200	3,745,688
Repsol SA (Gas Exploration)	137,900	4,791,671
Telefonica de Espana (Telecommunications)	297,500	5,476,133
Telefonica de Espana SA ADR (Telecommunications)	17,200	948,150
Vallehermoso SA (Real Estate)	24,300	479,515
		31,282,201

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
SWEDEN (1.3%)		
Astra AB, Series B (Pharmaceuticals)	43,000	$ 1,872,813
Ericsson (LM), Series B (Telecommunications-Equipment)	65,000	1,400,804
Nordbanken AB (Banking)	20,000	385,805
SKF AB, Series A (Capital Goods)	50,000	1,160,430
Stadshypotek AB (Banking)	32,500	724,892
Svenska Cellulosa AB, Series B (Forest Products & Paper)	50,000	1,028,563
Volvo AB, Series B (Automotive)	40,000	910,259
		7,483,566
SWITZERLAND (7.6%)		
ABB AG (Machinery)	830	1,026,524
Ciba Geigy AG (Pharmaceuticals)	5,982	7,288,472
Compagnie Financiere Richemont AG (Food, Beverages & Tobacco)	960	1,518,646
CS Holding AG (Banking)	32,275	3,068,552
Georg Fischer AG (Automotive		

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Supplies)	1,110	1,281,478
Holderbank Financiere Glaris AG (Building Materials)	1,227	980,313
Julius Baer Holdings AG (Banking)	930	1,003,083
Liechtenstein Global Trust AG (Banking)	1,800	877,248
Nestle SA (Food, Beverages & Tobacco)	4,740	5,411,664
Roche Holding AG (Pharmaceuticals)	967	7,374,331
Sandoz AG (Pharmaceuticals)	4,690	5,362,073
Schweizerische Rueckversicherungs-Gesellschaft (Insurance)	890	913,720
Schweizerischer Bankverein (Banking)	19,360	3,820,520
SGS-Thomson Microelectronics NV (Electronics)	370	885,358

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

SWITZERLAND (CONTINUED)
<TABLE>

<S>	<C>	<C>
Societe Generale de Surveillance Holding SA (Commercial Services)	2,800	$ 1,230,385
Swissair AG (Airlines)+	750	725,647
Zurich Versicherungsgesellschaft (Insurance)	7,000	1,907,096
		44,675,110
UNITED KINGDOM (28.1%)		
Abbey National PLC (Banking)	267,900	2,251,985
Allied Colloids Group PLC (Chemicals)	1,102,000	2,225,976
Allied Domecq PLC (Food, Beverages & Tobacco)	356,000	2,505,784
Amersham International PLC (Biotechnology)	101,700	1,659,227
Barclays PLC (Banking)	278,000	3,336,866
Bass PLC (Food, Beverages & Tobacco)	188,000	2,361,747
BAT Industries PLC (Food, Beverages & Tobacco)	570,800	4,443,418
BICC PLC (Electrical Equipment)	223,000	1,072,410
BOC Group PLC (Chemicals)	122,000	1,750,621
Britannic Assurance PLC (Insurance)	175,800	1,964,008
British Aerospace PLC (Aerospace)	154,100	2,338,139
British Airways PLC (Airlines) .	192,000	1,649,764

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British Gas PLC (Natural Gas)	616,120	1,713,617
British Petroleum Company PLC (Oil-Services)	661,718	5,809,207
British Telecommunications PLC (Telecommunications) .	783,500	4,212,215
BTR PLC (Multi - Industry)	991,000	3,895,737
Cable & Wireless PLC (Telecommunications)	374,000	2,472,673
Caradon PLC (Multi - Industry)	454,000	1,520,192
Courtaulds Textile PLC (Textiles)	240,000	1,338,755
Dalgety PLC (Food, Beverages & Tobacco)	165,000	903,730

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

UNITED KINGDOM (CONTINUED)

<TABLE>

<S>	<C>	<C>
General Cable PLC (Broadcasting & Publishing)+	581,600	$ 1,762,197
General Electric Company PLC (Electrical Equipment) ...	485,000	2,611,202
Glaxo Wellcome PLC (Pharmaceuticals)	764,800	10,302,969
Glynwed International PLC (Metals & Mining)	304,700	1,496,081
Guardian Royal Exchange PLC (Insurance)	727,000	2,801,441
Guinness PLC (Food, Beverages & Tobacco)	447,000	3,250,490
Hanson PLC (Multi - Industry)	601,000	1,680,902
Hillsdown Holdings PLC (Food, Beverages & Tobacco)	975,000	2,627,502
HSBC Holdings PLC (Banking)	296,000	4,636,045
Hyder PLC (Water)	197,116	2,185,301
Inchcape PLC (Commercial Services)	123,704	563,179
Kingfisher PLC (Retail)	254,700	2,558,544
Ladbroke Group PLC (Entertainment, Leisure & Media)	607,000	1,683,536
Lloyds TSB Group PLC (Banking)	1,209,260	5,918,691
Lucas Industries PLC (Automotive)	377,000	1,326,799
Marks & Spencer PLC (Retail)	536,800	3,924,349
MEPC PLC (Real Estate)	443,100	2,795,266
National Grid Group PLC (Electric)	394,000	1,043,797
National Power PLC (Electric)	285,000	2,302,733
National Westminster Bank PLC (Banking)	234,000	2,232,439
Pace Micro Technology PLC (Electronics)+	137,000	400,197
Pearson PLC (Broadcasting & Publishing)	208,000	2,145,986
Peninsular & Orient Steam Navigation Co. (Transportation)	113,600	854,317
Prudential Corporation PLC (Insurance)	340,000	2,144,867

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

UNITED KINGDOM (CONTINUED)

SECURITY DESCRIPTION	SHARES	VALUE
Racal Electronic PLC (Telecommunications-Equipment)	469,000	$ 2,222,635
Rank Organisation PLC (Entertainment, Leisure & Media)	410,000	3,169,366
Reuters Holdings (Broadcasting & Publishing)	359,000	4,345,376
Rolls-Royce PLC (Aerospace)	624,000	2,171,841
RTZ Corp. PLC (Metals & Mining)	276,465	4,093,818
Sainsbury (J.) PLC (Retail)	608,841	3,585,408
Sears PLC (Retail)	1,235,000	1,899,755
Shell Transport & Trading Co. (Oil-Services)	315,000	4,620,383
SmithKline Beecham PLC (Pharmaceuticals)	394,350	4,218,725
South West Water PLC (Water)	129,000	1,310,880
Standard Chartered PLC (Banking)	231,000	2,300,729
Tarmac PLC (Construction & Housing)	1,245,100	2,128,102
Tesco PLC (Retail)	773,000	3,531,200
THORN EMI PLC (Entertainment, Leisure & Media)	123,900	3,453,736
Tomkins PLC (Multi - Industry)	269,000	1,011,493
Unilever PLC (Food, Beverages & Tobacco)	185,000	3,679,401
Vodafone Group PLC (Telecommunications)	1,026,500	3,819,970
Zeneca Group PLC (Pharmaceuticals)	86,000	1,902,847
		166,140,566
TOTAL COMMON STOCK (COST $489,889,111)		545,678,505

SECURITY DESCRIPTION	SHARES	VALUE
PREFERRED STOCK (1.7%)		
GERMANY (1.7%)		
GEA AG (Machinery)	4,300	$ 1,429,436
Henkel KGAA (Chemicals)	6,850	2,956,662
Jungheinrich AG (Machinery) .	8,850	1,569,830
RWE AG (Oil-Services)	130,370	4,008,383

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		9,964,311
TOTAL PREFERRED STOCK (COST $9,326,636)........		9,964,311
RIGHTS (0.2%)		
FRANCE (0.2%)		
Carrefour Supermarkets (Retail)+	5,285	1,459,817
TOTAL RIGHTS (COST $910,055)........ .		1,459,817
WARRANTS (0.8%)		
GERMANY (0.8%)		
Allianz AG Holding, Expiring 2/23/98 (Insurance)+	15,740	801,405
Krupp Hoesch Stahl AG, Expiring 8/1/96 (Multi - Industry)+	3,643	344,641
Veba International Finance, Expiring 4/6/98 (Oil- Services)+	8,120	2,315,216
Volkswagen AG, Expiring 10/27/98 (Automotive)+ ...	10,320	1,206,828
		4,668,090
SWITZERLAND (0.0%)*		
Schweizerischer Bankverein, Expiring 6/30/00 (Banking)+	2,300	7,534
TOTAL WARRANTS (COST $3,687,775)		4,675,624

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	PRINCIPAL AMOUNT	VALUE
<S>	<C>	<C>
CONVERTIBLE BONDS (1.1%)		
	(IN DEM)	
GERMANY (0.0%)*		
Commerzbank AG, 8.00% due 06/01/07 (Banking)	3,000	$ 2,198
	(IN ITL)	
ITALY (0.1%)		
Istituto Nazionale delle Assicurazioni, 6.50% due 06/ 28/01 (Insurance)	810,000,000	536,924
	(IN CHF)	
SWITZERLAND (0.7%)		
Sandoz Capital BVI. Ltd., 1.25% due 10/23/02 (Financial Services)	2,725,000	3,042,556
Swiss Re Finance Bermuda, 2.00% due 07/06/00 (Financial Services)	1,370,000	1,455,625
		4,498,181

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	(IN GBP)	
UNITED KINGDOM (0.3%)		
BPB Industries, 7.25% due 08/ 25/08 (Industrial)	869,000	1,689,504
TOTAL CONVERTIBLE BONDS (COST $6,170,924)		6,726,807

<CAPTION>

SECURITY DESCRIPTION	PRINCIPAL AMOUNT	VALUE
<S>	<C>	<C>
SHORT-TERM INVESTMENTS (3.2%)		
	(IN USD)	
U.S. TREASURY OBLIGATIONS (0.0%)*		
United States Treasury Bills, 5.03% due 10/10/96++	110,000	$ 108,366
TIME DEPOSITS--FOREIGN (3.2%)		
State Street Bank Cayman Islands (Banking), 4.88% due 07/01/96	18,880,000	18,880,000
TOTAL SHORT-TERM INVESTMENTS (COST $18,988,419)		18,988,366
TOTAL INVESTMENTS (COST $528,972,920) (99.2%)		587,493,430
OTHER ASSETS IN EXCESS OF LIABILITIES (0.8%)		4,611,858
NET ASSETS (100.0%)		$592,105,288

</TABLE>

----

*   Less than 0.1%.

\+   Non-Income-Producing Security.

++   These securities are segregated as collateral for initial margin on futures contracts.

ADR -- ADR after the name of a foreign holdings stands for American Depository Receipt, representing ownership of foreign securities on deposit with a domestic custodian bank.

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

THE EUROPEAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

INDUSTRY DIVERSIFICATION

<TABLE>
<CAPTION>

	PERCENT OF TOTAL INVESTMENTS
<S>	<C>
Banking..	14.4%

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Oil-Services	9.2%
Pharmaceuticals	7.6%
Food, Beverages & Tobacco	7.2%
Insurance	6.7%
Retail	6.5%
Chemicals	5.3%
Telecommunications	3.8%
Automotive	3.5%
Electric	2.9%
Financial Services	2.7%
Broadcasting & Publishing	2.6%
Entertainment, Leisure & Media	2.2%
Electrical Equipment	2.1%
Metals & Mining	2.0%
Multi-Industry	2.0%
Machinery	1.9%
Construction & Housing	1.7%
Telecommunication-Equipment	1.6%
Water	1.4%
Building Materials	1.2%
Electronics	1.2%
Health & Personal Care	0.9%
Aerospace	0.8%
Commercial Services	0.8%
Computer Software	0.8%
Forest Products & Paper	0.8%
Gas Exploration	0.8%
Real Estate	0.6%
Industrial	0.5%
Oil-Production	0.5%
Miscellaneous	3.8%
	100.0%

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
JUNE 30, 1996

<TABLE>

<S>	<C>
ASSETS	
Investments at Value (Cost $528,972,920)	$587,493,430
Cash	2,387,842
Foreign Currency at Value (Cost $9,469,457)	9,550,577
Receivable for Investments Sold	11,795,793
Dividends and Interest Receivable	2,119,986
Deferred Organization Expenses	25,663
Unrealized Appreciation on Open Spot Foreign Currency Contracts	1,735
Variation Margin Receivable	433
Total Assets	613,375,459
LIABILITIES	
Payable for Investments Purchased	20,741,211
Advisory Fee Payable	307,521
Custody Fee Payable	142,339
Administrative Services Fee Payable	23,060
Administration Fee Payable	5,977
Fund Services Fee Payable	1,637
Unrealized Depreciation on Open Spot Foreign Currency Contracts	638
Accrued Trustees' Fees and Expenses	438
Accrued Expenses	47,350
Total Liabilities	21,270,171
NET ASSETS	
Applicable to Investors' Beneficial Interests	$592,105,288

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</TABLE>

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THE EUROPEAN EQUITY PORTFOLIO
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1996

INVESTMENT INCOME		
Dividends (Net of $2,536,808 Foreign Withholding Taxes)		$ 8,129,554
Interest (Net of $4,909 Foreign Withholding Taxes)		555,153
Investment Income		8,684,707
EXPENSES		
Advisory Fee	$ 1,670,174	
Custodian Fees and Expenses	380,317	
Administrative Services Fee	64,388	
Administration Fee	32,409	
Professional Fees	30,570	
Fund Services Fee	14,050	
Trustees' Fees and Expenses	4,816	
Amortization of Organization Expenses	2,655	
Miscellaneous	4,490	
Total Expenses		(2,203,869)
NET INVESTMENT INCOME		6,480,838
NET REALIZED GAIN (LOSS) ON		
Investment Transactions	9,489,058	
Foreign Currency Transactions	(40,859)	
Net Realized Gain		9,448,199
NET CHANGE IN UNREALIZED APPRECIATION OF		
Investments (including $636 net unrealized gains from future contracts)	21,623,570	
Foreign Currency Contracts and Translations	48,454	
Net Change in Unrealized Appreciation		21,672,024
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$37,601,061

</TABLE>

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

THE EUROPEAN EQUITY PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS

	FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	FOR THE PERIOD MARCH 28, 1995 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 1995
INCREASE IN NET ASSETS		
FROM OPERATIONS		
Net Investment Income	$ 6,480,838	$ 4,300,747

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Net Realized Gain on Investments and Foreign Currency Transactions	9,448,199	6,759,498
Net Change in Unrealized Appreciation of Investments and Foreign Currency Translations	21,672,024	36,897,712
Net Increase in Net Assets Resulting from Operations	37,601,061	47,957,957
TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS		
Contributions	173,887,337	432,918,641
Withdrawals	(51,276,075)	(48,983,833)
Net Increase from Investors' Transactions	122,611,262	383,934,808
Total Increase in Net Assets	160,212,323	431,892,765
NET ASSETS		
Beginning of Period	431,892,965	200
End of Period	$592,105,288	$431,892,965

</TABLE>

SUPPLEMENTARY DATA

<TABLE>
<CAPTION>

<S>	<C> FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	<C> FOR THE PERIOD MARCH 28, 1995 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 1995
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.86%(a)	0.90%(a)
Net Investment Income	2.52%(a)	1.67%(a)
Portfolio Turnover	27%(b)	36%(b)

</TABLE>

(a)Annualized.

(b)Not Annualized.

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

THE EUROPEAN EQUITY PORTFOLIO
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The European Equity Portfolio (the "Portfolio"), one of three Portfolios comprising The Series Portfolio (the "Series Portfolio"), is registered under the Investment Company Act of 1940, as amended (the "Act"), 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 on June 24, 1994. The Portfolio's investment objective is to provide a high total return from a portfolio of equity securities of European companies. The Portfolio commenced operations on March 28, 1995. The Declaration of Trust permits the Trustees to issue an unlimited number of beneficial interests in the Portfolio.

Investments in European markets may involve certain considerations and risks not typically associated with investments in the United States. Future economic and political developments in European countries could adversely affect the liquidity or value, or both, of such securities in which the Portfolio is invested. The ability of the issuers of the debt securities held by the Portfolio to meet their obligations may be affected by economic and political developments in a specific industry or region.

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

a) The value of each security for which readily available market quotations exists is based on a decision as to the broadest and most representative market for such security. The value of such security will be based either on the last sale price on a national securities exchange or, in the absence of recorded sales, at the readily available closing bid price on such exchange, or at the quoted bid price in the over-the-counter market. Securities listed on a foreign exchange are valued at the last quoted sale price available before the time when net assets are valued. Unlisted securities are valued at the average of the quoted bid and asked prices in the over-the-counter market. Securities or other assets for which market quotations are not readily available are valued at fair value in accordance with procedures established by the Portfolio's Trustees. Such procedures include the use of independent pricing services, which use prices based upon yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; operating data and general market conditions. All portfolio securities with a remaining maturity of less than 60 days are valued by the amortized cost method.

   Trading in securities on most foreign exchanges and over-the-counter markets is normally completed before the close of the domestic market and may also take place on days on which the domestic market is closed. If events materially affecting the value of foreign securities occur between the time when the exchange on which they are traded closes and the time when the Portfolio's net asset value is calculated, such securities will be valued at fair value in accordance with procedures established by and under the general supervision of the Portfolio's Trustees.

b) The books and records of the Portfolio are maintained in U.S. dollars. The market value of investment securities, other assets and liabilities and forward contracts stated in foreign currencies are translated at the prevailing exchange rates at the end of the period. Purchases, sales, income and expense are translated at the exchange rates prevailing on the respective dates of such

---

   transactions. Translation gains and losses resulting from changes in exchange rates during the reporting period and gains and losses realized upon settlement of foreign currency transactions are reported in the Statement of Operations.

   Although the net assets of the Portfolio are presented at the exchange rates and market values prevailing at the end of the period, the Portfolio does not isolate the portion of the results of operations arising as a result of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities during the period.

c) Securities transactions are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date or at the time that the relevant ex-dividend date and amount becomes known. 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 may enter into forward and spot foreign currency contracts to protect securities and related receivables and payables 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

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exchange rates. Contracts are valued daily based on procedures established by and under the general supervision of the 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 June 30, 1996, the Portfolio had open foreign currency contracts as follows:

SUMMARY OF OPEN SPOT FOREIGN CURRENCY CONTRACTS

PURCHASE CONTRACTS	COST	U.S. DOLLAR VALUE AT 06/30/96	NET UNREALIZED APPRECIATION (DEPRECIATION)
German Mark 140,000, for GBP 59,587, expiring 07/01/96	$ 91,976	$ 92,587	$ (611)
Spanish Peseta 580,000,000, expiring 07/01/96	4,522,064	4,523,796	1,732
SALES CONTRACTS			
German Mark 2,400, expiring 07/01/96	$ 1,570	$ 1,577	$ (7)
German Mark 18,400, expiring 07/02/96	12,091	12,088	3
British Pounds 2,600, expiring 07/02/96	4,020	4,040	(20)
NET UNREALIZED APPRECIATION ON OPEN SPOT FOREIGN CURRENCY CONTRACTS			$ 1,097

e) Futures -- A futures contract is an agreement to purchase/sell a specified quantity of an underlying instrument at a specified future date or to make/receive a cash payment based on the value of a securities index. 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 the 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 changed 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 during the six months ended June 30, 1996 are summarized as follows:

	NUMBER OF CONTRACTS	PRINCIPAL AMOUNT OF CONTRACTS
Contracts opened	16	$ 2,509,639
Contracts closed	0	0
Open at end of period	16	$ 2,509,639

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SUMMARY OF OPEN CONTRACTS AT JUNE 30, 1996	CONTRACTS LONG	NET UNREALIZED APPRECIATION (DEPRECIATION)
Financial Times-Stock Exchange 100-Share Index, expiring 09/01/96	8	$ (3,441)
German Stock Exchange Index, expiring 09/01/96	8	4,077
Totals	16	$ 636

Of the $2,387,842 held as cash at June 30, 1996, $2,386,989 is segregated as collateral for initial margin on futures contracts.

f) 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. The Portfolio earns foreign income which may be subject to foreign withholding taxes at various rates.

g) The Portfolio incurred organization expenses in the amount of $33,000. 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 agreement, the Portfolio pays Morgan at an annual rate of 0.65% of the Portfolio's average daily net assets. For the six months ended June 30, 1996 such fees amounted to $1,670,174.

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 Administration Agreement provides for a fee to be paid to Signature equal to the Portfolio's proportionate share of a complex-wide fee based on the following annual schedule: 0.03% on the first $7 billion of the aggregate average daily net assets of the Portfolio and the other portfolios (the "Master Portfolios") in which The Pierpont Funds, The JPM Institutional Funds or The JPM Adviser Funds invest and 0.01% on the aggregate average daily net assets of the Master Portfolios in excess of $7 billion. The portion of this charge payable by the Portfolio is determined by the proportionate share its net assets bear to the total net assets of The Pierpont Funds, The JPM Institutional Funds, The JPM Advisor Funds and the Master Portfolios. For the six months ended June 30, 1996 such fees amounted to $32,409.

Effective August 1, 1996, administrative functions provided by Signature will be provided by Funds Distributor, Inc. ("FDI"), a registered broker-dealer, and by Morgan. FDI will also become the Portfolio's exclusive placement agent. Under a Co-Administration Agreement between FDI and the Portfolio, FDI's fees are to be paid by the Portfolio (see Note 2c).

c) The Portfolio has an Administrative Services Agreement (the "Services Agreement") with Morgan under which Morgan is responsible for certain aspects of the administration and operation of the Portfolio. Under the

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Services Agreement, the Portfolio has agreed to pay Morgan a fee equal to its proportionate share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Master Portfolios in accordance with the following annual schedule: 0.06% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.03% of the aggregate average daily net assets in excess of $7 billion. The portion of this charge payable by the Portfolio is determined by the proportionate share that the Portfolio's net assets bear to the net assets of the Master Portfolios and investors in the Master Portfolios for which Morgan provides similar services. For the six months ended June 30, 1996 such fees amounted to $64,388.

Effective August 1, 1996, the Services Agreement will be amended such that the aggregate complex-wide fees to be paid by the Portfolio under both the amended Services Agreement and the Co-Administration Agreement (see Note 2b) will be calculated daily based on the aggregate average daily net assets of the Master Portfolios in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.04% of the Master Portfolios' aggregate average daily net assets in excess of $7 billion.

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 $14,050 for the six months ended June 30, 1996.

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 the Master Portfolios. The Trustees' Fees and Expenses shown in the financial statements represents the Portfolio's allocated portion of the total fees and expenses. The Portfolio's Chairman and Chief Executive 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 $1,800.

3. INVESTMENT TRANSACTIONS

Investment transactions (excluding short-term investments) for the six months ended June 30, 1996 were as follows:

COST OF PURCHASES	PROCEEDS FROM SALES
$ 257,572,512	$ 133,033,451

THE JPM ADVISOR FUNDS - THE JPM ADVISOR EUROPEAN EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1995

ASSETS

Investment in The European Equity Portfolio	$ 100
Deferred Organization Expenses	31,966
Total Assets	32,066

LIABILITIES

Organization Expenses Payable	31,966

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Total Liabilities	31,966
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor European Equity Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The European Equity Portfolio (the "Portfolio"), a series of The Series Portfolio, a trust organized under the laws of the State of New York. The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $31,966 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund and the Portfolio which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption, and the amount of such reduction in excess of the unamortized organization expenses of the Fund shall be contributed by the Fund to the Portfolio.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

As of December 31, 1995, the Fund has not commenced operations.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor European Equity Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor European Equity Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at December 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
June 27, 1996

THE JPM ADVISOR JAPAN EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
JUNE 30, 1996

<TABLE>

<S>	<C>
ASSETS	
Investment in The Japan Equity Portfolio ("Portfolio"), at value	$ 124,244
Deferred Organization Expenses	29,837
Total Assets	154,081
LIABILITIES	
Organization Expenses Payable	29,697
Administration Fee Payable	3
Total Liabilities	29,700
NET ASSETS	
Applicable to 11,887 Shares of Beneficial Interest Outstanding (par value $0.001, unlimited shares authorized)	$ 124,381
Net Asset Value, Offering and Redemption Price Per Share	$10.46
ANALYSIS OF NET ASSETS	
Paid-in Capital	$ 28,921
Accumulated Net Investment Loss	(395)
Accumulated Net Realized Gain on Investment and Foreign Currency Transactions	28,340
Net Unrealized Appreciation of Investment and Foreign Currency Translations	67,515

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Net Assets	$ 124,381

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

THE JPM ADVISOR JAPAN EQUITY FUND
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE PERIOD JANUARY 24, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996

INVESTMENT INCOME ALLOCATED FROM PORTFOLIO		
Allocated Dividend Income (Net of $698 Foreign Withholding Taxes)		$ 2,574
Allocated Interest Income		428
Allocated Portfolio Expenses		(1,595)
Net Investment Income Allocated from Portfolio		1,407
FUND EXPENSES		
Transfer Agent Fees	$ 7,545	
Printing Expenses	6,635	
Registration Fees	5,960	
Professional Fees	3,974	
Amortization of Organization Expenses	2,882	
Trustees' Fees and Expenses	1,021	
Administration Fee	26	
Miscellaneous	1,244	
Total Fund Expenses	29,287	
Less: Reimbursement of Expenses	(27,485)	
NET FUND EXPENSES		(1,802)
NET INVESTMENT LOSS		(395)
NET REALIZED GAIN ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS ALLOCATED FROM PORTFOLIO		28,340
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENT AND FOREIGN CURRENCY TRANSLATIONS ALLOCATED FROM PORTFOLIO		67,515
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 95,460

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

THE JPM ADVISOR JAPAN EQUITY FUND
STATEMENT OF CHANGES IN NET ASSETS

	FOR THE PERIOD JANUARY 24, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
INCREASE IN NET ASSETS	
FROM OPERATIONS	

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Net Investment Loss	$ (395)
Net Realized Gain on Investments and Foreign Currency Transactions Allocated from Portfolio	28,340
Net Change in Unrealized Appreciation of Investments and Foreign Currency Translations Allocated from Portfolio	67,515
Net Increase in Net Assets Resulting from Operations	95,460
TRANSACTIONS IN SHARES OF BENEFICIAL INTERESTS	
Proceeds from Shares of Beneficial Interest Sold	1,871,853
Cost of Shares of Beneficial Interest Redeemed	(1,843,031)
Net Increase from Transactions in Shares of Beneficial Interest	28,822
Total Increase in Net Assets	124,282
NET ASSETS	
Beginning of Period	99
End of Period (including accumulated net investment loss of $395)	$ 124,381

</TABLE>

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

THE JPM ADVISOR JAPAN EQUITY FUND
FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the period is as follows:

<TABLE>
<CAPTION>

<S>	<C> FOR THE PERIOD JANUARY 24, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996 (UNAUDITED)
NET ASSET VALUE, BEGINNING OF PERIOD	$ 9.91
INCOME FROM INVESTMENT OPERATIONS	
Net Investment Income	(.03)
Net Realized and Unrealized Gain on Investment and Foreign Currency	.58
Total from Investment Operations	.55
NET ASSET VALUE, END OF PERIOD	$ 10.46
Total Return	5.55%(a)
RATIOS AND SUPPLEMENTAL DATA	
Net Assets at end of Period (in thousands)	$ 124
Ratios to Average Net Assets (b)	
Expenses	1.70%
Net Investment Income	(0.20)%
Decrease Reflected in Expense Ratio due to Expense Reimbursement	.80%(c)

</TABLE>

(a)Not Annualized.

(b)Annualized.

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(c) After consideration of certain state limitations.

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

THE JPM ADVISOR JAPAN EQUITY FUND
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The JPM Advisor Japan Equity Fund (the "Fund") is a separate series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Fund commenced investment operations on January 24, 1996.

The Fund invests all of its investable assets in The Japan Equity Portfolio (the "Portfolio"), a no load, diversified, open-end management investment company having the same investment objective as the Fund. The value of such investment included in the Statement of Assets and Liabilities reflects the Fund's proportionate interest in the net assets of the Portfolio (less than 1% at June 30, 1996). The performance of the Fund is directly affected by the performance of the Portfolio. The financial statements of the Portfolio, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with the Fund's financial statements.

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

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) Distributions to shareholders of net investment income and net realized capital gain, if any, are declared and paid annually.

d) The Fund incurred organization expenses in the amount of $32,684. 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 gain, 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.

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2. TRANSACTIONS WITH AFFILIATES

a) The Trust has retained 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

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of the Fund and pays the compensation of the Fund's officers affiliated with Signature. The Administration Agreement provides for a fee to be paid to Signature equal to the Fund's proportionate share of a complex-wide fee based on the following annual schedule: 0.03% on the first $7 billion of the aggregate average daily net assets of the Portfolio and the other portfolios (the "Master Portfolios") in which series of the Trust, The JPM Institutional Funds, or The Pierpont Funds invest and 0.01% on the aggregate average daily net assets of the Master Portfolios in excess of $7 billion. The portion of this charge payable by the Fund is determined by the proportionate share its net assets bear to the total net assets of the Trust, The JPM Institutional Funds, The Pierpont Funds and the Master Portfolios. For the period January 24, 1996 (commencement of operations) through June 30, 1996, such fees amounted to $26. The fees payable by the Fund under the Administration Agreement between Signature and the Trust are subject to the expense limit provided by the Services Agreement (see Note 2b).

Effective August 1, 1996, administrative functions provided by Signature will be provided by Funds Distributor, Inc. ("FDI"), a registered broker-dealer, and by Morgan Guaranty Trust Company of New York ("Morgan"). FDI will also become the Fund's distributor. The fees payable by the Fund under a Co-Administration Agreement between FDI and the Trust on behalf of the Fund, are based on the Fund's allocable share of a complex-wide fee and will also be subject to the expense limit provided by the Services Agreement (see Note 2b).

b) The Trust, on behalf of the Fund, has a Services Agreement with Morgan under which Morgan would receive a fee, based on the percentage described below, for overseeing certain aspects of the administration and operation of the Fund and for providing shareholder servicing to Fund shareholders. The Services Agreement is also designed to provide an expense limit for certain expenses of the Fund. If total expenses of the Fund, excluding amortization of organization expenses, exceed the expense limit of 0.77% of the Fund's average daily net assets, Morgan will reimburse the Fund for the excess expense amount and receive no fee. Should such expenses be less than the expense limit, Morgan's fee would be limited to the difference between such expenses and the fee calculated under the Services Agreement. For the period January 24, 1996 (commencement of operations) through June 30, 1996, Morgan has agreed to reimburse the Fund $24,880 under the Services Agreement.

In addition to the expenses that Morgan assumes under the Trust's Services Agreement, 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 1.70% of the average daily net assets of the Fund through December 31, 1996. For the period from January 24, 1996 (commencement of operations) through June 30, 1996. Morgan has agreed to reimburse the Fund $2,605 for expenses under this agreement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisors

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and other financial intermediaries who are Schwab's clients. The Fund is not responsible for payments to Schwab under the Schwab Agreements; however, in the event the Services Agreement with the Trust is terminated, the Fund would be responsible for the ongoing payments to Schwab.

c) An aggregate annual fee of $16,000 is paid to each Trustee for serving as a Trustee of The Trust. The Trustees' Fees and Expenses shown in the financial statements represents the Fund's allocated portion of the total fees and expenses.

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>

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<CAPTION>

	FOR THE PERIOD JANUARY 24, 1996 (COMMENCEMENT OF OPERATIONS) THROUGH JUNE 30, 1996
<S>	<C>
Shares of beneficial interest sold....................	181,310
Shares of beneficial interest redeemed................	(169,433)
Net increase..	11,877

</TABLE>

The Japan Equity Portfolio
Semi-Annual Report June 30, 1996
(unaudited)

(The following pages should be read in conjunction
with The JPM Advisor Japan Equity Fund
Semi-Annual Financial Statements)

THE JAPAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)
JUNE 30, 1996

<TABLE>
<CAPTION>

<S> SECURITY DESCRIPTION	<C> SHARES	<C> VALUE
COMMON STOCK (85.1%)		
BASIC INDUSTRIES (8.8%)		
CHEMICALS (3.2%)		
Daido Hoxan Inc.	90,000	$ 579,314
Hitachi Chemical Co. Ltd.	100,000	984,669
Japan Synthetic Rubber	150,000	1,079,034
Kyowa Hakko Kogyo Co. Ltd. .	200,000	1,914,635
Matsumoto Yushi-Seiyaku Co.	37,000	944,553
Mitsui Petrochemical Industries	150,000	1,203,485
Mitsui Toatsu Chemicals	1,248,000	4,926,848
Nippon Zeon Company, Ltd.+	403,000	2,498,507
Tosoh Corp.+	400,000	1,776,052
		15,907,097
DIVERSIFIED MANUFACTURING (1.3%)		
Itoki Crebio Corp.	62,000	560,186
Organo Corp.	20,000	215,169
Sun Wave Corp.	100,000	1,431,417
Ube Industries Ltd.+	1,219,000	4,634,538
		6,841,310
FOREST PRODUCTS & PAPER (1.3%)		
Chuetsu Pulp & Paper Co. Ltd.+	9,000	55,634
Daiken Corp.	25,000	211,977
Honshu Paper Co. Ltd.	432,000	3,060,352
Mitsubishi Pencil Co. Ltd.	10,000	97,555
Sumitomo Forestry Co.	200,000	2,972,243
		6,397,761
METALS & MINING (2.9%)		
Daido Steel Co. Ltd.	416,000	2,055,698
Komai Tekko Inc.	32,000	288,836

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Mitsui Mining & Smelting Co. Ltd.+	580,000	2,369,041
Nippon Steel Corp.	2,824,000	9,680,977
Sumitomo Light Metal Industries Ltd.+	100,000	405,720
		14,800,272

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
PACKAGING & CONTAINERS (0.1%)		
Hokkai Can Co. Ltd.	94,000	$ 741,328
TOTAL BASIC INDUSTRIES ...		44,687,768
CAPITAL GOODS (13.2%)		
BUILDING MATERIALS (0.7%)		
Asahi Glass Co. Ltd.	100,000	1,194,367
Sankyo Aluminium Industries Co. Ltd.	380,000	2,224,259
Yokogawa Bridge Corp.	25,000	341,899
		3,760,525
COMPUTER SYSTEMS (0.3%)		
Fujitsu Ltd.	165,000	1,504,356
CONSTRUCTION & HOUSING (2.9%)		
Hitachi Plant Engineering and Construction Co. Ltd.	130,000	1,037,094
Kawasaki Heavy Industries	200,000	1,012,021
Matsui Construction Co. Ltd.	200,000	1,597,352
Nippon Hodo	115,000	1,950,192
Nishimatsu Construction Co. Ltd.	257,000	2,811,778
Sekisui House Ltd.	100,000	1,139,664
SXL Corp.	50,000	492,335
Toenec Corp.	125,000	1,162,457
Tokyo Denki Komusho Co. Ltd.	103,100	1,080,994
Toyo Construction Co. Ltd.	520,000	2,650,219
		14,934,106
ELECTRICAL EQUIPMENT (3.5%)		
Alps Electric Co. Ltd.	200,000	2,425,204
Fuji Electric Co., Ltd.	1,142,000	6,174,296
Hitachi	798,000	7,421,125
Matsushita Refrigeration Co.	10,000	78,227
Murata Manufacturing Co., Ltd.	26,000	983,758
Ricoh Corp. Ltd.	71,000	750,902
		17,833,512
INDUSTRIAL (0.5%)		
Okamura Corp.	300,000	2,508,172

</TABLE>

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THE JAPAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
MACHINERY (4.6%)		
Aichi Corp.	184,000	$ 1,979,550
Daikin Industries Ltd.	300,000	3,282,231
Ebara Corp.	309,000	4,930,185
Kitz Corp.	370,000	1,922,840
Mitsubishi Heavy Industries Ltd.	734,000	6,377,576
NSK Corp.	73,000	551,752
Sanden Corp.	280,000	2,139,285
Shin Nippon Machinery	48,000	328,223
Yaskawa Electric Corp.+	370,000	1,808,145
		23,319,787
MANUFACTURING (0.7%)		
Topy Industries Co. Ltd. ...	230,000	1,121,885
Tsubakimoto Chain	350,000	2,383,720
		3,505,605
TOTAL CAPITAL GOODS		67,366,063
CONSUMER GOODS & SERVICES (15.4%)		
APPARELS & TEXTILES (0.4%)		
Tomiya Apparel Co. Ltd.	229,000	1,983,471
Toyobo Co. Ltd.	25,000	93,680
		2,077,151
AUTOMOTIVE (4.8%)		
Honda Motor Co.	165,000	4,272,371
Nissan Diesel Motor Co.+ ...	450,000	2,662,710
Nissan Motor Co. Ltd.	600,000	5,322,685
Toyota Auto Body Co. Ltd.	61,000	661,825
Toyota Motor Corp.	324,000	8,093,982
Yokohama Rubber Company Ltd.	400,000	2,505,436
		23,519,009
AUTOMOTIVE SUPPLIES (0.4%)		
Achilles Corp.	209,000	851,766
Nissan Shatai Co.	21,000	132,301
Sumitomo Rubber Industries Ltd.	150,000	1,297,849
		2,281,916

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
BROADCASTING & PUBLISHING (0.9%)		
Gakken Co. Ltd.	273,000	$ 2,021,089
Toppan Printing Co. Ltd. ...	172,000	2,509,083
		4,530,172
COMMERCIAL SERVICES (0.4%)		

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Japan Airport Terminal	133,000	1,879,533
CONSTRUCTION & HOUSING (0.3%)		
Mitsui Home Co.	30,000	486,864
Sanyo Industries	198,000	1,265,464
		1,752,328
ENTERTAINMENT, LEISURE & MEDIA (0.5%)		
Daiwa Kosho Lease Co. Ltd.	15,000	160,009
Kinki Nippon Tourist Co. Ltd.+	192,000	1,540,460
Kyodo Printing Co.	90,000	1,058,520
		2,758,989
FOOD, BEVERAGES & TOBACCO (2.9%)		
Itoham Foods Inc.	444,000	3,380,151
Japan Tobacco, Inc.	434	3,323,806
Nippon Suisan Kaisha Ltd.+	400,000	1,703,113
Pokka Corporation	30,000	361,045
Q.P. Corporation	125,000	1,208,043
Snow Brand Milk Products Co. Ltd.	509,000	3,457,329
Yamazaki Baking Co. Ltd. ...	73,000	1,351,094
		14,784,581
HOUSEHOLD PRODUCTS (0.7%)		
Nippon Sheet Glass	336,000	1,645,054
Uni-Charm Corp.	80,000	2,056,865
		3,701,919
MISCELLANEOUS (0.3%)		
Canon Sales Co. Inc.	57,000	1,585,044
MULTI - INDUSTRY (0.3%)		
Fuji Denki Reiki	135,450	1,728,915

</TABLE>

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

THE JAPAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
RETAIL (3.5%)		
Familymart Co.	54,500	$ 2,424,839
Izumi Co.	97,000	1,936,790
Izumiya Co. Ltd.	201,000	4,031,674
Kansai Super Market Ltd.+	70,000	778,618
Keiyo Co. Ltd.	75,000	943,641
Mizuno Corp.	59,000	554,059
Nichii Co. Ltd.	150,000	2,489,025
Seiyu Ltd.	130,000	1,647,498
Takashimaya Co. Ltd.	200,000	3,099,885
Tokyu Store Chain	17,000	151,739

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		18,057,768

TOTAL CONSUMER GOODS & SERVICES		78,657,325

ENERGY (0.9%)		
OIL-PRODUCTION (0.9%)		
Cosmo Oil Company Ltd.	650,000	4,017,998
Showa Shell Sekiyu K. K. ...	31,000	322,206

		4,340,204

TOTAL ENERGY		4,340,204

FINANCE (27.1%)		
BANKING (20.4%)		
Asahi Bank Ltd.	831,000	9,622,134
Bank of Iwate Limited	4,300	248,556
Bank of Ryukyus	45,000	1,608,293
Bank of Tokyo-Mitsubishi ...	400	9,300
Chuo Trust & Banking Co. Ltd.	331,000	3,259,256
Dai-Ichi Kangyo Bank Ltd.	1,305,000	24,272,099
Daiwa Bank Ltd.	1,333,000	9,212,256
Fukui Bank	688,000	3,958,079
Fukushima Bank Ltd.	45,000	180,523
Hokkaido Takushoku Bank	1,675,000	5,070,135
Hyakugo Bank	400,000	2,673,195
Juroku Bank	291,000	1,591,882
Kagawa Bank	122,000	1,179,050
Keiyo Bank	150,000	882,100
Kita-Nippon Bank	19,000	1,108,665
Kyushu Bank	69,000	290,012
Mitsui Trust & Banking	200,000	2,334,031
Miyazaki Bank	146,000	1,031,623
Nanto Bank Ltd.	252,000	1,812,776

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>

</TABLE>

BANKING (CONTINUED)

<TABLE>

<S>	<C>	<C>
North Pacific Bank	71,000	$ 388,397
Sakura Bank Ltd.	976,000	10,856,162
San-In Godo Bank	31,000	253,808
Sanwa Bank Ltd.	423,000	7,828,942
Shinwa Bank	89,000	547,722
Sumitomo Bank Ltd.	257,000	4,967,474
Sumitomo Trust & Bank	74,000	1,012,021
Suruga Bank Ltd.	103,000	684,591
Toyo Trust & Banking Co. Ltd.	220,000	2,266,563
Yasuda Trust & Banking Co. Ltd.	759,000	4,795,586

		103,945,231

COMMERCIAL SERVICES (0.3%)		
Asatsu Inc.	30,000	1,299,216

FINANCIAL SERVICES (3.6%)		
Daiwa Securities Co. Ltd.	150,000	1,928,311
Diamond Lease Co. Ltd.	100,000	1,358,479
Nomura Securities Co. Ltd.	760,000	14,828,391

		18,115,181

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INSURANCE (1.7%)		
Chiyoda Fire & Marine Insurance Co. Ltd.	271,000	1,593,660
Fuji Fire & Marine	335,000	1,863,122
Koa Fire & Marine Insurance Co. Ltd.	150,000	972,361
Tokio Marine & Fire Insurance Co. Ltd.	328,000	4,366,097
		8,795,240
REAL ESTATE (1.1%)		
Daikyo Inc.	65,000	482,989
Daiwa Danchi Co. Ltd.+	208,000	1,335,066
Heiwa Real Estate	182,500	1,497,518
Mitsui Fudosan Co. Ltd.	180,000	2,428,851
		5,744,424
TOTAL FINANCE		137,899,292

</TABLE>

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

THE JAPAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
HEALTHCARE (2.2%)		
PHARMACEUTICALS (2.2%)		
Chugai Pharmaceutical Co. Ltd.	568,000	$ 5,541,135
Dai Ichi Pharmaceutical Co. Ltd.	100,000	1,540,825
Eisai Co. Ltd.	5,000	94,364
Kissei Pharmaceutical Co.	2,500	69,975
Ono Pharmaceutical	115,000	3,952,809
		11,199,108
TOTAL HEALTHCARE		11,199,108
TECHNOLOGY (8.5%)		
ELECTRONICS (6.3%)		
Canon Inc.	88,000	1,829,297
Kyocera Corp.	47,000	3,320,980
Matsushita Electric Industries Co. Ltd.	478,000	8,890,470
Ryoyo Electro Corp.	50,000	1,075,842
Sony Corp.	130,000	8,545,653
TDK Corp.	90,000	5,366,448
Tokai Rika Denki Co.	147,000	1,581,488
Victor Company of Japan, Ltd.+	100,000	1,431,417
		32,041,595
SEMICONDUCTORS (0.3%)		
Rohm Company	26,000	1,716,242
TELECOMMUNICATIONS (1.9%)		
Nippon Telegraph & Telephone		

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Corp.	1,277	9,453,956
TOTAL TECHNOLOGY		43,211,793
TRANSPORTATION (5.5%)		
RAILROADS (2.5%)		
East Japan Railway Co.	1,552	8,136,286
Nishi-Nippon Railroad	418,000	1,734,021
Tobu Railway Co.	425,000	2,786,022
		12,656,329

<CAPTION>

SECURITY DESCRIPTION	SHARES	VALUE
<S>	<C>	<C>
TRANSPORT & SERVICES (2.4%)		
Hitachi Transport System ...	150,000	$ 1,641,116
Itochu Warehouse Co. Ltd.	47,000	269,964
Kawasaki Kisen Kaisha Ltd.+	873,000	2,944,982
Marubeni Corp.	700,000	3,829,270
Nippon Express Co. Ltd.	150,000	1,463,328
Sankyu Inc.	300,000	1,367,596
Senko Co. Ltd.	136,000	841,929
		12,358,185
WHOLESALE & INTERNATIONAL TRADE (0.6%)		
Kamei Corp.	10,000	121,260
Kawasho Corp.+	152,000	737,262
Tomen Corp.	402,000	1,543,032
Toyota Tsusho Corporation	73,000	499,173
		2,900,727
TOTAL TRANSPORTATION		27,915,241
UTILITIES (3.5%)		
ELECTRIC (2.6%)		
Shikoku Electric Power Inc.	139,780	3,096,834
Tohoku Electric Power Co. Inc.	178,300	3,982,760
Tokyo Electric Power	200,000	5,069,224
Yurtec Corp.	75,000	1,319,730
		13,468,548
NATURAL GAS (.9%)		
Hokuriku Gas	204,000	799,770
Osaka Gas Co.	1,075,000	3,930,244
		4,730,014
TOTAL UTILITIES		18,198,562
TOTAL COMMON STOCK (COST $420,502,552)		433,475,356
WARRANTS (2.2%)		
CONSUMER GOODS & SERVICES (1.0%)		
APPARELS & TEXTILES (0.1%)		
Kuraray Co. Ltd. (Expire 1/26/99)	800	710,000

</TABLE>

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

THE JAPAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

SECURITY DESCRIPTION	SHARES	VALUE
CONSTRUCTION & HOUSING (0.5%)		
Maeda Corp. (Expire 2/5/97)	515	$ 778,937
Misawa Homes (Expire 10/29/99)	3,000	814,930
		1,593,867
MERCHANDISING (0.1%)		
Canon Sales Co. Inc. (Expire 11/11/97)	4,500	737,032
MISCELLANEOUS (0.1%)		
Yuasa Trading Co. Ltd. (Expire 1/12/97)	4,550	748,857
RETAIL (0.2%)		
Parco (Expire 7/21/99)	500	843,750
Marutomi Group Co. Ltd. (Expire 11/24/99)	340	97,792
		941,542
TOTAL CONSUMER GOODS & SERVICES		4,731,298
BASIC INDUSTRIES (0.8%)		
FOREST PRODUCTS & PAPER (0.0%)		
New Oji Paper Co., Ltd. (Expire 7/30/98)	100	161,376
INDUSTRIAL (0.3%)		
Lion Corp. (Expire 6/18/99)	6,020	1,322,664
METALS & MINING (0.5%)		
Dowa Mining Co., Ltd. (Expire 12/9/97)	1,043	1,212,488
Yodogawa Steel Works (Expire 12/10/97)	1,000	1,487,500
		2,699,988
TOTAL BASIC INDUSTRIES		4,184,028
TRANSPORTATION (0.2%)		
RAILROADS (0.2%)		
Nagoya Railroad Co. Ltd. (Expire 1/22/97)	662	976,450
TOTAL TRANSPORTATION		976,450

SECURITY DESCRIPTION	SHARES	VALUE
TECHNOLOGY (0.2%)		
SEMICONDUCTORS (0.2%)		
Rohm Company (Expire 11/20/97)	1,100	$ 1,043,630

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Sanken Electric Co. (Expire 4/2/99)	930	204,332
		1,247,962
TOTAL TECHNOLOGY		1,247,962
TOTAL WARRANTS (COST $11,300,028)		11,139,738

<CAPTION>

FIXED INCOME SECURITIES (0.1%)	PRINCIPAL AMOUNT	
CAPITAL GOODS (0.1%)		
CONSTRUCTION & HOUSING (0.1%)		
Nishimatsu Construction Co. Ltd., 0.5% due 09/30/09	75,000,000	683,798
TOTAL FIXED INCOME SECURITIES (COST $694,627)		683,798
CONVERTIBLE BONDS (7.0%)		
BASIC INDUSTRIES (0.4%)		
DIVERSIFIED MANUFACTURING (0.1%)		
Ryobi Ltd., 2.8% due 03/29/02	48,000,000	512,903
COMMERCIAL SERVICES (0.3%)		
Yamanouchi Pharmacuetical, 1.25% due 03/31/14	140,000,000	1,534,899
TOTAL BASIC INDUSTRIES		2,047,802
CAPITAL GOODS (2.5%)		
COMPUTER SYSTEMS (1.5%)		
NEC Corp., 1.9% due 03/30/01	696,000,000	7,722,652
CONSTRUCTION & HOUSING (0.3%)		
SXL Corp., 2.7% due 03/29/02	150,000,000	1,586,412

</TABLE>

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

THE JAPAN EQUITY PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)
JUNE 30, 1996

<TABLE>
<CAPTION>

SECURITY DESCRIPTION	PRINCIPAL AMOUNT	VALUE
ELECTRICAL EQUIPMENT (0.7%)		
Hitachi Ltd., 2.7% due 03/31/97	$289,000,000	$ 3,351,596
TOTAL CAPITAL GOODS		12,660,660
CONSUMER GOODS & SERVICES (1.8%)		
AUTOMOTIVE (1.3%)		
Toyota Motor Corp., 1.2% due 01/28/98	500,000,000	6,550,786
RETAIL (0.5%)		
Izumiya Co. Ltd., 0.8% due		

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08/31/99	173,000,000	2,429,033
TOTAL CONSUMER GOODS & SERVICES		8,979,819
FINANCE (2.3%)		
FINANCIAL SERVICES (2.1%)		
BOT Cayman Finance Ltd., 4.25% due 03/24/03	780,000,000	10,685,030

<CAPTION>

SECURITY DESCRIPTION	PRINCIPAL AMOUNT	VALUE
REAL ESTATE (0.2%)		
Sekisui House Ltd., 2.5% due 01/31/02	$ 75,000,000	$ 925,179
TOTAL FINANCE		11,610,209
TOTAL CONVERTIBLE BONDS (COST $34,163,749)		35,298,490
TOTAL INVESTMENTS (COST $466,660,957) (94.4%)		480,597,382
OTHER ASSETS IN EXCESS OF LIABILITIES (5.6%)		28,743,528
NET ASSETS (100.0%)		$509,340,910

</TABLE>

+Non-Income Producing Security.

Note: For Federal Income Tax purposes, the cost of securities owned at June 30, 1996 was substantially the same as the cost of securities for financial statement purposes.

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

THE JAPAN EQUITY PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
JUNE 30, 1996

ASSETS	
Investments at Value (Cost $466,660,957)	$480,597,382
Cash	1,317,104
Foreign Currency at Value (Cost $13,528,027)	13,396,202
Receivable for Investments Sold	16,879,005
Dividends Receivable	1,990,435
Interest Receivable	199,757
Deferred Organization Expenses	25,316
Total Assets	514,405,201
LIABILITIES	
Payable for Investments Purchased	4,147,222
Advisory Fee Payable	282,102
Custody Fee Payable	127,179
Administrative Services Fee Payable	22,845
Unrealized Depreciation on Open Spot Foreign Currency Contract	18,099
Administration Fee Payable	5,571
Organization Expenses Payable	3,488
Fund Services Fee Payable	1,552
Accrued Expenses & Other Liabilities	456,233

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Total Liabilities	5,064,291
NET ASSETS	
Applicable to Investors' Beneficial Interests	$509,340,910

</TABLE>

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THE JAPAN EQUITY PORTFOLIO
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1996

<TABLE>

<S>	<C>	<C>
INVESTMENT INCOME		
Dividend Income (Net of $436,764 Foreign Withholding Taxes)		$ 1,747,055
Interest Income (Net of $50,082 Foreign Withholding Taxes)		458,046
Investment Income		2,205,101
EXPENSES		
Advisory Fee	$ 1,581,190	
Custodian Fees and Expenses	221,591	
Administrative Services Fee	60,965	
Professional Fees	30,781	
Administration Fee	30,693	
Fund Services Fee	13,641	
Trustees' Fees and Expenses	4,631	
Amortization of Organization Expense	2,638	
Printing Expenses	1,691	
Insurance Expense	1,316	
Registration Fees	344	
Miscellaneous	1,128	
Total Expenses		(1,950,609)
NET INVESTMENT INCOME		254,492
NET REALIZED GAIN (LOSS) ON INVESTMENTS		
Investment Transactions	10,439,727	
Foreign Currency Transactions	(160,282)	
Net Realized Gain		10,279,445
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS		
Investment	6,839,111	
Foreign Currency Contracts and Translations	(225,135)	
Net Change in Unrealized Appreciation		6,613,976
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$17,147,913

</TABLE>

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

THE JAPAN EQUITY PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S>	<C> FOR THE SIX MONTHS ENDED	<C> FOR THE PERIOD MARCH 28, 1995 (COMMENCEMENT OF

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	JUNE 30, 1996 (UNAUDITED)	OPERATIONS) TO DECEMBER 31, 1995
INCREASE IN NET ASSETS		
FROM OPERATIONS		
Net Investment Income	$ 254,492	$ 314,783
Net Realized Gain on Investment and Foreign Currency Transactions	10,279,445	5,011,111
Net Change in Unrealized Appreciation of Investment and Foreign Currency Translations	6,613,976	7,075,578
Net Increase in Net Assets Resulting from Operations	17,147,913	12,401,472
TRANSACTIONS IN INVESTORS' BENEFICIAL INTEREST		
Contributions	244,370,378	465,133,508
Withdrawals	(164,668,585)	(65,143,876)
Net Increase from Investors' Transactions	79,701,793	399,989,632
Total Increase in Net Assets	96,849,706	412,391,104
NET ASSETS		
Beginning of Period	412,491,204	100,100
End of Period	$509,340,910	$412,491,204

</TABLE>

SUPPLEMENTARY DATA

<TABLE>
<CAPTION>

<S>	<C> FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	<C> FOR THE PERIOD MARCH 28, 1995 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 1995
RATIOS TO AVERAGE NET ASSETS		
Expenses	0.80%(a)	0.87%(a)
Net Investment Income	0.10%(a)	0.12%(a)
Portfolio Turnover	44.07%(b)	60%(b)

</TABLE>

(a) Annualized

(b) Not Annualized

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

THE JAPAN EQUITY PORTFOLIO
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1996

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Japan Equity Portfolio (the "Portfolio"), one of three portfolios comprising The Series Portfolio (the "Series Portfolio"), is registered under the Investment Company Act of 1940, as amended (the "Act"), 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 on June 24, 1994. The Portfolio commenced operations on March 28, 1995. The Portfolio's investment objective is to provide a high total return from a portfolio of equity securities of issuers that have their principal activities in Japan or are organized under Japanese law. The Declaration of Trust permits the Trustees to issue an unlimited number of beneficial interests in the Portfolio.

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Investments in Japanese markets may involve certain considerations and risks not typically associated with investments in the United States. Future economic and political developments in Japan could adversely affect the liquidity or value, or both, of such securities in which the Portfolio is invested. The ability of the issuers of the debt securities held by the Portfolio to meet their obligations may be affected by economic and political developments in a specific industry or region.

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

a) The value of each security for which readily available market quotations exists is based on a decision as to the broadest and most representative market for such security. The value of such security will be based either on the last sale price on a national securities exchange, or, in the absence of recorded sales, at the readily available closing bid price on such exchanges, or at the quoted bid price in the over-the-counter market. Securities listed on a foreign exchange are valued at the last quoted sale price available before the time when net assets are valued. Unlisted securities are valued at the average of the quoted bid and asked prices in the over-the-counter market. Securities or other assets for which market quotations are not readily available are valued at fair value in accordance with procedures established by the Portfolio's Trustees. Such procedures may include the use of independent pricing services, which use prices based upon yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; operating data and general market conditions. All portfolio securities with a remaining maturity of less than 60 days are valued by the amortized cost method.

   Trading in securities on most foreign exchanges and over-the-counter markets is normally completed before the close of the domestic market and may also take place on days on which the domestic market is closed. If events materially affecting the value of foreign securities occur between the time when the exchange on which they are traded closes and the time when the Portfolio's net asset value is calculated, such securities will be valued at fair value in accordance with procedures established by and under the general supervision of the Portfolio's Trustees.

b) The books and records of the Portfolio are maintained in U.S. dollars. The market value of investment securities, other assets and liabilities and foreign currency contracts are translated at the

---

   prevailing exchange rates at the end of the period. Purchases, sales, income and expense are translated at the exchange rate prevailing on the respective dates of such transactions. Translation gains and losses resulting from changes in exchange rates during the reporting period and gains and losses realized upon settlement of foreign currency transactions are reported in the Statement of Operations.

   Although the net assets of the Portfolio are presented at the exchange rates and market values prevailing at the end of the period, the Portfolio does not isolate the portion of the results of operations arising as a result of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities during the period.

c) Securities transactions are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date or at the time that the relevant ex-dividend date and amount becomes known. 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 may enter into forward and spot foreign currency contracts to protect securities and related receivables and payables against

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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 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 June 30, 1996 the Portfolio had open spot foreign currency contract as follows:

SUMMARY OF OPEN CONTRACTS

<TABLE>
<CAPTION>

FOREIGN CURRENCY SALE CONTRACTS	PROCEEDS	U.S. DOLLAR VALUE AT 6/30/96	NET UNREALIZED APPRECIATION (DEPRECIATION)
<S>	<C>	<C>	<C>
Japanese Yen, 1,098,800,000, expiring 7/2/96	$ 10,000,000	$ 10,018,099	($18,099)

</TABLE>

e) 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.

f) The Portfolio incurred organization expenses in the amount of $33,000. 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 agreement, the Portfolio pays Morgan at an annual rate of 0.65% of the Portfolio's average daily net assets. For the six months ended June 30, 1996, such fees amounted to $1,581,190.

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 Administration Agreement provides for a fee to be paid to Signature equal to the Portfolio's proportionate share of a complex-wide fee based on the following annual schedule: 0.03% on the first $7 billion of the aggregate average daily net assets of the Portfolio and the other portfolios (the "Master Portfolios") in which The JPM Institutional Funds, The Pierpont Funds or The JPM Advisor Funds invest and 0.01% on the aggregate average daily net assets of the Master Portfolios in excess of $7 billion. The portion of this charge payable by the Portfolio is determined by the proportionate share its net assets bear to the total net assets of The JPM Institutional Funds, The Pierpont Funds, The JPM Advisor Funds and the Master Portfolios. For the six months ended June 30, 1996, such fees amounted to $30,693.

Effective August 1, 1996, administrative functions provided by Signature will be provided by Funds Distributor, Inc. ("FDI"), a registered broker-dealer, and by Morgan. FDI will also become the Portfolio's exclusive placement agent. Under a Co-Administration Agreement between FDI and the Portfolio, FDI's fees are to be paid by the Portfolio. (see Note

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2c).

c) The Portfolio has an Administrative Services Agreement (the "Services Agreement") with Morgan under which Morgan is responsible for certain aspects of the administration and operation of the Portfolio. Under the Services Agreement, the Portfolio has agreed to pay Morgan a fee equal to its proportionate share of an annual complex-wide charge. This charge is calculated daily based on the aggregate net assets of the Master Portfolios in accordance with the following annual schedule: 0.06% on the first $7 billion of the Master Portfolios aggregate average daily net assets and 0.03% of the aggregate average daily net assets in excess of $7 billion. The portion of this charge payable by the Portfolio is determined by the proportionate share that the Portfolio's net assets bear to the net assets of the Master Portfolios and other investors in the Master Portfolios for which Morgan provides similar services. For the six months ended June 30, 1996, such fees amounted to $60,965.

Effective August 1, 1996, the Services Agreement will be amended such that the aggregate complex-wide fees to be paid by the Portfolio under both the amended Services Agreement and the Co-Administration Agreement (see Note 2b) will be calculated daily based on the aggregate average daily net assets of the Master Portfolios in accordance with the following annual schedule: 0.09% on the first $7 billion of the Master Portfolios' aggregate average daily net assets and 0.04% of the aggregate average daily net assets in excess of $7 billion.

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 $13,641 for the six months ended June 30, 1996.

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 the Master Portfolios. The Trustees' Fees and Expenses shown in the financial statements represent the Portfolio's allocated portion of the total fees and expenses. The Portfolio's Chairman and Chief Executive Officer 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 $1,750.

3. INVESTMENT TRANSACTIONS

Investment transactions (excluding short-term investments) for the six months ended June 30, 1996 were as follows:

<TABLE>
<CAPTION>

COST OF PURCHASES	PROCEEDS FROM SALES
<S>	<C>
$ 288,823,423	$ 215,905,276

</TABLE>

THE JPM ADVISOR FUNDS - THE JPM ADVISOR JAPAN EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1995

ASSETS

Investment in The Japan Equity Portfolio	$ 100
Deferred Organization Expenses	32,684
Total Assets	32,784

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LIABILITIES

Organization Expenses Payable	32,684
Total Liabilities	32,684
COMMITMENTS AND CONTINGENCIES (SEE NOTE 2)	-
Net Assets	$ 100
Net Asset Value Per Share (10 shares of beneficial interest outstanding; unlimited authorized shares of beneficial interest of $0.001 par value), Offering and Redemption Price	$ 10.00

NOTES TO FINANCIAL STATEMENT

NOTE 1 - ORGANIZATION

The JPM Advisor Japan Equity Fund (the "Fund") is a series of The JPM Advisor Funds, a Massachusetts business trust (the "Trust") organized on September 16, 1994, and has been inactive since that date except for matters relating to its organization and registration as an investment company under the Investment Company Act of 1940, as amended, and the sale of 10 shares (the "initial shares") of the Fund to Signature Financial Group, Inc. ("Signature"), the parent company of Signature Broker-Dealer Services, Inc. ("SBDS"), the Trust's administrator and distributor.

The Fund will invest all of its investable assets in The Japan Equity Portfolio (the "Portfolio"), a series of The Series Portfolio, a trust organized under the laws of the State of New York. The Portfolio is an open-end management investment company and has the same investment objective and policies as the Fund.

The Fund has incurred $32,684 in organization expenses based on its allocable pro rata share of total organization expenses for the nine funds in the Trust. These costs are being deferred and will be amortized on a straight line basis over a period not to exceed five years beginning with the commencement of operations of the Fund. The amount paid by the Fund on any redemption by Signature or any other current holder of the Fund's initial shares will be reduced by the pro rata portion of any unamortized organization expenses of the Fund and the Portfolio which the number of initial shares redeemed bears to the total number of initial shares outstanding immediately prior to such redemption, and the amount of such reduction in excess of the unamortized organization expenses of the Fund shall be contributed by the Fund to the Portfolio.

NOTE 2 - SERVICE AGREEMENTS WITH AFFILIATES

The Trust has entered into a Services Agreement with Morgan Guaranty Trust Company of New York ("Morgan") to provide financial and fund accounting services and shareholder servicing for the Fund, as described in the accompanying Trust's registration statement on Form N-lA. The Trust has also entered into separate administration and distribution agreements with SBDS to provide for administrative and distribution services for the Fund, as described in such registration statement. Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisers and other financial intermediaries who are Schwab's clients. The financial responsibilities and other obligations of the Fund under the Schwab Agreements are contingent upon termination of Morgan's Services Agreement with the Trust. The officers of the Trust are employees of SBDS.

NOTE 3 - COMMENCEMENT OF OPERATIONS

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As of December 31, 1995, the Fund has not commenced operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholder and Trustees of
The JPM Advisor Japan Equity Fund

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material respects, the financial position of The JPM Advisor Japan Equity Fund (one of nine funds comprising The JPM Advisor Funds, hereafter referred to as the "Fund") at December 31, 1995, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Fund's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
1177 Avenue of the Americas
New York, New York
June 27, 1996

APPENDIX A
DESCRIPTION OF SECURITY RATINGS

STANDARD & POOR'S

CORPORATE AND MUNICIPAL BONDS

AAA - Debt rated AAA has the highest ratings assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA - Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in a small degree.

A - Debt rated A has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB - Debt rated BBB is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than for debt in higher rated categories.

BB - Debt rated BB is regarded as having less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

COMMERCIAL PAPER, INCLUDING TAX EXEMPT

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A - Issues assigned this highest rating are regarded as having the greatest capacity for timely payment. Issues in this category are further refined with the designations 1, 2, and 3 to indicate the relative degree of safety.

A-1 - This designation indicates that the degree of safety regarding timely payment is very strong.

SHORT-TERM TAX-EXEMPT NOTES

SP-1 - The short-term tax-exempt note rating of SP-1 is the highest rating assigned by Standard & Poor's and has a very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics are given a "plus" (+) designation.

SP-2 - The short-term tax-exempt note rating of SP-2 has a satisfactory capacity to pay principal and interest.

MOODY'S

CORPORATE AND MUNICIPAL BONDS

Aaa - Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa - Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection

may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long term risks appear somewhat larger than in Aaa securities.

A - Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa - Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba - Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

COMMERCIAL PAPER, INCLUDING TAX EXEMPT

Prime-1 - Issuers rated Prime-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations. Prime-1 repayment capacity will normally be evidenced by the following characteristics:

- Leading market positions in well established industries.
- High rates of return on funds employed.
- Conservative capitalization structures with moderate reliance on debt and ample asset protection.
- Broad margins in earnings coverage of fixed financial charges and high internal cash generation.
- Well established access to a range of financial markets and assured sources of alternate liquidity.

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SHORT-TERM TAX EXEMPT NOTES

MIG-1 - The short-term tax-exempt note rating MIG-1 is the highest rating assigned by Moody's for notes judged to be the best quality. Notes with this rating enjoy strong protection from established cash flows of funds for their servicing or from established and broad-based access to the market for refinancing, or both.

MIG-2 - MIG-2 rated notes are of high quality but with margins of protection not as large as MIG-1.

APPENDIX B
INVESTING IN JAPAN AND ASIAN GROWTH MARKETS

JAPAN AND ITS SECURITIES MARKETS

The Japan Equity Portfolio will be subject to general economic and political conditions in Japan. These include future political and economic developments, the possible imposition of, or changes in, exchange controls or other Japanese governmental laws or restrictions applicable to such investments, diplomatic developments, political or social unrest and natural disasters.

Japan is largely dependent upon foreign economies for raw materials. For instance, almost all of its oil is imported, the majority from the Middle East. Oil prices therefore have a major impact on the domestic economy, as is evidenced by the current account deficits triggered by the two oil crises of the 1970s. While Japan is working to reduce its dependence on foreign materials, its lack of natural resources poses a significant obstacle to this effort.

GEOLOGICAL FACTORS. The islands of Japan lie in the western Pacific Ocean, off the eastern coast of the continent of Asia. Japan has in the past experienced earthquakes and tidal waves of varying degrees of severity, and the risks of such phenomena, and damage resulting therefrom, continue to exist.

ASIAN GROWTH MARKETS

The Asia Growth Portfolio will be subject to certain risks and special considerations, including those set forth below, which are not typically associated with investing in securities of U.S. companies. In particular, securities markets in Asian growth markets have been subject to substantial price volatility, often without warning. This potential for sudden market declines should be weighed and balanced against the potential for rapid growth in Asian growth markets. Further, certain securities that the Portfolio may purchase, and investment techniques in which the Portfolio may engage, involve risks, including those set forth below.

INVESTMENT AND REPATRIATION RESTRICTIONS

Foreign investment in the securities markets of several Asian growth markets is restricted or controlled to varying degrees. These restrictions may limit investment in certain of the Asian growth markets and may increase expenses of the Portfolio. For example, certain countries may require governmental approval prior to investments by foreign persons in a particular company or industry sector or limit investment by foreign persons to only a specific class of securities of a company which may have less advantageous terms (including price) than securities of the company available for purchase by nationals. Certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. In addition, the repatriation of both investment income and capital from several of the Asian growth markets is subject to restrictions such as the need for certain government consents. Even where there is no outright restriction on repatriation of capital, the mechanics of repatriation may affect certain aspects of the operation of the Portfolio. For example, Taiwan imposes a waiting period on the repatriation of investment capital for certain foreign investors. Although these restrictions may in the future make it undesirable to invest in the countries to which they apply, the Advisor does not believe that any current repatriation restrictions would preclude the Portfolio from effectively managing its assets.

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If, because of restrictions on repatriation or conversion, the Portfolio were unable to distribute substantially all of its net investment income and long-term capital gains within applicable time periods, the Portfolio could be subject to U.S. federal income and excise taxes which would not otherwise be incurred and may cease to qualify for the favorable tax treatment afforded to

regulated investment companies under the Code, in which case it would become subject to U.S. federal income tax on all of its income and gains.

Generally, there are restrictions on foreign investment in certain Asian growth markets, although these restrictions vary in form and content. In India, Indonesia, Korea, Malaysia, the Philippines, Singapore and Thailand, the Portfolio may be limited by government regulation or a company's charter to a maximum percentage of equity ownership in any one company.

The Advisor has applied for approval from Indian governmental authorities to invest in India on behalf of the Portfolio as a foreign institutional investor (an "FII"). Under the guidelines that apply currently for FIIs, no FII (or members of an affiliated group investing through one or more FIIs) may hold more than 5% of the total issued capital of any Indian company. In addition, all non-resident portfolio investments, including those of all FIIs and their clients, may not exceed 24% of the issued share capital of any Indian company; however, the 24% limit does not apply to investments by FIIs through authorized offshore funds and offshore equity issues. Further, at least 70% of the total investments made by an FII pursuant to its FII authorization must be in equity and equity related instruments such as convertible debentures and tradeable warrants. Under a recently adopted policy, FIIs may purchase new issues of equity securities directly from an Indian company, subject to certain conditions. The procedures for such direct subscription by FIIs of such equity securities are unclear and it is likely that a further limit, in addition to the 24% limit referred to above, may be imposed. The guidelines that apply for FIIs are relatively recent and thus experience as to their application has been limited. At present, FII authorizations are granted for five years and may be renewed with the approval of India governmental authorities.

Korea generally prohibits foreign investment in Won-denominated debt securities and Sri Lanka prohibits foreign investment in government debt securities. In the Philippines, the Portfolio may generally invest in "B" shares of Philippine issuers engaged in partly nationalized business activities, which shares are made available to foreigners, and the market prices, liquidity and rights of which may vary from shares owned by nationals. Similarly, in the People's Republic of China (the "PRC"), the Portfolio may only invest in "B" shares of securities traded on The Shanghai Securities Exchange and The Shenzhen Stock Exchange, currently the two officially recognized securities exchanges in the PRC. "B" shares traded on The Shanghai Securities Exchange are settled in U.S. dollars and those traded on The Shenzhen Stock Exchange are generally settled in Hong Kong dollars.

In Hong Kong, Korea, the Philippines, Taiwan and Thailand, there are restrictions on the percentage of permitted foreign investment in shares of certain companies, mainly those in highly regulated industries, although in Taiwan there are limitations on foreign ownership of shares of any listed company. In addition, Korea also prohibits foreign investment in specified telecommunications companies and the Philippines prohibits foreign investment in mass media companies and companies providing certain professional services.

MARKET CHARACTERISTICS

DIFFERENCES BETWEEN THE U.S. AND ASIAN SECURITIES MARKETS. The securities markets of Asian growth markets have substantially less volume than the New York Stock Exchange, and equity and debt securities of most companies in Asian growth markets are less liquid and more volatile than equity and debt securities of U.S. companies of comparable size. Some of the stock exchanges in Asian growth markets, such as those in the PRC, are in the earliest stages of their development. Many companies traded on securities markets in Asian growth

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markets are smaller, newer and less seasoned than companies whose securities are traded on securities markets in the United States. Investments in smaller companies involve greater risk than is customarily associated with investing in larger

companies. Smaller companies may have limited product lines, markets or financial or managerial resources and may be more susceptible to losses and risks of bankruptcy. Additionally, market making and arbitrage activities are generally less extensive in such markets, which may contribute to increased volatility and reduced liquidity of such markets. Accordingly, each of these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. To the extent that any Asian growth market experiences rapid increases in its money supply and investment in equity securities for speculative purposes, the equity securities traded in any such country may trade at price-earnings multiples higher than those of comparable companies trading on securities markets in the United States, which may not be sustainable. Securities markets in Asian growth markets may also be subject to substantial governmental control, which may cause sudden or prolonged disruptions in market prices unrelated to supply and demand considerations. This may also be true of currency markets.

Brokerage commissions and other transaction costs on securities exchanges in Asian growth markets are generally higher than in the United States. In addition, security settlements may in some instance be subject to delays and related administrative uncertainties, including risk of loss associated with the credit of local brokers.

GOVERNMENT SUPERVISION OF ASIAN SECURITIES MARKETS; LEGAL SYSTEMS. There is less government supervision and regulation of foreign securities exchanges, listed companies and brokers in Asian growth markets than exists in the United States. Less information, therefore, may be available to the Fund than in respect of investments in the United States. Further, in certain Asian growth markets, less information may be available to the Fund than to local market participants. Brokers in Asian growth markets may not be as well capitalized as those in the United States, so that they are more susceptible to financial failure in times of market, political, or economic stress. In addition, existing laws and regulations are often inconsistently applied. As legal systems in some of the Asian growth markets develop, foreign investors may be adversely affected by new laws and regulations, changes to existing laws and regulations and preemption of local laws and regulations by national laws. In circumstances where adequate laws exist, it may not be possible to obtain swift and equitable enforcement of the law. Currently a mixture of legal and structural restrictions affect the securities markets of certain Asian growth markets.

Korea, in an attempt to avoid market manipulation, requires institutional investors to deposit in their broker's account a percentage of the amount to be invested prior to execution of a purchase order. That deposit requirement will expose the Fund to the broker's credit risk. These examples demonstrate that legal and structural developments can be expected to affect the Portfolio, potentially affecting liquidity of positions held by the Portfolio, in unexpected and significant ways from time to time.

FINANCIAL INFORMATION AND STANDARDS. Issuers in Asian growth markets generally are subject to accounting, auditing and financial standards and requirements that differ, in some cases significantly, from those applicable to U.S. issuers. In particular, the assets and profits appearing on the financial statements of an Asian growth market issuer may not reflect its financial position or results of operations in accordance with U.S. generally accepted accounting principles. In addition, for an issuer that keeps accounting records in local currency, inflation accounting rules may require, for both tax and accounting purposes, that certain assets and liabilities be restated on the issuer's balance sheet in order to express items in terms of currency of constant purchasing power. Inflation accounting may indirectly generate losses or profits. Consequently, financial data may be materially affected by restatements for inflation and may not accurately reflect the real condition of those issuers and securities markets. Moreover, substantially less information may be publicly

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available about issuers in Asian growth markets than is available about U.S. issuers.

SOCIAL, POLITICAL AND ECONOMIC FACTORS

Asian growth markets may be subject to a greater degree of social, political and economic instability than is the case in the United States and Western European countries. Such instability may result from, among other things, the following: (i) authoritarian governments or military involvement in political and economic decision-making, and changes in government through extra-constitutional means; (ii) popular unrest associated with demand for improved political, economic and social conditions; (iii) internal insurgencies, (iv) war or hostile relations with neighboring countries; and (v) ethnic, religious and racial disaffection. Such social, political and economic instability could significantly disrupt the principal financial markets in which the Portfolio invests and adversely affect the value of the Portfolio's assets. In addition, there may be the possibility of asset expropriations or future confiscatory levels of taxation affecting the Portfolio.

Few Asian growth markets have western-style or fully democratic governments. Some governments in the region are authoritarian and influenced by security forces. During the course of the last 25 years, governments in the region have been installed or removed as a result of military coups, while others have periodically demonstrated repressive police state characteristics. Disparities of wealth, among other factors, have also led to social unrest in some Asian growth markets, accompanied, in certain cases, by violence and labor unrest. Ethnic, religious and racial disaffection, as evidenced in India, Pakistan and Sri Lanka, have created social, economic and political problems.

Several Asian growth markets have or in the past have had hostile relationships with neighboring nations or have experienced internal insurgency. Thailand has experienced border conflicts with Laos and Cambodia, and India is engaged in border disputes with several of its neighbors, including the PRC and Pakistan. Tension between the Tamil and Sinhalese communities in Sri Lanka has resulted in periodic outbreaks of violence. An uneasy truce exists between North Korea and South Korea, and the recurrence of hostilities remains possible. Reunification of North Korea and South Korea could have a detrimental effect on the economy of South Korea. Also, the PRC continues to claim sovereignty over Taiwan. The PRC is acknowledged to possess nuclear weapons capability; North Korea is alleged to possess or be in the process of developing such a capability.

The economies of most Asian growth markets are heavily dependent upon international trade and are accordingly affected by protective barriers and the economic conditions of their trading partners, principally, the United States, Japan, the PRC and the European Community. The enactment by the United States or other principal trading partners of protectionist trade legislation, reduction of foreign investment in the local economies and general declines in the international securities markets could have a significant adverse effect upon the securities markets of the Asian growth markets. In addition, the economies of some Asian growth markets, Indonesia and Malaysia, for example, are vulnerable to weakness in world prices for their commodity exports, including crude oil.

Governments in certain Asian growth markets participate to a significant degree, through ownership interest or regulation, in their respective economies. Action by these governments could have a significant adverse effect on market prices of securities and payment of dividends.

The PRC has only recently permitted private economic activities and the PRC government has exercised and continues to exercise substantial control over virtually every sector of the PRC economy through regulation and state ownership. Continued economic growth and development in the PRC, as well as opportunities for foreign investment, and prospects of private sector enterprises, in the PRC,

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will depend in many respects on the implementation of the PRC's current program of economic reform, which cannot be assured.

In Hong Kong, British proposals to extend limited democracy have caused a political rift with the PRC, which is scheduled to assume sovereignty over the colony in 1997. Although the PRC has committed by treaty to preserve the economic and social freedoms enjoyed in Hong Kong for 50 years after regaining control of Hong Kong, the continuation of the current form of the economic system in Hong Kong after the reversion will depend on the actions of the government of the PRC. In addition, such reversion has increased sensitivity in Hong Kong to political developments and statements by public figures in the PRC. Business confidence in Hong Kong, therefore, can be significantly affected by such developments and statements, which in turn can affect markets and business performance.

With respect to investments in Taiwan, it should be noted that Taiwan lacks formal diplomatic relations with many nations, although it conducts trade and financial relations with most major economic powers. Both the government of the PRC and the government of the Republic of China in Taiwan claim sovereignty over all of China. Although relations between Taiwan and the PRC are currently peaceful, renewed frictions or hostility could interrupt operations of Taiwanese companies in which the Portfolio invests and create uncertainty that could adversely affect the value and marketability of its Taiwan investments.

With regard to India, agriculture occupies a more prominent position in the Indian economy than in the United States, and the Indian economy therefore is more susceptible to adverse changes in weather. The government of India has exercised and continues to exercise significant influence over many aspects of the economy, and the number of public sector enterprises in India is substantial. Accordingly government actions in the future could have a significant effect on the Indian economy which could affect private sector companies, market conditions and prices and yields of securities held by the Portfolio. Religious and ethnic unrest persists in India. The long standing grievances between the Hindu and Muslim populations resulted in communal violence during 1993 in the aftermath of the destruction of a mosque in Ayodhya by radical elements of the Hindu population. The Indian government is also confronted by separatist movements in several states and the long standing border dispute with Pakistan over the State of Jammu and Kashmir, a majority of whose population is Muslim, remains unsolved. In addition, Indian stock exchanges have in the past been subject to repeated closure including for ten days in December 1993 due to a broker's strike, and there can be no assurance that this will not recur.

THINLY TRADED MARKETS

Compared to securities traded in the United States, all securities of Asian growth market issuers may generally be considered to be thinly traded. Even relatively widely held securities in such countries may not be able to absorb trades of a size customarily transacted by institutional investors, without price disruptions. Accordingly, the Portfolio's ability to reposition itself will be more constrained than would be the case for a typical equity mutual fund.

SETTLEMENT PROCEDURES AND DELAYS

Settlement procedures in Asian growth markets are less developed and reliable than those in the United States and in other developed markets, and the Portfolio may experience settlement delays or other material difficulties. This problem is particularly severe in India where settlement is through physical delivery and, where currently, a severe shortage of vault capacity exists among custodial banks, although efforts are being undertaken to alleviate the shortage. In addition, significant delays are common in registering transfers of securities, and the Portfolio may be unable to sell such securities until the registration process is completed and may experience delays in receipt of

dividends and other entitlement. The recent and anticipated inflow of funds into the Indian securities market has placed added strains on the settlement system and transfer process. In addition, the Portfolio may be subject to significant limitations in the future on the volume of trading during any

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particular period, imposed by its sub-custodian in India or otherwise as a result of such physical or other operational constraints.

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PART C

ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements:

The following financial statements are included in Part A:

Financial Highlights: The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Equity Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor European Equity Fund and The JPM Advisor Asia Growth Fund.

The following financial statements are included in Part B:

The JPM Advisor U.S. Fixed Income Fund
Statement of Assets and Liabilities at October 31, 1995
Statement of Operations for the period March 24, 1995 (Inception Date) to October 31, 1995
Statement of Changes in Net Assets
Financial Highlights
Notes to Financial Statements, October 31, 1995
Statement of Assets and Liabilities at April 30, 1996 (unaudited)
Statement of Operations for the six months ended April 30, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Financial Highlights (unaudited)
Notes to Financial Statements, April 30, 1996 (unaudited)

The U.S. Fixed Income Portfolio
Schedule of Investments at October 31, 1995
Statement of Assets and Liabilities at October 31, 1995
Statement of Operations for the fiscal year ended October 31, 1995
Statement of Changes in Net Assets
Supplementary Data
Notes to Financial Statements, October 31, 1995
Schedule of Investments at April 30, 1996 (unaudited)
Statement of Assets and Liabilities at April 30, 1996 (unaudited)
Statement of Operations for the six months ended April 30, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Supplementary Data (unaudited)
Notes to Financial Statements, April 30, 1996 (unaudited)

The JPM Advisor International Fixed Income Fund
Statement of Assets and Liabilities at September 30, 1995
Notes to Financial Statement, September 30, 1995
Statement of Assets and Liabilities at March 31, 1996 (unaudited)
Statement of Operations for the six months ended March 31, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Financial Highlights (unaudited)
Notes to Financial Statements, March 31, 1996 (unaudited)

The Non-U.S. Fixed Income Portfolio
Schedule of Investments at September 30, 1995
Statement of Assets and Liabilities at September 30, 1995
Statement of Operations for the fiscal year ended September 30, 1995
Statement of Changes in Net Assets
Supplementary Data
Notes to Financial Statement, September 30, 1995
Schedule of Investments at March 31, 1996 (unaudited)

Statement of Assets and Liabilities at March 31, 1996 (unaudited)

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Statement of Operations for the six months ended March 31, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Supplementary Data (unaudited)
Notes to Financial Statements, March 31, 1996 (unaudited)

The JPM Advisor U.S. Equity Fund
Statement of Assets and Liabilities at May 31, 1996
Statement of Operations for the period February 5, 1996 (commencement of operations) to
May 31, 1996
Statement of Changes in Net Assets
Financial Highlights
Notes to Financial Statements, May 31, 1996

The Selected U.S. Equity Portfolio
Schedule of Investments at May 31, 1996
Statement of Assets and Liabilities at May 31, 1996
Statement of Operations For the fiscal year ended May 31, 1996
Statement of Changes in Net Assets
Supplementary Data
Notes to Financial Statements, May 31, 1996

The JPM Advisor U.S. Small Cap Equity Fund
Statement of Assets and Liabilities at May 31, 1996
Statement of Operations for the period January 19, 1996 (commencement of operations) to
May 31, 1996
Statement of Changes in Net Assets
Financial Highlights
Notes to Financial Statements, May 31, 1996

The U.S. Small Company Portfolio
Schedule of Investments at May 31, 1996
Statement of Assets and Liabilities at May 31, 1996
Statement of Operations for the fiscal year ended May 31, 1996
Statement of Changes in Net Assets
Supplementary Data
Notes to Financial Statements, May 31, 1996

The JPM Advisor International Equity Fund
Statement of Assets and Liabilities at October 31, 1995
Notes to Financial Statement, October 31, 1995
Statement of Assets and Liabilities at April 30, 1996 (unaudited)
Statement of Operations for the six months ended April 30, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Financial Highlights (unaudited)
Notes to Financial Statements, April 30, 1996 (unaudited)

The Non-U.S. Equity Portfolio
Schedule of Investments at October 31, 1995
Statement of Assets and Liabilities at October 31, 1995
Statement of Operations for the fiscal year ended October 31, 1995
Statement of Changes in Net Assets
Supplementary Data
Notes to Financial Statements, October 31, 1995
Schedule of Investments at April 30, 1996 (unaudited)
Statement of Assets and Liabilities at April 30, 1996 (unaudited)
Statement of Operations for the six months ended April 30, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Supplementary Data (unaudited)
Notes to Financial Statements, April 30, 1996 (unaudited)

The JPM Advisor Diversified Portfolio
Schedule of Investments at June 30, 1995
Statement of Assets and Liabilities at June 30, 1995
Statement of Operations for the six months ended June 30, 1995
Statement of Changes in Net Assets
Supplementary Data
Notes to Financial Statements, June 30, 1995
Schedule of Investments at December 31, 1995 (unaudited)

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Statement of Assets and Liabilities at December 31, 1995 (unaudited)
Statement of Operations for the fiscal year ended December 31, 1995 (unaudited)
Statement of Changes in Net Assets (unaudited)
Supplementary Data (unaudited)
Notes to Financial Statements, December 31, 1995 (unaudited)

The JPM Advisor Emerging Markets Equity Fund
Statement of Assets and Liabilities at October 31, 1995
Notes to Financial Statement, October 31, 1995
Statement of Assets and Liabilities at April 30, 1996 (unaudited)
Statement of Operations for the six months ended April 30, 1996 (unaudited)
Statement of Changes in Net Assets (unaudited)
Financial Highlights (unaudited)
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(b) Exhibits

1 Declaration of Trust, as amended.1

1(a) Amendment No. 2 to the Amended Declaration of Trust.1

1(b) Amendment No. 3 to the Amended Declaration of Trust.2

2 By-Laws, as amended.1

6 Distribution Agreement between Registrant and Funds Distributor, Inc. ("FDI").3

8 Custodian Contract between Registrant and State Street Bank and Trust Company ("State Street").3

9(a) Co-Administration Agreement between Registrant and FDI.3

9(b) Services Agreement, as amended and restated, between Registrant and Morgan Guaranty Trust Company of New York.3

9(c) Transfer Agency and Service Agreement between Registrant and State Street.3

10 Opinion and consent of Sullivan & Cromwell.3

11 Consents of independent accountants.3

13 Purchase agreements with respect to the Registrant's initial shares.3

16 Schedule for computation of performance quotations.3

17 Financial data schedules.3

18 Powers of attorney.3

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1 Incorporated herein by reference from post-effective amendment no. 1 to the Registrant's registration statement on Form N-1A (the "Registration Statement") as filed with the Securities and Exchange Commission (the "SEC") on September 29, 1995.

2 Incorporated herein by reference from post-effective amendment no. 4 to the Registration Statement as filed with the SEC on April 17, 1996.

3 Filed herewith.

ITEM 25. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH REGISTRANT.

Not applicable.

ITEM 26. NUMBER OF HOLDERS OF SECURITIES.

Title of Class: Shares of Beneficial Interest (par value $0.001)

As of July 31, 1996:

The JPM Advisor U.S. Fixed Income Fund: 1
The JPM Advisor International Fixed Income Fund: 2
The JPM Advisor U.S. Equity Fund: 7
The JPM Advisor U.S. Small Cap Equity Fund: 5
The JPM Advisor International Equity Fund: 4
The JPM Advisor Emerging Markets Equity Fund: 6
The JPM Advisor Asia Growth Fund: 7
The JPM Advisor European Equity Fund: 2
The JPM Advisor Japan Equity Fund: 5
The JPM Advisor Diversified Fund: 0

ITEM 27. INDEMNIFICATION.

Reference is made to Section 5.3 of Registrant's Declaration of Trust and Section 5 of Registrant's Distribution Agreement.

Registrant, its Trustees and officers are insured against certain expenses in connection with the defense of claims, demands, actions, suits, or proceedings, and certain liabilities that might be imposed as a result of such actions, suits or proceedings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "1933 Act"), may be permitted to directors, trustees, officers and controlling persons of the Registrant and the principal underwriter pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the 1933 Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, trustee, officer, or controlling person of the Registrant and the principal underwriter in connection with the successful defense of any action, suite or proceeding) is asserted against the Registrant by such director, trustee, officer or controlling person or principal underwriter in connection with the shares being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication of such issue.

ITEM 28. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER.

Not applicable.

ITEM 29. PRINCIPAL UNDERWRITERS.

(a) FDI, located at 60 State Street, Suite 1300, Boston, Massachusetts 02109, is the principal underwriter of the Registrant's shares. FDI is an indirectly wholly owned subsidiary of Boston Institutional Group, Inc., a holding company, all of whose outstanding shares are owned by key employees. FDI is a broker-dealer registered under the Securities Exchange Act of 1934, as amended.

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FDI acts as principal underwriter of the following investment companies other than the Registrant:

BJB Investment Funds
Foreign Fund, Inc.
Fremont Mutual Funds
H.T. Insight Funds, Inc.
The Harris Insight Funds Trust
LKCM Fund
The Munder Funds, Inc.
The Munder Funds Trust
The PanAgora Institutional Funds
RCM Capital Funds,Inc.
RCM Equity Funds, Inc.
Skyline Funds
St. Clair Funds, Inc.
Waterhouse Investors Cash Management Fund, Inc.

FDI does not act as depositor or investment adviser of any investment companies.

(b) The following is a list of officers, directors and partners of FDI. The principal address of all officers and directors is 60 State Street, Suite 1300, Boston, Massachusetts 02109.

Name; Positions and Offices with Underwriter; Position and Offices with Registrant:

Marie E. Connolly; Director, President and Chief Executive Officer; Vice President and Assistant Treasurer

Richard W. Ingram; Senior Vice President; President and Treasurer

John E. Pelletier; Senior Vice President and General Counsel; Vice President and Secretary

Donald R. Roberson; Senior Vice President; None

John F. Tower III; Senior Vice President, Chief Financial Officer and Treasurer; Vice President and Assistant Treasurer

Rui M. Moura; First Vice President; None

Bernard A. Whalen; First Vice President; None

John W. Gomez; Chairman and Director; None

William J. Nutt; Director; None

The information required by this Item 29 with respect to each director and officer of FDI is incorporated herein by reference to Schedule A of Form BD filed by FDI pursuant to the Securities Exchange Act of 1934 (SEC File No. 20518).

(c) Not applicable.

ITEM 30. LOCATION OF ACCOUNTS AND RECORDS.

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, as amended (the "1940 Act"), and the Rules thereunder will be maintained at the offices of:

Morgan Guaranty Trust Company of New York: 60 Wall Street, New York, New York 10260-0060, 9 West 57th Street, New York, New York 10019 or 522 Fifth Avenue, New York, New York 10036 (records relating to its functions as shareholder servicing agent and services agent).

State Street Bank and Trust Company: 1776 Heritage Drive, North Quincy, Massachusetts 02171 (records relating to its functions as custodian, transfer agent and dividend disbursing agent).

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Funds Distributor, Inc.: 60 State Street, Suite 1300, Boston, Massachusetts 02109 (records relating to its functions as distributor and co-administrator).

ITEM 31. MANAGEMENT SERVICES.

Not applicable.

ITEM 32. UNDERTAKINGS.

(a) If the information called for by Item 5A of Form N-1A is contained in the latest annual report to shareholders, the Registrant shall furnish each person to whom a prospectus is delivered with a copy of the Registrant's latest annual report to shareholders upon request and without charge.

(b) The Registrant undertakes to file a post-effective amendment, using financials which need not be certified, within four to six months following the commencement of public investment operations of the Registrant's U.S. Fixed Income, International Fixed Income and Diversified Funds. The financial statements included in such amendment will be as of and for the time period ended on a date reasonably close or as soon as practicable to the date of the filing of the amendment.

(c) The Registrant undertakes to comply with Section 16(c) of the 1940 Act as though such provisions of the 1940 Act were applicable to the Registrant, except that the request referred to in the third full paragraph thereof may only be made by shareholders who hold in the aggregate at least 10% of the outstanding shares of the Registrant, regardless of the net asset value of shares held by such requesting shareholders.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirements for effectiveness of this registration statement pursuant to Rule 485(b) under the Securities Act of 1933, and has duly caused this post-effective amendment to its registration statement on Form N-1A to be signed on its behalf by the undersigned, thereto duly authorized in the City of Boston and Commonwealth of Massachusetts on the 22nd day of August, 1996.

THE JPM ADVISOR FUNDS

By /s/ Richard W. Ingram

Richard W. Ingram
President and Treasurer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on August 22, 1996.

/s/ Richard W. Ingram

Richard W. Ingram
President and Treasurer

/s/ John E. Baumgardner, Jr.*

John E. Baumgardner, Jr.
Trustee

/s/ John C. Cox*

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----
John C. Cox
Trustee

/s/ John R. Rettberg*

John R. Rettberg
Trustee

/s/ John F. Ruffle*

John F. Ruffle
Trustee

/s/ Kenneth Whipple, Jr.*

Kenneth Whipple, Jr.
Trustee

*By /s/ Richard W. Ingram

Richard W. Ingram
as attorney-in-fact pursuant to a power of attorney filed herewith.

SIGNATURES

Each Portfolio has duly caused this registration statement on Form N-1A ("Registration Statement") of The JPM Advisor Funds (the "Trust") (File No. 33-84798) to be signed on its behalf by the undersigned, thereto duly authorized, in the City of George Town, Grand Cayman, Cayman Islands, B.W.I., on the 22nd day of August, 1996.

THE U.S. FIXED INCOME PORTFOLIO, THE SELECTED U.S. EQUITY PORTFOLIO, THE U.S. SMALL COMPANY PORTFOLIO, THE NON-U.S. EQUITY PORTFOLIO, THE DIVERSIFIED PORTFOLIO, THE EMERGING MARKETS EQUITY PORTFOLIO, THE NON-U.S. FIXED INCOME PORTFOLIO AND THE SERIES PORTFOLIO

/s/ Lenore McCabe
By -------------------------
Lenore McCabe
Assistant Secretary and Assistant Treasurer

Pursuant to the requirements of the Securities Act of 1933, the Trust's Registration Statement has been signed below by the following persons in the capacities indicated on August 22, 1996.

/s/ Richard W. Ingram*

Richard W. Ingram
President and Treasurer (Principal Financial and Accounting Officer) of the Portfolios

/s/ Matthew Healey*

Matthew Healey
Chairman and Chief Executive Officer (Principal Executive Officer) of the Portfolios

/s/ Frederick S. Addy*

Frederick S. Addy
Trustee of the Portfolios

/s/ William G. Burns*

William G. Burns

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Trustee of the Portfolios

/s/ Arthur C. Eschenlauer*

Arthur C. Eschenlauer
Trustee of the Portfolios

/s/ Michael P. Mallardi*

Michael P. Mallardi
Trustee of the Portfolios

/s/ Lenore McCabe
*By ------------------------
Lenore McCabe
as attorney-in-fact pursuant to a power of attorney filed herewith.

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibit
6	Distribution Agreement between Registrant and Funds Distributor, Inc.
8	Custodian Contract between Registrant and State Street Bank and Trust Company.
9(a)	Co-Administration Agreement between Registrant and Funds Distributor, Inc.
9(b)	Services Agreement, as amended and restated, between Registrant and Morgan Guaranty Trust Company of New York.
9(c)	Transfer Agency and Service Agreement between Registrant and State Street Bank and Trust Company.
10	Opinion and consent of Sullivan & Cromwell.
11	Consents of independent accountants.
13	Purchase agreements with respect to the Registrant's initial shares.
16	Schedule for computation of performance quotations.
17	Financial data schedules.
18	Powers of attorney.

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Exhibit 6

THE JPM ADVISOR FUNDS
DISTRIBUTION AGREEMENT

DISTRIBUTION AGREEMENT, made as of this 1st day of August, 1996, between THE JPM ADVISOR FUNDS, an unincorporated business trust organized under the laws of the Commonwealth of Massachusetts (the "Trust"), and FUNDS DISTRIBUTOR, INC., a Massachusetts corporation (the "Distributor").

WITNESSETH:

WHEREAS, the Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company;

WHEREAS, the Shares of Beneficial Interest (par value $0.001 per share) of the Trust (the "Shares") are divided into multiple series (such series together with any other series which may in the future be established, the "Funds");

WHEREAS, it is in the interest of the Trust to be able to offer Shares of each Fund for sale continuously and to appoint a broker registered under the Securities Exchange Act of 1934 and various state broker registration statutes for the purpose of facilitating such offers and sales;

WHEREAS, the Trust and the Distributor wish to enter into an agreement with each other with respect to the continuous offering of Shares of the Funds;

NOW, THEREFORE, the parties agree as follows:

Section 1. APPOINTMENT OF THE DISTRIBUTOR. The Trust hereby appoints the Distributor its exclusive agent in connection with the offering and sale of the Shares on the terms set forth in this Agreement and the Distributor hereby accepts such appointment and agrees to act hereunder.

Section 2. SERVICES AND DUTIES OF THE DISTRIBUTOR.

(a) The Distributor agrees to offer and sell, as agent for the Trust, from time to time during the term of this Agreement, Shares upon the terms described in the Prospectus relating to such Shares. As used in this Agreement, the term "Prospectus" shall mean the prospectus, including any information incorporated by reference therein, relating to such Shares included as part of the Trust's Registration Statement, as such prospectus may be amended or supplemented from time to time, and the term "Registration Statement" shall mean the Registration Statement most recently filed from time to time by the Trust with the Securities and Exchange Commission and effective under the Securities Act of 1933, as amended (the "1933 Act") and the 1940 Act, as such Registration Statement may be

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amended by any amendments thereto at the time in effect.

(b) The Distributor will hold itself available to receive orders, satisfactory to the Distributor, for the purchase of Shares and will establish procedures for the acceptance and transmission of orders on behalf of the Trust, which procedures shall be reasonably acceptable to the Trust. The Distributor shall promptly forward to the Trust's custodian funds received in respect of purchases of Shares. Purchase orders shall be deemed effective at the time and in the manner set forth in the Prospectus relating to such Shares.

(c) The offering price of the Shares shall be the net asset value per Share (as defined in or pursuant to the Declaration of Trust of the Trust and determined as set forth in the Prospectus relating to such Shares) next determined following receipt of an order. The Trust shall furnish the Distributor, with all possible promptness, an advice of each computation of net asset value of Shares of each Fund.

(d) The Distributor shall not be obligated to sell any certain number of Shares and nothing herein contained shall prevent the Distributor from entering into like distribution arrangements with other investment companies.

Section 3. DUTIES OF THE TRUST.

(a) The Trust agrees to sell Shares of each Fund so long as it has Shares available for sale and to cause the Trust's transfer agent to record on its books the ownership of (or deliver certificates, if any, for) such Shares registered in such names and amounts as the Distributor has requested in writing or other means of data transmission, as promptly as practicable after receipt by the Trust of the net asset value thereof and written request of the Distributor therefor.

(b) The Trust shall keep the Distributor fully informed with regard to the Trust's affairs and shall furnish to the Distributor copies of all information, financial statements and other papers which may be necessary for use in connection with the sale of Shares of the Funds, and this shall include one certified copy, upon request by the Distributor, of all financial statements prepared for the Trust by independent accountants and such number of copies of its most current Prospectuses as may be necessary to accompany confirmation of sales and annual and interim reports and Prospectuses for delivery to existing shareholders.

(c) The Trust shall take, from time to time, such steps, including payment of the related filing fee, as may be necessary to register its Shares under the 1933 Act to the end that there will be available for sale such number of Shares as the Distributor may be expected to sell. The Trust agrees to file from time to time such amendments, reports and other documents as may be necessary in

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order that there may be no untrue statement of a material fact in a Registration Statement or Prospectuses, or necessary in order that there may be no omission to state a material fact in the Registration Statement or Prospectuses which omission would make the statements therein misleading.

(d) The Trust, through Funds Distributor, Inc. as Co-Administrator, shall use its best efforts to qualify and maintain the qualification of any appropriate number of the Shares of each Fund for sale under the securities laws of such states as the Distributor and the Trust may approve, and, if necessary or appropriate in connection therewith, to qualify and maintain the qualification of the Trust as a broker or dealer in such states; provided that the Trust shall not be required to amend its Declaration of Trust or By-laws to comply with the laws of any state, to maintain an office in any state, to change the terms of the offering of the Shares in any state from the terms set forth in its Registration Statement and Prospectuses, to qualify as a foreign corporation in any state or to consent to service of process in any state other than with respect to claims arising out of the offering of the Shares. The Distributor shall furnish such information and other material relating to its affairs and activities as may be required by such Co-Administrator in connection with such qualifications.

Section 4. EXPENSES. The Trust shall bear all costs and expenses necessary for the continuous sale of the Shares such as: (i) fees and disbursements of its counsel and independent accountants; (ii) the preparation, filing and printing of any registration statements and/or prospectuses required to be filed by and under the Federal and state

securities laws; (iii) the preparation and mailing of annual and interim reports, prospectuses and proxy materials to shareholders; and (iv) the qualifications of Shares for sale and of the Trust as a broker or dealer under the securities laws of such states or other jurisdictions as shall be selected by the Trust and the Distributor pursuant to Section 3(d) hereof and the cost and expenses payable to each such state for continuing qualification therein in connection with such sale. Since the Trust has not adopted a plan under Rule 12b-1 of the 1940 Act, the Distributor is directed and agrees that it will not incur any expenses which would require the Trust to adopt a plan under Rule 12b-1.

Section 5. INDEMNIFICATION. The Trust agrees to indemnify, defend and hold the Distributor, its officers and directors and any person who controls the Distributor within the meaning of Section 15 of the 1933 Act, free and harmless from and against any and all claims, demands, liabilities and expenses (including the cost of investigating or defending such claims, demands or liabilities and any counsel fees incurred in connection therewith) which the Distributor, its officers, directors or any such controlling person may incur under the 1933 Act, or under common law or otherwise, arising out of or based

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upon any untrue statement of a material fact contained in the Registration Statement or Prospectus or arising out of or based upon any alleged omission to state a material fact required to be stated in either thereof or necessary to make the statements in either thereof not misleading, except insofar as such claims, demands, liabilities or expenses arise out of or are based upon any such untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information furnished in writing by the Distributor to the Trust for use in the Registration Statement or Prospectus; provided, however, that this indemnity agreement, to the extent that it might require indemnity of any person who is also an officer or Trustee of the Trust or who controls the Trust within the meaning of Section 15 of the 1933 Act, shall not inure to the benefit of such officer, Trustee or controlling person unless a court of competent jurisdiction shall determine, or it shall have been determined by controlling precedent, that such result would not be against public policy as expressed in the 1933 Act; and further provided that in no event shall anything contained herein be so construed as to protect the Distributor against any liability to the Trust or to its securities holders to which the Distributor would otherwise be subject by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties, or by reason of its reckless disregard of its obligations under this Agreement. The Trust's agreement to indemnify the Distributor, its officers and directors and any such controlling person, as aforesaid is expressly conditioned upon the Trust's being promptly notified of any action brought against the Distributor, its officers or directors, or any such controlling person, such notification to be given to the Trust in accordance with Section 9, with a copy to Stephen K. West, Sullivan & Cromwell, 125 Broad Street, New York, New York 10004. The Trust agrees promptly to notify the Distributor of the commencement of any litigation or proceedings against it or any of its officers or Trustees in connection with the issue and sale of any Shares.

The Distributor agrees to indemnify, defend and hold the Trust, its Trustees and officers and any person who controls the Trust, if any, within the meaning of Section 15 of the 1933 Act, free and harmless from and against any and all claims, demands, liabilities and expenses (including the cost of investigating or defending against such claims, demands or liabilities and any counsel fees incurred in connection therewith) which the Trust, its Trustees or officers of any such controlling person may incur under the 1933 Act or under common law or otherwise, but only the extent that such liability or expense incurred by the Trust, its Trustees or officers or such controlling person resulting from such claims or demands shall arise out of or be based upon any alleged untrue statement of a material fact contained in information furnished in writing by the Distributor to the Trust for use in the

preparation of the Registration Statement or Prospectus or shall arise out of or be based upon any alleged omission to state a material fact in such information or a fact necessary to make such information not misleading, it being understood

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that the Trust will rely upon the information provided by the Distributor for use in the preparation of the Registration Statement and Prospectus. The Distributor's agreement to indemnify the Trust, its Trustees and officers, and any such controlling person as aforesaid is expressly conditioned upon the Distributor's being promptly notified of any action brought against the Trust, its Trustees or officers or any such controlling person, such notification to be given to the Distributor in accordance with Section 9.

Section 6. LIMITATION OF LIABILITY. The Distributor shall not be liable for any error of judgment or for any loss suffered by the Trust in connection with the matters to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or for reckless disregard by it of its obligations and duties under this Agreement.

Section 7. COMPLIANCE WITH SECURITIES LAWS. The Trust represents that it is registered as an open-end management investment company under the 1940 Act, and agrees that it will comply with the provisions of the 1940 Act and of the rules and regulations thereunder. The Trust and the Distributor each agree to comply with the applicable terms and provisions of the 1940 Act, the 1933 Act and, subject to the provisions of Section 3(d), applicable state securities laws. The Distributor agrees to comply with the applicable terms and provisions of the Securities Exchange Act of 1934.

Section 8. TERM OF AGREEMENT; TERMINATION. This Agreement shall commence on the date first set forth above. This Agreement shall continue in effect for a period more than two years from the date hereof only so long as such continuance is specifically approved at least annually in conformity with the requirements of the 1940 Act.

This Agreement shall terminate automatically in the event of its assignment (as defined the 1940 Act). In addition, this Agreement may be terminated by either party at any time, without penalty, on not less than sixty (60) days' written notice to the other party.

Section 9. NOTICES. Any notice required to be given pursuant to this Agreement shall be deemed duly given if delivered or mailed by registered mail, postage prepaid: (1) to the Distributor at Funds Distributor, Inc., 60 State Street, 13th Floor, Boston, Massachusetts 02109, Attention: President with a copy to General Counsel; or (2) to the Trust at The JPM Advisor Funds, at its address as set forth in its Prospectuses, Attention: Treasurer, with a copy to Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York 10036, Attention: Funds Management or at such other address as either party may from time to time specify to the other party pursuant to this Section 9.

Section 10. CONFIDENTIALITY. The Distributor agrees on behalf of itself and its employees to treat confidentially and as proprietary information of the Trust all records and other information not otherwise publicly available relative to the Trust and its prior, present or potential shareholders and not to use such records and information for any purpose other than performance of its responsibilities and duties hereunder, except after prior notification to

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and approval in writing by the Trust, which approval shall not be unreasonably withheld and may not be withheld where the Distributor may be exposed to civil or criminal contempt proceedings for failure to comply, when requested to divulge such information by duly constituted authorities, or when so requested by the Trust.

Section 11. NO LIABILITY OF SHAREHOLDERS, TRUSTEES, ETC. The Trustees have authorized the execution of this Agreement in their capacity as Trustees and not individually and the Distributor agrees that neither the shareholders nor the Trustees nor any officer, employee, representative or agent of the Trust shall be personally liable upon, nor shall resort be had to their private property for the satisfaction of, obligations given, executed or delivered on behalf of or by the Trust, that the shareholders, Trustees, officers, employees, representatives and agents of the Trust shall not be personally liable hereunder, and that it shall look solely to the property of the Trust for the satisfaction of any claim hereunder.

Section 12. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE JPM ADVISOR FUNDS

By /s/ John E. Pelletier
John E. Pelletier, Vice President
and Secretary

FUNDS DISTRIBUTOR, INC.

By /s/ Marie E. Connolly
Marie E. Connolly, President and
Chief Executive Officer

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Exhibit 8

CUSTODIAN CONTRACT
Between
THE JPM ADVISOR FUNDS
and
STATE STREET BANK AND TRUST COMPANY

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CUSTODIAN CONTRACT

This Contract between The JPM Advisor Funds, a business trust organized and existing under the laws of the Commonwealth of Massachusetts, having its principal place of business at 6 St. James Avenue, Boston, Massachusetts 02116 hereinafter called the "Fund", and State Street Bank and Trust Company, a Massachusetts trust company, having its principal place of business at 225 Franklin Street, Boston, Massachusetts, 02110, hereinafter called the "Custodian",

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WITNESSETH:

WHEREAS, the Fund is authorized to issue shares in separate series, with each such series representing interests in a separate portfolio of securities and other assets; and

WHEREAS, the Fund offers shares in nine series, The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Fixed Income Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor International Equity Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund, and The JPM Advisor Japan Equity Fund, such series together with all other series subsequently established

by the Fund and made subject to this Contract in accordance with paragraph 17, being herein referred to as the "Portfolio(s)");

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. EMPLOYMENT OF CUSTODIAN AND PROPERTY TO BE HELD BY IT

The Fund hereby employs the Custodian as the custodian of the assets of the Portfolios of the Fund, including securities which the Fund, on behalf of the applicable Portfolio, desires to be held in places within the United States ("domestic securities") and securities it desires to be held outside the United States ("foreign securities") pursuant to the provisions of the Fund's Declaration of Trust. The Fund on behalf of the Portfolio(s) agrees to deliver to the Custodian all securities and cash of the Portfolio(s), and all payments of income, payments of principal or capital distributions received by it with respect to all securities owned by the Portfolio(s) from time to time, and the cash consideration received by it for such new or treasury shares of beneficial interest of the Fund representing interests in the Portfolio(s) ("Shares") as may be issued by the Fund or sold from time to time. The Custodian shall not be responsible for any property

of a Portfolio held or received by the Portfolio and not delivered to the Custodian.

Upon receipt of "Proper Instructions" (within the meaning of Article 5), the Custodian shall on behalf of the applicable Portfolio(s) from time to time employ one or more sub-custodians, located in the United States but only in accordance with an applicable vote by the Board of Trustees of the Fund on behalf of the applicable Portfolio(s), and provided that the Custodian shall have no more or less responsibility or liability to the Fund on account of any actions or omissions of any sub-custodian so employed than any such sub-custodian has to the Custodian. The Custodian may employ as sub-custodian

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for the Fund's foreign securities on behalf of the applicable Portfolio(s) the foreign banking institutions and foreign securities depositories, if any, designated in Schedule A hereto but only in accordance with the provisions of Article 3.

2. DUTIES OF THE CUSTODIAN WITH RESPECT TO PROPERTY OF THE PORTFOLIOS HELD BY THE CUSTODIAN IN THE UNITED STATES

2.1 HOLDING SECURITIES. The Custodian shall hold and physically segregate for the account of each Portfolio all non-cash property, to be held by it in the United States including all domestic securities owned by such Portfolio,

other than (a) securities which are maintained pursuant to Section 2.10 in a clearing agency which acts as a securities depository or in a book-entry system authorized by the U.S. Department of the Treasury, collectively referred to herein as "Securities System" and (b) commercial paper of an issuer for which the Custodian acts as issuing and paying agent ("Direct Paper") which is deposited and/or maintained in the Direct Paper System of the Custodian pursuant to Section 2.10A.

2.2 DELIVERY OF SECURITIES. The Custodian shall release and deliver domestic securities owned by a Portfolio held by the Custodian or in a Securities System account of the Custodian or in the Custodian's Direct Paper book entry system account ("Direct Paper System Account") only upon receipt of Proper Instructions from the Fund on behalf of the Portfolio(s), which may be continuing instructions when deemed appropriate by the parties, and only in the following cases:

1) Upon sale of such securities for the account of the Portfolio and receipt of payment therefor;

2) Upon the receipt of payment in connection with any repurchase agreement related to such securities entered into by the Portfolio;

3) In the case of a sale effected through a Securities System, in accordance with the provisions of Section 2.10 hereof;

4) To the depository agent in connection with tender or other similar offers for securities of the Portfolio;

5) To the issuer thereof or its agent when such securities are called, redeemed, retired or otherwise become payable; provided

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that, in any such case, the cash or other consideration is to be delivered to the Custodian;

6) To the issuer thereof, or its agent, for transfer into the name of the Portfolio or into the name of any nominee or nominees of the Custodian or into the name or nominee name of any agent appointed pursuant to Section 2.9 or into the name or nominee name of any sub-custodian appointed pursuant to Article 1; or for exchange for a

different number of bonds, certificates or other evidence representing the same aggregate face amount or number of units; PROVIDED that, in any such case, the new securities are to be delivered to the Custodian;

7) Upon the sale of such securities for the account of the Portfolio, to the broker or its clearing agent, against a receipt, for examination in accordance with "street delivery" custom; provided that in any such case, the Custodian shall have no responsibility or liability for any loss arising from the delivery of such securities prior to receiving payment for such securities except as may arise from the Custodian's own negligence or willful misconduct;

8) For exchange or conversion pursuant to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the securities of the issuer of such securities, or pursuant to provisions for conversion contained in such securities, or pursuant to any

deposit agreement; provided that, in any such case, the new securities and cash, if any, are to be delivered to the Custodian;

9) In the case of warrants, rights or similar securities, the surrender thereof in the exercise of such warrants, rights or similar securities or the surrender of interim receipts or temporary securities for definitive securities; provided that, in any such case, the new securities and cash, if any, are to be delivered to the Custodian;

10) For delivery in connection with any loans of securities made by the Portfolio, BUT ONLY against receipt of adequate collateral as agreed upon from time to time by the Custodian and the Fund on

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behalf of the Portfolio, which may be in the form of cash or equivalent collateral or by a letter of credit equal at all times to 100% of the market value of the securities loaned plus accrued income, except that in connection with any loans for which collateral is to be credited to

the Custodian's account in the book-entry system authorized by the U.S. Department of the Treasury, the Custodian will not be held liable or responsible for the delivery of securities owned by the Portfolio prior to the receipt of such collateral;

11) For delivery as security in connection with any borrowings by the Fund on behalf of the Portfolio requiring a pledge of assets by the Fund on behalf of the Portfolio, BUT ONLY against receipt of amounts borrowed;

12) For delivery in accordance with the provisions of any agreement among the Fund on behalf of the Portfolio, the Custodian and a broker-dealer registered under the Securities Exchange Act of 1934 (the "Exchange Act") and a member of the National Association of Securities Dealers, Inc. (the "NASD"), relating to compliance with the rules of the Options Clearing Corporation and of any registered national securities exchange, or of any similar organization or

organizations, regarding escrow or other arrangements in connection with transactions by the Portfolio;

13) For delivery in accordance with the provisions of any agreement among the Fund on behalf of the Portfolio, the Custodian and a Futures Commission merchant registered under the Commodity Exchange Act, relating to compliance with the rules of the Commodity Futures Trading Commission and/or any contract market, or any similar organization or organizations, regarding account deposits in connection with transactions by the Portfolio;

14) Upon receipt of instructions from the Fund's transfer agent (the "Transfer Agent"), for delivery to the Transfer Agent or to the holders of shares in connection with distributions in kind, as may be described from time to time in the currently effective prospectus and statement of additional information of the Portfolio (the "Prospectus") in satisfaction of requests by holders of

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Shares for repurchase or redemption; and

15) For any other proper corporate purpose, BUT ONLY upon receipt of, in addition to Proper Instructions from the Fund on behalf of the Portfolio, a certified copy of a resolution of the Fund's Board of Trustees or of the Executive Committee signed by an officer of the Fund and certified by the Secretary or an Assistant Secretary, specifying the securities of the Portfolio to be delivered, setting forth the purpose for which such delivery is to be made, declaring such purpose to be a proper corporate purpose and naming the person or persons to whom delivery of such securities shall be made.

2.3 REGISTRATION OF SECURITIES. Domestic securities held by the Custodian (other than bearer securities) shall be registered in the name of the Portfolio or in the name of any nominee of the Fund on behalf of the Portfolio or of any nominee of the Custodian which nominee shall be assigned exclusively to the Portfolio, or in the name or nominee name of

any agent appointed pursuant to Section 2.9 or in the name or nominee name of any sub-custodian appointed pursuant to Article 1. All securities accepted by the Custodian on behalf of a Portfolio under the terms of this Contract shall be in "street name" or other good delivery form. If, however, the Fund directs the Custodian to maintain securities in "street name", the Custodian shall utilize its best efforts only to collect timely income due the Fund on such securities and to notify the Fund on a best efforts basis only of relevant corporate actions including, without limitation, pendency of calls, maturities, tender or exchange offers.

2.4 BANK ACCOUNTS. The Custodian shall open and maintain a separate bank account or accounts in the United States in the name of each Portfolio, subject only to draft or order by the Custodian acting pursuant to the terms of this Contract, and shall hold in such account or accounts, subject to the provisions hereof, all cash received by it from or for the account of the Portfolio, other than cash maintained by the Portfolio in a bank account

established and used in accordance with Rule 17f-3 under the

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Investment Company Act of 1940. Funds held by the Custodian for a Portfolio may be deposited by it to its credit as Custodian in the Banking Department of the Custodian or in such other banks or trust companies as it may in its discretion deem necessary or desirable; PROVIDED, however, that every such bank or trust company shall be qualified to act as a custodian under the Investment Company Act of 1940 and that each such bank or trust company and the funds to be deposited with each such bank or trust company shall on behalf of the Portfolio be approved by vote of a majority of the Board of Trustees of the Fund. Such funds shall be deposited by the Custodian in its capacity as Custodian and shall be withdrawable by the Custodian only in that capacity.

2.5 AVAILABILITY OF FEDERAL FUNDS. Upon mutual agreement between the Fund and the Custodian, the Custodian shall, upon the receipt of Proper Instructions from the Fund on behalf of a Portfolio (i) invest in such instruments as may be set forth in such instructions on the same day as received all federal funds

received after a time agreed upon by the Custodian and the Fund and (ii) make federal funds available to the Portfolio as of specified times agreed upon from time to time by the Fund and the Custodian in the amount of funds received in respect of sales of securities by the Portfolio and of funds obtained through borrowings, in each case which are deposited into the Portfolio's account.

2.6 COLLECTION OF INCOME. Subject to the provisions of Section 2.3, the Custodian shall collect on a timely basis all income and other payments with respect to registered domestic securities held hereunder to which each Portfolio shall be entitled either by law, or pursuant to custom in the securities business, and shall collect on a timely basis all income and other payments with respect to bearer domestic securities if, on the date of payment by the issuer, such securities are held by the Custodian or its agent thereof and shall credit such income, as collected, to such Portfolio's custodian account. Without limiting the generality of the foregoing, the Custodian shall detach and present for payment

all coupons and other income items requiring presentation as and when they become due and shall collect interest when due on securities held hereunder. Income due each Portfolio on securities loaned pursuant to the provisions of Section 2.2 (10) shall be the responsibility of the Fund. The Custodian will have no duty or responsibility in connection therewith, other than to provide the Fund with such information or

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data as may be necessary to assist the Fund in arranging for the timely delivery to the Custodian of the income to which a Portfolio is properly entitled.

2.7 PAYMENT OF FUND MONIES. Upon receipt of Proper Instructions from the Fund on behalf of a Portfolio, which may be continuing instructions when deemed appropriate by the parties, the Custodian shall pay out monies of the Portfolio in the following cases only:

1) Upon the purchase of domestic securities, options, futures contracts or options on futures contracts for the account of the Portfolio but only (a) against the delivery of such securities or evidence of title to such options, futures

contracts or options on futures contracts to the Custodian (or any bank, banking firm or trust company doing business in the United States or abroad which is qualified under the Investment Company Act of 1940, as amended, to act as a custodian and has been designated by the Custodian as its agent for this purpose) registered in the name of the Portfolio or in the name of a nominee of the Custodian referred to in Section 2.3 hereof or in proper form for transfer; (b) in the case of a purchase effected through a Securities System, in accordance with the conditions set forth in Section 2.10 hereof; (c) in the case of a purchase involving the Direct Paper System, in accordance with the conditions set forth in Section 2.10A; (d) in the case of repurchase agreements entered into between the Fund on behalf of the Portfolio and the Custodian, or another bank, or a broker-dealer which is a member of NASD, (i) against delivery of the securities either in certificate form

or through an entry crediting the Custodian's account at the Federal Reserve Bank with such securities or (ii) against delivery of the receipt evidencing purchase by the Portfolio of securities owned by the Custodian along with written evidence of the agreement by the Custodian to repurchase such securities from the Portfolio or (e) for transfer to a time deposit account of the Portfolio in any bank, whether domestic or foreign; such transfer may be effected prior to receipt of a confirmation from a broker and/or the applicable bank pursuant to Proper Instructions from the Fund as defined in Article 5;

2) In connection with conversion, exchange or surrender of securities owned by the Portfolio as set forth in Section 2.2

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hereof;

3) For the redemption or repurchase of Shares issued by the Portfolio as set forth in Article 4 hereof;

4) From an account of the Portfolio located outside of the United States (except as

otherwise specified by the Fund for the Portfolio), for the payment of any expense or liability incurred by the Portfolio, including but not limited to the following payments for the account of the Portfolio: interest, taxes, management, accounting, transfer agent and legal fees, and operating expenses of the Portfolio whether or not such expenses are to be in whole or part capitalized or treated as deferred expenses;

5) From an account of the Portfolio located outside of the United States (except as otherwise specified by the Fund for the Portfolio), for the payment of any dividends on Shares of the Portfolio declared pursuant to the governing documents of the Fund;

6) For payment of the amount of dividends received in respect of securities sold short;

7) For any other proper purpose, BUT ONLY upon receipt of, in addition to Proper Instructions from the Fund on behalf of

the Portfolio, a certified copy of a resolution of the Fund's Board of Trustees or of the Executive Committee signed by two officers of the Fund and certified by its Secretary or an Assistant Secretary, specifying the amount of such payment, setting forth the purpose for which such payment is to be made, declaring such purpose to be a proper purpose and naming the person or persons to whom such payment is to be made.

2.8 LIABILITY FOR PAYMENT IN ADVANCE OF RECEIPT OF SECURITIES PURCHASED. Except as specifically stated otherwise in this Contract, in any and every case where payment for purchase of domestic securities for the account of a Portfolio is made by the Custodian in advance of receipt of the securities purchased in the absence of specific written instructions from the Fund on behalf of such Portfolio to so pay in advance, the Custodian shall be absolutely liable to the Fund for such securities to the same extent as if the securities had been received

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by the Custodian.

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2.9 APPOINTMENT OF AGENTS. The Custodian may at any time or times in its discretion appoint (and may at any time remove) any other bank or trust company which is itself qualified under the Investment Company Act of 1940, as amended, to act as a custodian, as its agent to carry out such of the provisions of this Article 2 as the Custodian may from time to time direct; PROVIDED, however, that the appointment of any agent shall not relieve the Custodian of its responsibilities or liabilities hereunder. In addition, the Custodian may appoint an affiliate of the Custodian located outside of the United States to perform such of its duties hereunder as are required to be performed outside of the United States.

2.10 DEPOSIT OF PORTFOLIOS' ASSETS IN SECURITIES SYSTEMS. The Custodian may deposit and/or maintain securities owned by a Portfolio in a clearing agency registered with the Securities and Exchange Commission under Section 17A of the Exchange Act, which acts as a securities depository, or in the Securities System in accordance with applicable Federal Reserve Board and Securities and Exchange Commission

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rules and regulations, if any, and subject to the following provisions:

1) The Custodian may keep securities of the Portfolio in a Securities System provided that such securities are represented in an account ("Securities System Account") of the Custodian in the Securities System which shall not include any assets of the Custodian other than assets held as a fiduciary, custodian or otherwise for customers;

2) The records of the Custodian with respect to securities of the Portfolio which are maintained in a Securities System shall identify by book-entry those securities belonging to the Portfolio;

3) The Custodian shall pay for securities purchased for the account of the Portfolio upon (i) receipt of advice from the Securities System that such securities have been transferred to the Securities System Account, and (ii) the making of an entry on the records of the Custodian to reflect such payment and transfer for the account of the

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Portfolio. The Custodian shall transfer securities sold for the account of the Portfolio upon (i) receipt of advice from the Securities System that payment for such securities has been transferred to the Securities System Account, and (ii) the making of an entry on the records of the Custodian to reflect such transfer and payment for the account of the Portfolio. Copies of all advices from the Securities System of transfers of securities for the account of the Portfolio shall identify the Portfolio, be maintained for the Portfolio by the Custodian and be provided to the Fund at its request. Upon request, the Custodian shall furnish the Fund on behalf of the Portfolio confirmation of each transfer to or from the account of the Portfolio in the form of a written advice or notice and shall furnish to the Fund on behalf of the Portfolio copies of daily transaction sheets reflecting each day's transactions in the Securities System for the account of the Portfolio on the next

business day;

4) The Custodian shall provide the Fund with any report obtained by the Custodian on the Securities System's accounting system, internal accounting control and procedures for safeguarding securities deposited in the Securities System;

5) The Custodian shall have received from the Fund on behalf of the Portfolio the certificates required by Article 13 hereof;

6) Anything to the contrary in this Contract notwithstanding, the Custodian shall be liable to the Fund for the benefit of the Portfolio for any loss or damage to the Portfolio resulting from use of the Securities System by reason of any negligence, misfeasance or misconduct of the Custodian or any of its agents or of any of its or their employees or from failure of the Custodian or any such agent to enforce effectively such rights as it may have against the Securities System; at the election of the Fund, it shall be entitled to be subrogated to the

rights of the Custodian with respect to any claim against the Securities System or any other person which the Custodian may have as a consequence of any such loss or damage if and to the extent that the Portfolio has not been made whole for any such loss or damage; provided, that the Custodian shall, notwithstanding such subrogation, reimburse the Portfolio for its

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reasonable expenses in connection with such claim.

2.10A PORTFOLIO ASSETS HELD IN THE CUSTODIAN'S DIRECT PAPER SYSTEM. The Custodian may deposit and/or maintain securities owned by a Portfolio in the Direct Paper System of the Custodian subject to the following provisions;

1) No transaction relating to securities in the Direct Paper System will be effected in the absence of Proper Instructions from the Fund on behalf of the Portfolio;

2) The Custodian may keep securities of the Portfolio in the Direct Paper System only if such securities are represented in an account of the Custodian in the Direct

Paper System which shall not include any assets of the Custodian other than assets held as a fiduciary, custodian or otherwise for customers;

3) The records of the Custodian with respect to securities of the Portfolio which are maintained in the Direct Paper System shall identify by book-entry those securities belonging to the Portfolio;

4) The Custodian shall pay for securities purchased for the account of the Portfolio upon the making of an entry on the records of the Custodian to reflect such payment and transfer of securities to the account of the Portfolio. The Custodian shall transfer securities sold for the account of the Portfolio upon the making of an entry on the records of the Custodian to reflect such transfer and receipt of payment for the account of the Portfolio;

5) The Custodian shall furnish the Fund on behalf of the Portfolio confirmation of each transfer to or from the account of the Portfolio, in the form of a written

advice or notice, of Direct Paper on the next business day following such transfer and shall furnish to the Fund on behalf of the Portfolio copies of daily transaction sheets reflecting each day's transaction in the Direct Paper System for the account of the Portfolio;

6) The Custodian shall provide the Fund on behalf of the Portfolio with any report on its system of internal accounting control as

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the Fund may reasonably request from time to time.

2.11 SEGREGATED ACCOUNT. The Custodian shall upon receipt of Proper Instructions from the Fund on behalf of each Portfolio establish and maintain a segregated account or accounts for and on behalf of each such Portfolio, into which account or accounts may be transferred cash and/or securities, including securities maintained in an account by the Custodian pursuant to Section 2.10 hereof, (i) in accordance with the provisions of any agreement among the Fund on behalf of the Portfolio, the Custodian and a broker-dealer registered under the Exchange Act and a member

of the NASD (or any futures commission merchant registered under the Commodity Exchange Act), relating to compliance with the rules of the Options Clearing Corporation and of any registered national securities exchange (or the Commodity Futures Trading Commission or any registered contract market), or of any similar organization or organizations, regarding escrow or other arrangements in connection with transactions by the Portfolio, (ii) for purposes of segregating cash or government securities in connection with options purchased, sold or written by the Portfolio or commodity futures contracts or options thereon purchased or sold by the Portfolio, (iii) for the purposes of compliance by the Portfolio with the procedures required by Investment Company Act Release No. 10666, or any subsequent release or releases of the Securities and Exchange Commission relating to the maintenance of segregated accounts by registered investment companies and (iv) for other proper corporate purposes, BUT ONLY, in the case of clause (iv), upon receipt of, in addition to Proper Instructions from the Fund on behalf of the

Portfolio, a certified copy of a resolution of the Fund's Board of Trustees or of the Executive Committee signed by an officer of the Fund and certified by the Secretary or an Assistant Secretary, setting forth the purpose or purposes of such segregated account and declaring such purposes to be proper corporate purposes.

2.12 OWNERSHIP CERTIFICATES FOR TAX PURPOSES. The Custodian shall execute ownership and other certificates and affidavits for all federal and state tax purposes in connection with receipt of income or other payments with respect to domestic securities of each Portfolio held by it and in connection with transfers of securities.

2.13 PROXIES. The Custodian shall, with respect to the domestic securities held hereunder, cause to be promptly executed by the registered holder

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of such securities, if the securities are registered otherwise than in the name of the Portfolio or a nominee of the Portfolio, all proxies, without indication of the manner in which such proxies are to be voted, and shall promptly deliver to the Fund such

proxies, all proxy soliciting materials and all notices relating to such securities.

2.14 COMMUNICATIONS RELATING TO PORTFOLIO SECURITIES. Subject to the provisions of Section 2.3, the Custodian shall transmit promptly to the Fund for each Portfolio all written information (including, without limitation, pendency of calls and maturities of domestic securities and expirations of rights in connection therewith and notices of exercise of call and put options written by the Fund on behalf of the Portfolio and the maturity of futures contracts purchased or sold by the Portfolio) received by the Custodian from issuers of the securities being held for the Portfolio. With respect to tender or exchange offers, the Custodian shall transmit promptly to the Portfolio all written information received by the Custodian from issuers of the securities whose tender or exchange is sought and from the party (or his agents) making the tender or exchange offer. If the Fund desires to take action with respect to any tender offer, exchange offer or any other similar transaction, the Fund shall

notify the Custodian at least three business days prior to the date on which the Custodian is to take such action.

3. DUTIES OF THE CUSTODIAN WITH RESPECT TO PROPERTY OF THE PORTFOLIOS HELD OUTSIDE OF THE UNITED STATES

3.1 APPOINTMENT OF FOREIGN SUB-CUSTODIANS. The Fund hereby authorizes and instructs the Custodian to employ as sub-custodians for the Portfolio's securities and other assets, if any, maintained outside the United States the foreign banking institutions and foreign securities depositories designated on Schedule A hereto ("foreign sub-custodians"). Upon receipt of "Proper Instructions", as defined in Section 5 of this Contract together with a certified resolution of the Fund's Board of Trustees, the Custodian and the Fund may agree to amend Schedule A hereto from time to time to designate additional foreign banking institutions and foreign securities depositories to act as sub-custodian. Upon receipt of Proper Instructions, the Fund may instruct the Custodian to cease the employment of any one or more such sub-custodians for maintaining custody of a Portfolio's assets.

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3.2 ASSETS TO BE HELD. The Custodian shall limit the securities and other assets maintained in the custody of the foreign sub-custodians to: (a) "foreign securities", as defined in paragraph (c)(l) of Rule 17f-5 under the Investment Company Act of 1940, and (b) cash and cash equivalents in such amounts as the Custodian or the Fund may determine to be reasonably necessary to effect a Portfolio's foreign securities transactions. The Custodian shall identify on its books as belonging to the Portfolio, the foreign securities of the Portfolio held by each foreign sub-custodian.

3.3 FOREIGN SECURITIES DEPOSITORIES. Except as may otherwise be agreed upon in writing by the Custodian and the Fund, assets of any Portfolio shall be maintained in foreign securities depositories only through arrangements implemented by the foreign banking institutions serving as sub-custodians pursuant to the terms hereof. Where possible, such arrangements shall include entry into agreements containing the provisions set forth in Section 3.4 hereof.

3.4 AGREEMENTS WITH FOREIGN BANKING INSTITUTIONS. Each agreement with a foreign banking

institution shall provide that: (a) the assets of each Portfolio will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the foreign banking institution or its creditors or agent, except a claim of payment for their safe custody or administration; (b) beneficial ownership for the assets of each Portfolio will be freely transferable without the payment of money or value other than for custody or administration; (c) adequate records will be maintained identifying the assets as belonging to the Portfolio; (d) officers of or auditors employed by, or other representatives of the Custodian, including to the extent permitted under applicable law the independent public accountants for the Fund, will be given access to the books and records of the foreign banking institution relating to its actions under its agreement with the Custodian; and (e) assets of the Portfolio held by the foreign sub-custodian will be subject only to the instructions of the Custodian or its agents.

3.5 ACCESS OF INDEPENDENT ACCOUNTANTS OF THE FUND. Upon request of the Fund, the Custodian will

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use its best efforts to arrange for the independent accountants of the Fund to be afforded access to the books and records of any foreign banking institution employed as a foreign sub-custodian insofar as such books and records relate to the performance of such foreign banking institution under its agreement with the Custodian.

3.6 REPORTS BY CUSTODIAN. The Custodian will supply to the Fund from time to time, as mutually agreed upon, statements in respect of the securities and other assets of each Portfolio held by foreign sub-custodians, including but not limited to an identification of entities having possession of the Portfolio's securities and other assets and advices or notifications of any transfers of securities to or from each custodial account maintained by a foreign banking institution for the Custodian on behalf of the Portfolio indicating, as to securities acquired for the Portfolio, the identity of the entity having physical possession of such securities.

3.7 TRANSACTIONS IN FOREIGN CUSTODY ACCOUNT. (a) Except as otherwise provided in paragraph

(b) of this Section 3.7, the provision of Sections 2.2 and 2.7 of this Contract shall apply, MUTATIS MUTANDIS to the foreign securities of each Portfolio held outside the United States by foreign sub-custodians. (b) Notwithstanding any provision of this Contract to the contrary, settlement and payment for securities received for the account of each Portfolio and delivery of securities maintained for the account of the Portfolio may be effected in accordance with the customary established securities trading or securities processing practices and procedures in the jurisdiction or market in which the transaction occurs, including, without limitation, delivering securities to the purchaser thereof or to a dealer therefor (or an agent for such purchaser or dealer) against a receipt with the expectation of receiving later payment for such securities from such purchaser or dealer. (c) Securities maintained in the custody of a foreign sub-custodian may be maintained in the name of such entity's nominee to the same extent as set forth in Section 2.3 of this Contract, and the Fund agrees to hold any such nominee

harmless from any liability as a holder of record of such securities.

3.8 LIABILITY OF FOREIGN SUB-CUSTODIANS. Each agreement pursuant to which the Custodian employs a foreign banking institution as a foreign

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sub-custodian shall require the institution to exercise reasonable care in the performance of its duties and to indemnify, and hold harmless, the Custodian and the Fund from and against any loss, damage, cost, expense, liability or claim arising out of or in connection with the institution's performance of such obligations. At the election of the Fund, it shall be entitled to be subrogated to the rights of the Custodian with respect to any claims against a foreign banking institution as a consequence of any such loss, damage, cost, expense, liability or claim if and to the extent that the Fund has not been made whole for any such loss, damage, cost, expense, liability or claim.

3.9 LIABILITY OF CUSTODIAN. The Custodian shall be liable for the acts or omissions of a foreign banking institution to the same extent as set forth with respect to sub-custodians

generally in this Contract and, regardless of whether assets are maintained in the custody of a foreign banking institution, a foreign securities depository or a branch of a U.S. bank as contemplated by paragraph 3.12 hereof, the Custodian shall not be liable for any loss, damage, cost, expense, liability or claim resulting from nationalization, expropriation, currency restrictions, or acts of war or terrorism or any loss where the sub-custodian has otherwise exercised reasonable care. Notwithstanding the foregoing provisions of this paragraph 3.9, in delegating custody duties to State Street London Ltd., the Custodian shall not be relieved of any responsibility to the Fund for any loss due to such delegation, except such loss as may result from (a) political risk (including, but not limited to, exchange control restrictions, confiscation, expropriation, nationalization, insurrection, civil strife or armed hostilities) or (b) other losses (excluding a bankruptcy or insolvency of State Street London Ltd. not caused by political risk) due to acts of God, nuclear incident or other losses under

circumstances where the Custodian and State Street London Ltd. have exercised reasonable care.

3.10 REIMBURSEMENT FOR ADVANCES. If the Fund requires the Custodian to advance cash or securities for any purpose for the benefit of a Portfolio including the purchase or sale of foreign exchange or of contracts for foreign exchange, or in the event that the Custodian or its nominee shall incur or be assessed any taxes, charges, expenses, assessments, claims or liabilities in connection with the performance of this Contract, except such as may arise from its or its nominee's

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own negligent action, negligent failure to act or willful misconduct, any property at any time held for the account of the Portfolio shall be security therefor and should the Portfolio fail to repay the Custodian promptly, the Custodian shall be entitled to utilize available cash and to dispose of the Portfolio's assets to the extent necessary to obtain reimbursement.

3.11 MONITORING RESPONSIBILITIES. The Custodian shall furnish annually, if applicable to the Fund, during the month of June, information

concerning the foreign sub-custodians employed by the Custodian. In addition, the Custodian will, as appropriate, promptly inform the Fund in the event that the Custodian learns of a material adverse change in the financial condition of a foreign sub-custodian or any loss of the assets of a Portfolio or in the case of any foreign sub-custodian not the subject of an exemptive order from the Securities and Exchange Commission is notified by such foreign sub-custodian that there appears to be a substantial likelihood that its shareholders' equity will decline below $200 million (U.S. dollars or the equivalent thereof) or that its shareholders' equity has declined below $200 million (in each case computed in accordance with generally accepted U.S. accounting principles).

3.12 BRANCHES OF U.S. BANKS.
(a) Except as otherwise set forth in this Contract, the provisions hereof shall not apply where the custody of a Portfolio's assets is maintained in a foreign branch of a banking institution which is a "bank" as defined by Section 2(a)(5) of the Investment

Company Act of 1940 meeting the qualification set forth in Section 26(a) of said Act. The appointment of any such branch as a sub-custodian shall be governed by paragraph 1 of this Contract. (b) Cash held for each Portfolio in the United Kingdom shall be maintained in an interest bearing account established for the Portfolio with the Custodian's London branch, which account shall be subject to the direction of the Custodian, State Street London Ltd. or both.

3.13 TAX LAW.

(a) UNITED STATES TAXES. The Custodian shall have no responsibility or liability for any obligations now or hereafter imposed on any Portfolio or the Custodian as the Fund's custodian by the tax law of the United States of America or any state or political subdivision thereof.

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(b) CLAIMING FOR EXEMPTION OR REFUND UNDER THE TAX LAWS OF NON-UNITED STATES JURISDICTIONS. The sole responsibility of the Custodian with regard to the tax law of non-United States jurisdictions shall be to use reasonable efforts to cooperate with the Fund to assist

in the process of making any claim for exemption or refund of any charges that is being made by or for the benefit of the Fund.

4. PAYMENTS FOR SALES OR REPURCHASES OR REDEMPTIONS OF SHARES OF THE PORTFOLIOS

The Custodian shall receive from the distributor for the Shares or from the Transfer Agent of the Fund and deposit into the account of each Portfolio such payments as are received for Shares of that Portfolio issued or sold from time to time by the Fund. The Custodian will provide notification to the Fund on behalf of each Portfolio and the Transfer Agent of any receipt by it of payments for Shares of that Portfolio.

From such funds as may be available for the purpose but subject to the limitations of the Declaration of Trust and any applicable resolutions of the Board of Trustees of the Fund pursuant thereto, the Custodian shall, upon receipt of instructions from the Transfer Agent, make funds available to an account maintained outside of the United States (except as specified by the Fund) for payment to holders of Shares who have delivered to the Transfer Agent a request for redemption or repurchase of their Shares.

5. PROPER INSTRUCTIONS

Proper Instructions as used throughout this

Contract means a writing signed or initialled by one or more person or persons as the Board of Trustees shall have from time to time authorized. Each such writing shall set forth the specific transaction or type of transaction involved, including a specific statement of the purpose for which such action is requested. Oral instructions will be considered Proper Instructions if the Custodian reasonably believes them to have been given by a person authorized to give such instructions with respect to the transaction involved. The Fund shall cause all oral instructions to be confirmed in writing. Upon receipt of a certificate of the Secretary or an Assistant Secretary as to the authorization by the Board of Trustees of the Fund accompanied by a detailed description of procedures approved by the Board of Trustees, Proper Instructions may include communications effected directly between electromechanical or electronic devices provided that the Board of Trustees and the Custodian are satisfied that such procedures afford adequate safeguards for the assets of the Portfolio(s). For

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purposes of this Section, Proper Instructions shall include instructions received by the Custodian pursuant to any three-party agreement which requires a segregated asset account in accordance with Section 2.11.

6. ACTIONS PERMITTED WITHOUT EXPRESS AUTHORITY

The Custodian may in its discretion, without express authority from the Fund on behalf of each Portfolio:

1) make payments to itself or others for minor expenses of handling securities or other similar items relating to its duties under this Contract, PROVIDED that all such payments shall be accounted for to the Fund on behalf of the Portfolio;

2) surrender securities in temporary form for securities in definitive form;

3) endorse for collection, in the name of the Portfolio, checks, drafts and other negotiable instruments; and

4) in general, attend to all non-discretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the securities and property of the Portfolio except as otherwise directed by the Board of Trustees of the Fund.

7. EVIDENCE OF AUTHORITY

The Custodian shall be protected in acting upon any instructions, notice, request, consent, certificate or other instrument or paper believed by it to be genuine and to have been properly executed by or on behalf of

the Fund. The Custodian may receive and accept a certified copy of a resolution of the Board of Trustees of the Fund as conclusive evidence (a) of the authority of any person to act in accordance with such resolution or (b) of any determination or of any action by the Board of Trustees pursuant to the Declaration of Trust as described in such resolution, and such resolution may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary.

8. DUTIES OF CUSTODIAN WITH RESPECT TO THE BOOKS OF ACCOUNT AND CALCULATION OF NET ASSET VALUE AND NET INCOME

The Custodian shall cooperate with and supply necessary information to the entity or entities appointed by the Board of Trustees of the Fund to keep the

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books of account of the Portfolio(s) and/or compute the net asset value per share of the outstanding shares of the Portfolio(s).

9. RECORDS

The Custodian shall with respect to each Portfolio create and maintain records relating to its activities and obligations under this Contract in such manner as will meet the obligations of the Fund under the Investment Company Act of 1940, with particular attention to Section 31 thereof and Rules 31a-1 and 31a-2 thereof. All such records shall be the property

of the Fund and shall at all times during the regular business hours of the Custodian be open for inspection by duly authorized officers, employees or agents of the Fund and employees and agents of the Securities and Exchange Commission. The Custodian shall, at the Fund's request, supply the Fund with a tabulation of securities owned by each Portfolio and held by the Custodian and shall, when requested to do so by the Fund and for such compensation as shall be agreed upon between the Fund and the Custodian, include certificate numbers in such tabulations.

10. REPORTS TO FUND BY INDEPENDENT PUBLIC ACCOUNTANTS

The Custodian shall provide the Fund, on behalf of each Portfolio at such times as the Fund may reasonably require, with reports by independent public accountants on the accounting system, internal accounting control and procedures for safeguarding securities, futures contracts and options on futures contracts, including securities deposited and/or maintained in a Securities System, relating to the services provided by the Custodian under this Contract; such reports, shall be of sufficient scope and in sufficient detail, as may reasonably be required by the Fund to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such

inadequacies, the reports shall so state.

11. COMPENSATION OF CUSTODIAN

The Custodian shall be entitled to reasonable compensation for its services and expenses as Custodian, as agreed upon from time to time between the Fund and the Custodian.

12. RESPONSIBILITY OF CUSTODIAN

So long as and to the extent that it is in the exercise of reasonable care,

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the Custodian shall not be responsible for the title, validity or genuineness of any property or evidence of title thereto received by it or delivered by it pursuant to this Contract and shall be held harmless in acting upon any notice, request, consent, certificate or other instrument reasonably believed by it to be genuine and to be signed by the proper party or parties, including any futures commission merchant acting pursuant to the terms of a three-party futures or options agreement. The Custodian shall be held to the exercise of reasonable care in carrying out the provisions of this Contract, but shall be kept indemnified by and shall be without liability to the Fund for any action taken or omitted by it in good faith without negligence. It shall be entitled to rely on and may act upon advice of counsel (who may be counsel for the Fund) on all matters, and shall be

without liability for any action reasonably taken or omitted pursuant to such advice.

The Custodian shall be liable for the acts or omissions of a foreign banking institution appointed pursuant to the provisions of Article 3 to the same extent as set forth in Article 1 hereof with respect to sub-custodians located in the United States (except as specifically provided in Article 3.9) and, regardless of whether assets are maintained in the custody of a foreign banking institution, a foreign securities depository or a branch of a U.S. bank as contemplated by paragraph 3.12 hereof, the Custodian shall not be liable for any loss, damage, cost, expense, liability or claim resulting from, or caused by, the direction of or authorization by the Fund to maintain custody of any securities or cash of a Portfolio in a foreign country including, but not limited to, losses resulting from nationalization, expropriation, currency restrictions, or acts of war or terrorism.

If the Fund requires the Custodian to take any action with respect to a Portfolio's securities, which action involves the payment of money or which action may, in the opinion of the Custodian, result in the Custodian or its nominee assigned to the Fund or the Portfolio being liable for the payment of money or incurring liability of some other form, the Fund,as a

prerequisite to requiring the Custodian to take such action, shall provide indemnity to the Custodian in an amount and form satisfactory to it.

If the Fund requires the Custodian, its affiliates, subsidiaries or agents, to advance cash or securities for any purpose (including but not limited to securities settlements, foreign exchange contracts and assumed settlement) for the benefit of a Portfolio including the purchase or sale of foreign exchange or of contracts for foreign exchange or in the event that the Custodian or its nominee shall incur or be assessed any taxes, charges, expenses, assessments,

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claims or liabilities in connection with the performance of this Contract, except such as may arise from its or its nominee's own negligent action, negligent failure to act or willful misconduct, any property at any time held for the account of the applicable Portfolio shall be security therefor and should the Fund fail to repay the Custodian promptly, the Custodian shall be entitled to utilize available cash and to dispose of such Portfolio's assets to the extent necessary to obtain reimbursement.

13. EFFECTIVE PERIOD TERMINATION AND AMENDMENT

This Contract shall become effective as of its execution, shall continue in full force and effect until terminated as hereinafter provided, may be amended at

any time by mutual agreement of the parties hereto and may be terminated by either party by an instrument in writing delivered or mailed, postage prepaid to the other party, such termination to take effect not sooner than thirty (30) days after the date of such delivery or mailing; PROVIDED, however that the Custodian shall not with respect to a Portfolio act under Section 2.10 hereof in the absence of receipt of a certificate of the Secretary or an Assistant Secretary that the Board of Trustees of the Fund has approved the use of a particular Securities System by such Portfolio as required by Rule 17f-4 under the Investment Company Act of 1940, as amended, and that the Custodian shall not with respect to a Portfolio act under Section 2.10A hereof in the absence of receipt of certificate of the Secretary or an Assistant Secretary that the Board of Trustees has approved the use of the Direct Paper System by such Portfolio; PROVIDED FURTHER, however, that the Fund shall not amend or terminate this Contract in contravention of any applicable federal or state regulations, or any provision of the Declaration of Trust, and further provided, that the Fund on behalf of the Portfolio(s) may at any time by action of its Board of Trustees (i) substitute another bank or trust company for the Custodian by giving notice as described above to the Custodian, or (ii) immediately terminate this

Contract in the event of the appointment of a conservator or receiver for the Custodian by the Comptroller of the Currency or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction.

Upon termination of the Contract, the Fund on behalf of the Portfolio(s) shall pay to the Custodian such compensation as may be due as of the date of such termination and shall likewise reimburse the Custodian for its costs, expenses and disbursements.

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14. SUCCESSOR CUSTODIAN

If a successor custodian for the Portfolio(s) shall be appointed by the Board of Trustees of the Fund, the Custodian shall, upon termination, deliver to such successor custodian at the office of the Custodian, duly endorsed and in the form for transfer, all securities of the Portfolio(s) then held by it hereunder and shall transfer to an account of the successor custodian all of the securities of the Portfolio(s) held in a Securities System.

If no such successor custodian shall be appointed, the Custodian shall, in like manner, upon receipt of a certified copy of a resolution of the Board of Trustees of the Fund, deliver at the office of the Custodian and transfer such securities, funds and other properties in

accordance with such resolution.

In the event that no written order designating a successor custodian or certified copy of a resolution of the Board of Trustees shall have been delivered to the Custodian on or before the date when such termination shall become effective, then the Custodian shall have the right to deliver to a bank or trust company, which is a "bank" as defined in the Investment Company Act of 1940, doing business in Boston, Massachusetts, of its own selection, having an aggregate capital, surplus, and undivided profits, as shown by its last published report, of not less than $50,000,000, all securities, funds and other properties held by the Custodian on behalf of the Portfolio(s) and all instruments held by the Custodian relative thereto and all other property held by it under this Contract on behalf of the Portfolio(s) and to transfer to an account of such successor custodian all of the securities of the Portfolio(s) held in any Securities System. Thereafter, such bank or trust company shall be the successor of the Custodian under this Contract.

In the event that securities, funds and other properties remain in the possession of the Custodian after the date of termination hereof owing to failure of the Fund to procure the certified copy of the resolution referred to or of the Board of Trustees to appoint a

successor custodian, the Custodian shall be entitled to fair compensation for its services during such period as the Custodian retains possession of such securities, funds and other properties and the provisions of this Contract relating to the duties and obligations of the Custodian shall remain in full force and effect.

15. INTERPRETIVE AND ADDITIONAL PROVISIONS

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In connection with the operation of this Contract, the Custodian and the Fund on behalf of the Portfolio(s), may from time to time agree on such provisions interpretive of or in addition to the provisions of this Contract as may in their joint opinion be consistent with the general tenor of this Contract. Any such interpretive or additional provisions shall be in a writing signed by both parties and shall be annexed hereto, PROVIDED that no such interpretive or additional provisions shall contravene any applicable federal or state regulations or any provision of the Declaration of Trust of the Fund. No interpretive or additional provisions made as provided in the preceding sentence shall be deemed to be an amendment of this Contract.

16. ADDITIONAL SERIES

In the event that the Fund establishes one or more series of Shares in addition to The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Fixed

Income Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor International Equity Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund, and The JPM Advisor Japan Equity Fund, with respect to which it desires to have the Custodian render services as custodian under the terms hereof, it shall so notify the Custodian in writing, and if the Custodian agrees in writing to provide such services, such series of Shares shall become a Portfolio hereunder.

17. MASSACHUSETTS LAW TO APPLY

This Contract shall be construed and the provisions thereof interpreted under and in accordance with laws of the Commonwealth of Massachusetts.

18. PRIOR CONTRACTS

This Contract supersedes and terminates, as of the date hereof, all prior contracts between the Fund and the Custodian relating to the custody of the Portfolios' assets.

19. SHAREHOLDER COMMUNICATIONS ELECTION

Securities and Exchange Commission Rule 14b-2 requires banks which hold securities for the account of customers to respond to requests by issuers of securities for the names, addresses and holdings of

beneficial owners of securities of that issuer held by the bank unless the

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beneficial owner has expressly objected to disclosure of this information. In order to comply with the rule, the Custodian needs the Fund to indicate whether it authorizes the Custodian to provide a Portfolio's name, address and share position to requesting companies whose securities the Portfolio owns. If the Fund tells the Custodian "no", the Custodian will not provide this information to requesting companies. If the Fund tells the Custodian "yes" or does not check either "yes" or "no" below, the Custodian is required by the rule to treat the Fund as consenting to disclosure of this information for all securities owned by the Portfolio or any funds or accounts established by the Fund for the Portfolio. For the Fund's protection, the Rule prohibits the requesting company from using the Fund's or a Portfolio's name and address for any purpose other than corporate communications. Please indicate below whether the Fund consents or objects by checking one of the alternatives below.

YES [ ] The Custodian is authorized to release a Portfolio's name, address, and share positions.

NO [X] The Custodian is not authorized to release a Portfolio's name, address, and share positions.

20. LIMITATION OF LIABILITY

The references herein to the Trustees of the Fund are to the Trustees of the Fund as trustees and not individually or personally. The obligations of the Fund entered into on behalf of the Fund by any of the Trustees are not made individually but in their capacity as trustees and are not binding on any of the Trustees personally. All persons dealing with the Fund must look solely to the assets of the Fund for the enforcement of any claims against the Fund.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed in its name and behalf by its duly authorized representative as of the 8th day of March, 1995.

THE JPM ADVISOR FUNDS

By /s/ James B. Craver
Secretary and Treasurer

STATE STREET BANK AND TRUST COMPANY

By /s/ Ronald E. Logue
Executive Vice President

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SCHEDULE A

The following foreign banking institutions and foreign securities depositories have been approved by the Board of Trustees of The JPM Advisor Funds for use as sub-custodians for the Fund's securities and other assets:

(Insert banks and securities depositories)

NOT APPLICABLE

Certified:

/s/ James B. Craver
Fund's Authorized Officer
James B. Craver
Date: March 8, 1995

AMENDMENT TO CUSTODIAN CONTRACT

Agreement made by and between State Street Bank and Trust Company (the "Custodian") and The JPM Advisor Funds (the "Fund").

WHEREAS, the Custodian and the Fund are parties to a custodian contract dated March 8, 1995[, as amended] (the "Custodian Contract");

WHEREAS, the Custodian and the Fund desire to amend the terms and conditions Custodian Contract pursuant to which the custodian provides services to the Fund;

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the Custodian and the Fund hereby agree as follows:

1. The existing Section 3.13 of the Custodian Contract shall be amended and restated in its entirety to read as follows:

3.13 TAX LAW.

(a) UNITED STATES TAXES. The Custodian shall have no responsibility

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or liability for any obligations now or hereafter imposed on the Fund or the Custodian as custodian of the Fund by the tax law of the United States of America or any state or political subdivision thereof. The Custodian will be responsible for informing the Fund of the income received by the Fund which is United States source income and which is not United States source income.

(b) CLAIMING FOR EXEMPTION OR REFUND UNDER THE TAX LAWS OF NON-UNITED STATES JURISDICTIONS. The sole responsibility of the Custodian with regard to the tax laws of non-United States jurisdictions shall be to identify the income of the Fund which has been subject to withholding and other tax assessments or other governmental charges by such jurisdictions and the amount thereof and to use reasonable efforts to assist the Fund with respect to any claim for exemption or refund of such charges that can be made on behalf of the Fund.

2. The existing Article 8 of the Custodian Contract shall be amended and restated in its entirety to read as follows:

8. DUTIES OF CUSTODIAN WITH RESPECT TO THE BOOKS OF ACCOUNT AND CALCULATION OF NET INCOME. The Custodian shall keep the books of account of each Portfolio of the Fund. Until otherwise directed by Proper Instructions, the Custodian shall compute the net asset value per share of the outstanding shares of each Portfolio of Fund. The Custodian shall also calculate daily the net income of each Portfolio of the Fund as described in the Fund's currently effective prospectus for such Portfolio and shall advise the Fund and the Transfer Agent daily of the total amounts of such net income and, if instructed in writing by an officer of the Fund to do so, shall advise the Transfer Agent periodically of the division of such net income among its various components. The calculation of the net asset value per share and the daily income of each Portfolio of the Fund shall be

made at the time or times described from time to time in the Fund's currently effective prospectus for such Portfolio.

3. Except as specifically superseded or modified herein, the terms and provisions of the Custodian Contract shall continue to apply with full force and effect.

IN WITNESS WHEREOF, each of the parties has caused this amendment to be executed as a sealed instrument in its name and behalf by its duly authorized representative as of this first day of July, 1996.

STATE STREET BANK AND TRUST COMPANY

By: /s/ Ronald E. Logue

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Name: Ronald E. Logue
Title: Executive Vice President

THE JPM ADVISOR FUNDS

By: /s/ John E. Baumgardner, Jr.
John E. Baumgardner, Jr.
Trustee

JPM506

[The JPM Advisor Funds
60 State Street, Suite 1300
Boston, Massachusetts 02109
(617) 557-0700

[_________, 199_]

State Street Bank and Trust Company
1776 Heritage Drive
North Quincy, MA 02171

Ladies and Gentlemen:

RE: CUSTODIAN CONTRACT AND TRANSFER AGENCY AND SERVICE AGREEMENT

This is to advise you that the Board of Trustees of The JPM Advisor Funds (the "Fund") has established and organized a new series of shares of beneficial interest (The JPM Advisor Diversified Fund) (the "Portfolio"). In accordance with the additional funds provisions in Article 16 of the Custodian Contract dated March 8, 1995 and in Section 10.01 of the Transfer Agency and Service Agreement dated March 8, 1995 between the Fund and State Street Bank and Trust Company ("State Street"), the Fund hereby requests that State Street act as Custodian and Transfer Agent for the Portfolio under the terms of the respective contracts.

Please indicate your acceptance of the foregoing by executing the eight originals of this letter agreement, returning four to the Fund and retaining four agreements for your records.

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Very truly yours,

By ___________________________
Name:
Title:

Agreed to as of the ___ day of ______, 199_

STATE STREET BANK AND TRUST COMPANY

By ___________________________
Title:

[JPM259D]]

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Exhibit 9(a)

THE JPM ADVISOR FUNDS
CO-ADMINISTRATION AGREEMENT

CO-ADMINISTRATION AGREEMENT, dated as of August 1, 1996, by and between The JPM Advisor Funds, a Massachusetts business trust having a Declaration of Trust on file with the office of Secretary of State of the Commonwealth of Massachusetts (the "Trust"), and Funds Distributor, Inc., a Massachusetts corporation (the "Co-Administrator").

W I T N E S S E T H:

WHEREAS, the Trust is engaged in business as an open-end investment company registered under the Investment Company Act of 1940 (collectively with the rules and regulations promulgated thereunder, the "1940 Act");

WHEREAS, the Shares of Beneficial Interest (par value $0.001 per share) of the Trust (the "Shares") are divided into multiple series (together with any series which may in the future be established, the "Series" or the "Fund"); and

WHEREAS, the Trust wishes to engage the Co-Administrator to provide certain administrative and management services, and the Co-Administrator is willing to provide such administrative and management services to the Trust and each Series, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto as herein set forth, the parties covenant and agree as follows:

1. DUTIES OF THE CO-ADMINISTRATOR. Subject to the general direction and control of the Board of Trustees of the Trust, the Co-Administrator shall perform the following administrative and management services: (a) providing or obtaining office space, equipment and clerical personnel necessary for maintaining the organization of the Trust, including a principal office in Massachusetts, and for performing the administrative and management functions herein set forth; (b) arranging for Directors, officers and employees of the Co-Administrator or its agents, reasonably acceptable to the Trustees, to serve as Trustees, officers or agents of the Trust and perform the duties incident to their office, if duly elected or appointed to such positions and subject to their individual consent and to any limitations imposed by law; (c) preparing such reports, applications and documents (including reports regarding the sale and redemption of Shares as reported by the Trust's transfer agent as may be required in order to comply with state securities laws) as may be necessary or desirable to register Shares with state securities authorities, monitoring the sale of Shares as reported by the Trust's transfer agent for compliance with

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state securities laws, and filing with the appropriate state securities authorities the registration statements and reports for the Trust and the Shares and all amendments thereto, as may be necessary or convenient to register and keep effective the Trust and the Shares with state securities authorities to enable the Trust to make a continuous offering of Shares; (d) reviewing and filing with the National Association of Securities Dealers all marketing and sales literature provided to the Co-Administrator on behalf of the Trust; and (e) maintaining books and records of the Trust related to the foregoing. In the performance of its duties under this Agreement, the Co-Administrator will comply with the provisions of the Declaration of Trust and By-Laws of the Trust and the Trust's stated investment objectives, policies and restrictions and will use its best efforts to safeguard and promote the welfare of the Trust and to comply with other policies which the Board of Trustees may from time to time determine. Notwithstanding the foregoing, the Co-Administrator shall not be

deemed to have assumed any duties with respect to this Agreement, including, without limitation, any responsibility for the management of the Trust's assets or the rendering of investment advice and supervision with respect thereto, nor shall the Co-Administrator be deemed to have assumed or have any responsibility with respect to functions specifically assumed by any transfer agent, custodian or other administrative service provider of the Trust. The Co-Administrator undertakes to comply with all applicable requirements of the federal securities laws and any other laws, rules and regulations of governmental authorities having jurisdiction with respect to the duties to be performed by it hereunder.

2. BOOKS AND RECORDS. In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Co-Administrator hereby agrees that all records which it maintains for the Trust are the property of the Trust and further agrees to surrender promptly to the Trust any such records upon the Trust's request.

3. ALLOCATION OF CHARGES AND EXPENSES. The Co-Administrator shall pay the entire salaries and wages of all of the Trust's Trustees, officers and agents who devote part or all of their time to the affairs of the Co-Administrator or its affiliates, and the wages and salaries of such persons shall not be deemed to be expenses incurred by the Trust for purposes of this Section 3. Except as provided in the foregoing sentence, the Co-Administrator shall not pay other expenses relating to the Trust including, without limitation, compensation of Trustees not affiliated with the Co-Administrator; governmental fees; interest charges; taxes; membership dues in the Investment Company Institute allocable to the Trust; fees and expenses of the Trust's independent auditors, of legal counsel and of any transfer agent, distributor, shareholder servicing agent, registrar or dividend disbursing agent of the Trust; expenses of distributing and redeeming Shares and servicing shareholder accounts; expenses of preparing, printing and mailing prospectuses and statements of additional information, reports, notices, proxy statements and reports to shareholders and governmental officers and commissions; expenses of preparing and mailing agendas and

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supporting documents for meetings of Trustees and committees of Trustees; expenses connected with the execution, recording and settlement of portfolio security transactions; insurance premiums; fees and expenses of the Trust's custodian for all services to the Trust, including safekeeping of funds and securities and maintaining required books and accounts; expenses of calculating the net asset value of the Shares; expenses of shareholder meetings; and expenses relating to the issuance, registration and qualification of Shares.

4. COMPENSATION OF CO-ADMINISTRATOR. For the services to be rendered and the facilities to be provided by the Co-Administrator hereunder, the Co-Administrator shall receive a fee from each such Series of the Trust as agreed by the Trust and the Co-Administrator from time to time as set forth on Schedule A attached hereto. This fee will be payable as agreed by the Trust and the Co-Administrator, but no more frequently than monthly.

5. LIMITATION OF LIABILITY OF THE CO-ADMINISTRATOR. The Co-Administrator shall not be liable for any error of judgment or mistake of law or for any act or omission in the administration or management of the Trust or the performance of its duties hereunder, except for willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of the reckless disregard of its obligations and duties hereunder. As used in this Section 5, the term "Co-Administrator" shall include Funds Distributor, Inc. and/or any of its affiliates and the Directors, officers and employees of Funds Distributor, Inc. and/or of its affiliates.

6. ACTIVITIES OF THE CO-ADMINISTRATOR. The services of the Co-Administrator to the Trust are not to be deemed to be exclusive, the Co-Administrator being free to render administrative and/or other services to other parties. It is understood that Trustees, officers, and shareholders of the Trust are or may become interested in the Co-Administrator and/or any of

its affiliates, as Directors, officers, employees, or otherwise, and that Directors, officers and employees of the Co-Administrator and/or any of its affiliates are or may become similarly interested in the Trust and that the Co-Administrator and/or any of its affiliates may be or become interested in the Trust as a shareholder or otherwise.

7. TERMINATION. This Agreement may be terminated as to any Series at any time, without the payment of any penalty, by the Board of Trustees of the Trust or by the Co-Administrator, in each case on not more than 60 days' nor less than 30 days' written notice to the other party.

8. SUBCONTRACTING BY THE CO-ADMINISTRATOR. The Co-Administrator may subcontract for the performance of its obligations hereunder with any one or more persons; PROVIDED, HOWEVER, that the Co-Administrator may subcontract hereunder only with the prior consent of the Trustees of the Trust; and

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PROVIDED, FURTHER, that, unless the Trust otherwise expressly agrees in writing, the Co-Administrator shall be as fully responsible to the Trust for the acts and omissions of any subcontractor as it would be for its own acts or omissions.

9. FURTHER ACTIONS. Each party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes hereof.

10. AMENDMENTS. This Agreement may be amended by only mutual written consent.

11. CONFIDENTIALITY. The Co-Administrator agrees on behalf of itself and its employees to treat confidentially and as proprietary information of the Trust all records and other information not otherwise publicly available relative to the Trust and its prior, present or potential shareholders and not to use such records and information for any purpose other than performance of its responsibilities and duties hereunder, except after prior notification to and approval in writing by the Trust, which approval shall not be unreasonably withheld and may not be withheld where the Co-Administrator may be exposed to civil or criminal contempt proceedings for failure to comply, when requested to divulge such information by duly constituted authorities, or when so requested by the Trust.

12. MISCELLANEOUS. This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. Should any part of this Agreement be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding and shall inure to the benefit of the parties hereto and their respective successors, to the extent permitted by law.

13. NOTICE. Any notice or other communication required to be given pursuant to this Agreement shall be deemed duly given if delivered or mailed by registered mail, postage prepaid, (1) to the Co-Administrator at 60 State Street, 13th Floor, Boston, Massachusetts 02109, Attention: President with a copy to General Counsel; or (2) to the Trust at 60 State Street, 13th Floor, Boston, Massachusetts 02109, Attention: Treasurer, or at such other address as either party may from time to time specify to the other party pursuant to this section, with a copy to Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036, Attention: Funds Management.

14. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered in their names and on their behalf by the undersigned, thereunto duly authorized, all as of the day and year first above written. The undersigned officer of the Trust has executed this Agreement not individually, but as an officer of the Trust under the Trust's Declaration of Trust, dated September 16, 1994 as amended, and the obligations of this Agreement are not binding upon any of the Trustees or shareholders of the Trust individually, but bind only the Trust estate.

THE JPM ADVISOR FUNDS

By /s/ John E. Pelletier
John E. Pelletier, Vice President
and Secretary

FUNDS DISTRIBUTOR, INC.

By /s/ Marie E. Connolly
Marie E. Connolly, President and
Chief Executive Officer

SCHEDULE A

The Co-Administrator's annual fee charged to and payable by each Covered Entity as defined below is its share of an annual complex-wide charge. The annual complex-wide charge is:

(a) $425,000 for all Covered Entities, PROVIDED that such charge shall be increased by $5,000 for each Covered Entity in excess of 100, plus

(b) out-of-pocket charges for any services subcontracted pursuant to co-administration agreements with Covered Entities.

The portion of this charge payable by each Covered Entity is (i) in the case of any charges described in paragraph (b) directly attributable to a particular Covered Entity, the amount attributable to such Covered Entity, plus (ii) in the case of all other amounts, the amount determined by the proportionate share that

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such Covered Entity's net assets bear to the total net assets of the Covered Entities.

A Covered Entity is any series of The Pierpont Funds, The JPM Institutional Funds, The JPM Advisor Funds, the Portfolios in which they invest, and each other current or future mutual fund (or series thereof) for which both (1) a tax return is filed with the Internal Revenue Service under United States tax law and (2) Morgan Guaranty Trust Company of New York provides investment advice and/or administrative services and the Co-Administrator provides administration services.

Approved: July 18, 1996
Effective August 1, 1996

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Exhibit 9(b)

THE JPM ADVISOR FUNDS
SERVICES AGREEMENT

SERVICES AGREEMENT, dated as of March 8, 1995, as amended and restated August 1, 1996, by and between The JPM Advisor Funds, a Massachusetts business trust having a Declaration of Trust on file with the office of Secretary of State of the Commonwealth of Massachusetts (the "Trust"), and Morgan Guaranty Trust Company of New York, a New York trust company ("Morgan").

W I T N E S S E T H:

WHEREAS, the Trust is engaged in business as an open-end investment company registered under the Investment Company Act of 1940 (collectively with the rules and regulations promulgated thereunder, the "1940 Act");

WHEREAS, the Shares of Beneficial Interest (par value $0.001 per share) of the Trust (the "Shares") are divided into multiple series (together with any other series which may in the future be established, the "Funds"); and

WHEREAS, transactions in Shares may be made by investors who are using the services of a financial institution which is acting as services agent pursuant to an agreement with the Trust; and

WHEREAS, Morgan wishes to act as the services agent for its customers and for other investors in the Trust who are customers of an Eligible Institution as contemplated by and defined in the currently effective prospectus of the respective Fund of the Trust (the "Customers") in performing certain administrative functions in connection with purchases and redemptions of Shares from time to time upon the order and for the account of Customers and to provide related services to Customers in connection with their investments in the Trust; and

WHEREAS, it is in the interest of the Trust to make the shareholder services of Morgan available to Customers who are or may become shareholders of the Trust; and

WHEREAS, the Trust wishes to engage Morgan to provide certain administrative and related services, and Morgan is willing to provide such services to the Trust and each Fund, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Trust and Morgan hereby agree as follows:

1. APPOINTMENT. Morgan hereby agrees to perform certain shareholder

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services as agent for Customers and certain administrative and related services for the Trust as hereinafter set forth.

2. SERVICES.

2.1 Morgan shall be responsible for performing the following services: a) answering Customer inquiries regarding account status and history, the manner in which purchases and redemptions of Shares may be effected, and certain other matters pertaining to the Trust; b) assisting Customers in designating and changing dividend options, account designations and addresses; c) providing necessary personnel and facilities to coordinate the establishment and maintenance of shareholder accounts and records with the Trust's transfer agent (the "Transfer Agent"); d) receiving Customers' purchase and redemption orders on behalf of, and transmitting such orders to,

the Transfer Agent; e) arranging for the wiring or other transfer of funds to and from Customer accounts in connection with Customer orders to purchase or redeem Shares; f) verifying purchase and redemption orders, transfers among and changes in Customer-designated accounts; g) informing the distributor of the Trust of the gross amount of purchase and redemption orders for Shares; h) monitoring the activities of the Transfer Agent related to Customer accounts and to statements, confirmations or other reports furnished to Customers by the Transfer Agent; i) arranging for the preparation and filing of the Trust's tax returns and preparing financial statements and other financial reports for review by the Trust's independent auditors; j) coordinating the annual audit of each Fund; k) developing the budget and establishing the rate of expense accrual for each Fund; l) overseeing the preparation by the Transfer Agent of tax information for shareholders; m) overseeing the Trust's custodian (the "Custodian") and the Transfer Agent and other service providers, including expense disbursement, verifying the calculation of Fund performance data and the reporting thereof to appropriate tracking services, computing the amount and monitoring the frequency of distributing Fund dividends and capital gains distributions and confirming that they have been properly distributed to the shareholders of record; and monitoring calculation of net asset value of Shares by the Custodian; n) taking responsibility for compliance with all applicable federal securities and other regulatory requirements (other than state securities registration and filing requirements); o) taking responsibility for monitoring each Fund's status as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"); p) arranging for the preparation of agendas and supporting documents for and minutes of meetings of Trustees, committees of Trustees, and shareholders; q) maintaining books and record relating to such services; and r) being responsible for the Trust's usual and customary expenses as defined in Section 5.1 of this Agreement.

2.2 Morgan shall keep the books of account of each Fund. Until otherwise directed by the Trust, Morgan shall compute the net asset value per share of the

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outstanding shares of each Fund. Morgan shall also calculate daily the net income of each Fund as described in the Trust's currently effective prospectus related to such Fund and shall advise the Trust and the Transfer Agent daily of the total amount of such net income and, if instructed in writing by an officer of the Trust to do so, shall advise the Transfer Agent periodically of the division of such net income among its various components. The calculations of the net asset value per share and the daily income of each Fund shall be made at the time or times described from time to time in the Trust's currently effective prospectus related to such Fund.

2.3 Morgan, shall act as liaison with the Trust's independent public accountants and shall provide, upon request, account analyses, fiscal year summaries and other audit-related schedules. Morgan shall take all reasonable action in the performance of its obligations under this Agreement to assure that the necessary information is made available to such accountants for the expression of their opinion, as such may be required by the Trust from time to time.

2.4 Morgan shall provide such other related services as the Trust or a Customer may reasonably request, to the extent permitted by applicable law. Morgan shall provide all personnel and facilities necessary in order for it to provide the services contemplated by this paragraph.

Morgan assumes no responsibilities under this Agreement other than to render the services called for hereunder, on the terms and conditions provided herein. In the performance of its duties under this Agreement, Morgan will comply with the provisions of the Declaration of Trust and By-Laws of the Trust and the stated investment objective, policies and restrictions of each Fund, and will use its best efforts to safeguard and promote the welfare of

the Trust, and to comply with other policies which the Trust's Board of Trustees may from time to time determine.

3. BOOKS AND RECORDS. Morgan shall with respect to each Fund create and maintain all records relating to its activities and obligations under this Agreement in such manner as will meet the obligations of the Trust under the 1940 Act, with particular attention to Section 31 thereof and Rules 31a-1 and 31a-2 thereunder. All such records shall be the property of the Trust and shall at all times during the regular business hours of Morgan be open for inspection by duly authorized officers, employees or agents of the Securities and Exchange Commission. In compliance with the requirements of Rule 31a-3 under the 1940 Act, Morgan hereby agrees that all records which it maintains for the Fund are the property of the Trust and further agrees to surrender promptly to the Trust any such record upon the Trust's request.

4. OPINION OF TRUST'S INDEPENDENT ACCOUNTANTS. Morgan shall take all

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reasonable action, as the Trust on behalf of each applicable Fund may from time to time request, to obtain from year to year favorable opinions from the Trust's independent accountants with respect to its activities hereunder in connection with the preparation of the Trust's Form N-1A, Form N-SAR or other periodic reports to the Securities and Exchange Commission and with respect to any other requirements of such Commission.

5. ALLOCATION OF CHARGES AND EXPENSES.

5.1 Morgan shall bear all of the expenses incurred in connection with carrying out its duties hereunder. In addition, Morgan is responsible for certain usual and customary expenses incurred by the Trust. These expenses include compensation of Trustees; federal and state governmental fees; interest charges; taxes; membership dues in the Investment Company Institute allocable to the Trust; fees and expenses of the Trust's administrator, any provider other than Morgan of services to the Trust under a co-administration agreement (the "Co-Administrator"), independent auditors, legal counsel and of any transfer agent, registrar or dividend disbursing agent of the Trust; expenses of preparing, printing and mailing prospectuses and statements of additional information, reports, notices, proxy statements and reports to shareholders and governmental offices and commissions; expenses of preparing and mailing agendas and supporting documents for meetings of Trustees and committees of Trustees; insurance premiums; fees and expenses of the Custodian for all services to the Trust, including safekeeping of funds and securities and maintaining required books and accounts; expenses of calculating the net asset value of Shares; expenses of shareholder meetings; and expenses relating to the issuance, registration and qualification of Shares.

When such services are provided by third parties and the Trust pays for the services directly, such amounts will be deducted from the fee to be paid Morgan under this Agreement. If such amounts are more than the amount of Morgan's fee under this Agreement, Morgan will reimburse the Trust for such excess amounts.

Morgan will report to the Trustees regularly on the payments it has made pursuant to this Section 5.1.

5.2 The Trust will pay all extraordinary expenses not incurred in the ordinary course of the Trust's business including but not limited to litigation and indemnification expenses; material increases in Trust expenses due to occurrences such as significant increases in the fee schedules of the Custodian or the Transfer Agent or a significant decrease in the Trust's asset level due to changes in tax or other laws or regulations; or other such extraordinary occurrences outside of the ordinary course of the Trust's business.

6. COMPENSATION OF MORGAN. For the services to be rendered and the fees and expenses to be borne by Morgan hereunder, the Trust shall pay Morgan a fee

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at an annual rate as set forth on Schedule A attached hereto from each Fund; provided, however, that the portion of such fee attributable to Morgan's shareholder services for the shareholders of any Fund shall not exceed the amount payable at an annual rate of 0.25% of the daily net asset values of such Fund's Shares owned by or for Customers and attributable to the Trust as set forth on Schedule A attached hereto. This fee will be computed daily and will be payable as agreed by the Trust and Morgan, but no more frequently than monthly.

7. INFORMATION PERTAINING TO THE SHARES, ETC. Morgan and its officers, employees and agents are not authorized to make any representations concerning the Trust or the Shares except to communicate to Customers accurately factual information contained in the Trust's prospectuses and statement of additional information and objective historical performance information. Morgan shall act as agent for Customers only in furnishing information regarding the Trust or the Shares and shall have no authority to act as agent for the Trust in its capacity as shareholder servicing agent hereunder.

During the term of this Agreement, the Trust agrees to furnish Morgan all prospectuses, statements of additional information, proxy statements, reports to shareholders, sales literature, or other material the Trust will distribute to shareholders of each Fund or the public, which refer in any way to Morgan, and Morgan agrees to furnish the Trust all material prepared for Customers, in each case prior to use thereof, and not to use such material if the other party reasonably objects in writing within five business days (or such other time as may be mutually agreed in writing) after receipt thereof. In the event of termination of this Agreement, the Trust will continue to furnish to Morgan copies of any of the above-mentioned materials which refer in any way to Morgan. The Trust shall furnish or otherwise make available to Morgan such other information relating to the business affairs of the Trust as Morgan at any time, or from time to time, reasonably requests in order to discharge its obligations hereunder.

Nothing in this Section 7 shall be construed to make the Trust liable for the use of any information about the Trust which is disseminated by Morgan.

8. USE OF MORGAN'S NAME. The Trust shall not use the name of Morgan in any prospectus, sales literature or other material relating to the Trust in a manner not approved by Morgan prior thereto in writing; provided, however, that the approval of Morgan shall not be required for any use of its name which merely refers in accurate and factual terms to its appointment hereunder or as investment advisor to the separately registered investment companies in which the Trust invests or which is required by the Securities and Exchange Commission or any state securities authority or any other appropriate regulatory, governmental or judicial authority; provided, further, that in no event shall such approval be unreasonably withheld or delayed.

9. USE OF THE TRUST'S NAME. Morgan shall not use the name of the Trust on any checks, bank drafts, bank statements or forms for other than internal use in a manner not approved by the Trust prior thereto in writing; provided, however, that the approval of the Trust shall not be required for the use of the Trust's

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name in connection with communications permitted by Sections 2.1 and 7 hereof or for any use of the Trust's name which merely refers in accurate and factual terms to Morgan's role hereunder or as investment advisor as set forth above or which is required by the Securities and Exchange Commission or any state securities authority or any other appropriate regulatory, governmental or judicial authority; provided, further, that in no event shall such approval be unreasonably withheld or delayed.

10. SECURITY. Morgan represents and warrants that the various procedures and systems which it has implemented with regard to safeguarding from loss or damage attributable to fire, theft or any other cause any Trust records and other data and Morgan's records, data, equipment, facilities and other property used in the performance of its obligations hereunder are adequate and that it will make such changes therein from time to time as in its judgment are required for the secure performance of its obligations hereunder. The parties shall review such systems and procedures on a periodic basis, and the Trust shall from time to time specify the types of records and other data of the Trust to be safeguarded in accordance with this Section 10.

11. FORCE MAJEURE. Morgan shall not be liable or responsible for delays or errors by reason of circumstances beyond its control, including, but not limited to, acts of civil or military authority, national emergencies, labor difficulties, fire, mechanical breakdown, flood or catastrophe, acts of God, insurrection, war, riots or failure of communication or power supply.

12. INDEMNIFICATION.

12.1 INDEMNIFICATION OF MORGAN. The Trust will indemnify and hold Morgan harmless, from all losses, claims, damages, liabilities or expenses (including reasonable fees and disbursements of counsel) from any claim, demand, action or suit (collectively, "Claims") (a) arising in connection with misstatements or omissions in the Trust's prospectuses, actions or inactions by the Trust or any of its other agents or contractors, or the performance of Morgan's obligations hereunder and (b) not resulting from the willful misfeasance, bad faith or gross negligence of Morgan, its officers, employees or agents, in the performance of Morgan's duties or from reckless disregard by Morgan, its officers, employees or agents of Morgan's obligations and duties under this Agreement. Notwithstanding anything herein to the contrary, the Trust will indemnify and hold Morgan harmless from any and all losses, claims, damages, liabilities or expenses (including reasonable counsel fees and expenses) resulting from any Claim as a result of Morgan's acting in accordance with any written instructions reasonably believed by Morgan to have been executed by any person duly authorized by the Trust, or as a result of acting in reliance upon any instrument or stock certificate reasonably believed by Morgan to have been genuine and signed, countersigned or executed by a person duly authorized by the Trust, excepting

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only the gross negligence or bad faith of Morgan.

In any case in which the Trust may be asked to indemnify or hold Morgan harmless, the Trust shall be advised of all pertinent facts concerning the situation in question, and Morgan shall use reasonable care to identify and notify the Trust promptly concerning any situation which presents or appears likely to present a claim for indemnification against the Trust. The Trust shall have the option to defend Morgan against any Claim which may be the subject of indemnification under this Section 12.1. In the event that the Trust elects to defend against such Claim, the defense shall be conducted by counsel chosen by the Trust and reasonably satisfactory to Morgan. Morgan may retain additional counsel at its own expense. Except with the prior written consent of the Trust, Morgan shall not confess any Claim or make any compromise in any case in which the Trust will be asked to indemnify Morgan.

12.2 INDEMNIFICATION OF THE TRUST. Without limiting the rights of the Trust under applicable law, Morgan will indemnify and hold the Trust harmless from all losses, claims, damages, liabilities or expenses (including reasonable fees and disbursements of counsel) from any Claim (a) resulting from the willful misfeasance, bad faith or gross negligence of Morgan, its officers, employees or agents, in the performance of Morgan's duties or from reckless disregard by Morgan, its officers, employees or agents of Morgan's obligations and duties under this Agreement, and (b) not resulting from Morgan's actions in accordance with written instructions reasonably believed

by Morgan to have been executed by any person duly authorized by the Trust, or in reliance upon any instrument or stock certificate reasonably believed by Morgan to have been genuine and signed, countersigned or executed by a person authorized by the Trust.

In any case in which Morgan may be asked to indemnify or hold the Trust harmless, Morgan shall be advised of all pertinent facts concerning the situation in question and the Trust shall use reasonable care to identify and notify Morgan promptly concerning any situation which presents or appears likely to present a claim for indemnification against Morgan. Morgan shall have the option to defend the Trust against any Claim which may be the subject of indemnification under this Section 12.2. In the event that Morgan elects to defend against such Claim, the defense shall be conducted by counsel chosen by Morgan and reasonably satisfactory to the Trust. The Trust may retain additional counsel at its own expense. Except with the prior written consent of Morgan, the Trust shall not confess any Claim or make any compromise in any case in which Morgan will be asked to indemnify the Trust.

12.3 SURVIVAL OF INDEMNITIES. The indemnities granted by the parties in this Section 12 shall survive the termination of this Agreement.

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13. ACTIVITIES OF MORGAN. The services of Morgan to the Trust are not to be deemed to be exclusive, Morgan being free to engage in any other business or to render services of any kind to any other corporation, firm, individual or association.

14. SUBCONTRACTING BY MORGAN. Morgan may subcontract for the performance of its obligations hereunder with any one or more persons, including but not limited to any one or more persons which is an affiliate of Morgan; provided, however, unless the Trust otherwise expressly agrees in writing, Morgan shall be as fully responsible to the Trust for the acts and omissions of any subcontractor as it would be for its own acts or omissions.

15. TERMINATION. This Agreement may be terminated as to any Fund at any time, without the payment of any penalty, by the Board of Trustees of the Trust or by Morgan, in each case on not more than 60 days' nor less than 30 days' written notice to the other party.

16. FURTHER ACTIONS. Each party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes hereof.

17. AMENDMENTS. This Agreement may be amended only by mutual written consent.

18. MISCELLANEOUS. This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. Should any part of this Agreement be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding and shall inure to the benefit of the parties hereto and their respective successors, to the extent permitted by law.

19. NOTICE. Any notice or other communication required to be given pursuant to this Agreement shall be deemed duly given if delivered or mailed by registered mail, postage prepaid (1) to Morgan at Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York 10036, Attention: Managing Director, Funds Management or (2) to the Trust at The JPM Advisor

Funds at its principal place of business as provided to Morgan, Attention: Treasurer.

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20. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered in their names and on their behalf by the undersigned, thereunto duly authorized, all as of the day and year first above written. The undersigned officer of the Trust has executed this Agreement not individually, but as an officer of the Trust under the Trust's Declaration of Trust and the obligations of this Agreement are not binding upon any of the Trustees or shareholders of the Trust individually, but bind only the Trust estate.

THE JPM ADVISOR FUNDS

By: /s/ Elizabeth A. Bachman
Elizabeth A. Bachman
Vice President and Assistant Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: /s/ Stephen H. Hopkins
Stephen H. Hopkins
Vice President

SCHEDULE A

FEES UNDER SERVICES AGREEMENT

THE JPM ADVISOR U.S. FIXED INCOME FUND

0.60% of the average daily net assets of the Fund

THE JPM ADVISOR INTERNATIONAL FIXED INCOME FUND

0.68% of the average daily net assets of the Fund

THE JPM ADVISOR U.S. EQUITY FUND

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THE JPM ADVISOR U.S. SMALL CAP EQUITY FUND
THE JPM ADVISOR DIVERSIFIED FUND

0.69% of the average daily net assets of the Fund

THE JPM ADVISOR ASIA GROWTH EQUITY FUND
THE JPM ADVISOR EUROPEAN EQUITY FUND
THE JPM ADVISOR JAPAN EQUITY FUND

0.75% of the average daily net assets of the Fund

THE JPM ADVISOR INTERNATIONAL EQUITY FUND

0.76% of the average daily net assets of the Fund

THE JPM ADVISOR EMERGING MARKETS EQUITY FUND

0.77% of the average daily net assets of the Fund

Approved: May 21, 1996

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Exhibit 9(c)

TRANSFER AGENCY AND SERVICE AGREEMENT

between

THE JPM ADVISOR FUNDS

and

STATE STREET BANK AND TRUST COMPANY

JPM259D

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TRANSFER AGENCY AND SERVICE AGREEMENT

AGREEMENT made as of the 8th day of March, 1995, by and between THE JPM ADVISOR FUNDS, a Massachusetts business trust, having its principal office and place of business at 6 St. James Avenue, Boston, Massachusetts 02116 (the "Fund"), and STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company having its principal office and place of business at 225 Franklin Street, Boston, Massachusetts 02110 (the "Bank").

WHEREAS, the Fund is authorized to issue shares in separate series, with each such series representing interests in a separate portfolio of securities and other assets; and

WHEREAS, the Fund has established and will offer and continue to offer shares in nine series initially, The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Fixed Income Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor International Equity Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund and The JPM Advisor Japan Equity Fund (such series, together with all other series subsequently established by the Fund and made subject to this Agreement in accordance with Article 10, being herein referred to as a "Portfolio", and collectively as the "Portfolios");

WHEREAS, the Fund on behalf of the Portfolios desires to appoint the Bank as its transfer agent, dividend disbursing agent, custodian of certain retirement plans and agent in connection with

certain other activities, and the Bank desires to accept such appointment;

NOW, THEREFORE, in consideration of the mutual covenants herein contained,

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the parties hereto agree as follows:

Article 1 TERMS OF APPOINTMENT; DUTIES OF THE BANK

1.01 Subject to the terms and conditions set forth in this Agreement, the Fund, on behalf of the Portfolios, hereby employs and appoints the Bank to act as, and the Bank agrees to act as its transfer agent for the authorized and issued shares of beneficial interest of the Fund representing interests in each of the respective Portfolios ("Shares"), dividend disbursing agent, custodian of certain retirement plans and agent in connection with any accumulation, open-account or similar plans provided to the shareholders of each of the respective Portfolios of the Fund ("Shareholders") and set out in the currently effective prospectus and statement of additional information ("prospectus") of the Fund on behalf of the applicable Portfolio, including without limitation any periodic investment plan or periodic withdrawal program.

1.02 The Bank agrees that it will perform the following services:

(a) In accordance with procedures established from time to time by agreement between the Fund on behalf of each of the Portfolios, as applicable and the Bank, the Bank shall:

(i) Receive orders for the purchase of Shares, and promptly deliver payment and appropriate documentation thereof to the Custodian of the Fund

authorized pursuant to the Declaration of Trust of the Fund (the "Custodian");

(ii) Pursuant to purchase orders, issue the appropriate number of Shares and hold such Shares in the appropriate Shareholder account;

(iii) Receive redemption requests and redemption directions and deliver the appropriate documentation thereof to the Custodian;

(iv) At the appropriate time as and when it receives monies paid to it by the Custodian with respect to any redemption, pay over or cause to be paid over in the appropriate manner such monies as instructed by the redeeming Shareholders;

(v) Effect transfers of Shares by the registered owners thereof upon receipt of appropriate instructions;

(vi) Prepare and transmit payments for dividends and

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distributions declared by the Fund on behalf of the applicable Portfolio;

(vii) Report abandoned property to the various states as authorized by the Fund per policies and principles agreed upon by the Fund and the Bank;

(viii) Maintain records of account for and advise the Fund and its Shareholders as to the foregoing; and

(ix) Record the issuance of Shares of the Fund and maintain pursuant to SEC Rule 17Ad-10(e) a record of the total number of Shares which are authorized,

based upon data provided to it by the Fund, and issued and outstanding. The Bank shall also provide the Fund on a regular basis with the total number of Shares which are authorized and issued and outstanding and shall have no obligation, when recording the issuance of Shares, to monitor the issuance of such Shares or to take cognizance of any laws relating to the issue or sale of such Shares, which functions shall be the sole responsibility of the Fund.

(b) In addition to and neither in lieu nor in contravention of the services set forth in the above paragraph (a), the Bank shall: (i) perform the customary services of a transfer agent, dividend disbursing agent, custodian of certain retirement plans and, as relevant, agent in connection with accumulation, open-account or similar plans (including without limitation any periodic investment plan or periodic withdrawal program), including but not limited to: maintaining all Shareholder accounts, preparing Shareholder meeting lists, mailing proxies, mailing Shareholder reports and prospectuses to current Shareholders, withholding taxes on U.S. resident and non-resident alien accounts, preparing and filing U.S. Treasury Department Forms 1099 and other appropriate forms required with respect to dividends and distributions by federal authorities for all Shareholders, preparing and mailing confirmation forms and statements of account to Shareholders for all purchases and redemptions of Shares and

other confirmable transactions in Shareholder accounts, preparing and mailing activity statements for Shareholders, and providing Shareholder account information and (ii) provide a system which will enable the Fund to monitor the total number of Shares sold in each State.

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(c) In addition, the Fund shall (i) identify to the Bank in writing those transactions and assets to be treated as exempt from blue sky reporting for each State and (ii) verify the establishment of transactions for each State on the system prior to activation and thereafter monitor the daily activity for each State. The responsibility of the Bank for the Fund's blue sky State registration status is solely limited to providing the system referred to above, the initial establishment of transactions subject to blue sky compliance by the Fund and the reporting of such transactions to the Fund as provided above.

(d) Procedures as to who shall provide certain of these services in Article 1 may be established from time to time by agreement between the Fund on behalf of each Portfolio and the Bank per the attached service responsibility schedule. The Bank may at times perform only a portion of these services and the Fund or its agent may perform these services on the Fund's behalf.

Article 2 FEES AND EXPENSES

2.01 For performance by the Bank pursuant to this Agreement, the Fund agrees on behalf of each of the Portfolios to pay the Bank an annual maintenance fee for each Shareholder account as set out in the initial fee schedule attached hereto. Such fees

and out-of-pocket expenses and advances identified under Section 2.02 below may be changed from time to time subject to mutual written agreement between the Fund and the Bank.

2.02 In addition to the fee paid under Section 2.01 above, the Fund agrees on behalf of each of the Portfolios to reimburse the Bank for out-of-pocket expenses, including but not limited to confirmation production, postage, forms, telephone, microfilm, microfiche, tabulating proxies, records storage or advances incurred by the Bank for the items set out in the fee schedule attached hereto. In addition, any other expenses incurred by the Bank at the request or with the consent of the Fund, will be reimbursed by the Fund on behalf of the applicable Portfolio.

2.03 The Fund agrees on behalf of each of the Portfolios to pay all fees and reimbursable expenses promptly following the receipt of the respective billing notice. Procedures applicable to advance payment by the Fund to the Bank of postage for mailing dividends, proxies, Fund reports and other mailings to Shareholder accounts may be established from time to time by agreement between the Fund and the Bank.

Article 3 REPRESENTATIONS AND WARRANTIES OF THE BANK

The Bank represents and warrants to the Fund that:

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3.01 It is a trust company duly organized and existing and in good standing under the laws of the Commonwealth of Massachusetts.

3.02 It is duly qualified to carry on its business in the Commonwealth of Massachusetts.

3.03 It is empowered under applicable laws and by its Charter and By-Laws to enter into and perform this Agreement.

3.04 All requisite corporate proceedings have been taken to authorize it to enter into and perform this Agreement.

3.05 It has and will continue to have access to the necessary facilities, equipment and personnel to perform its duties and obligations under this Agreement.

Article 4 REPRESENTATIONS AND WARRANTIES OF THE FUND

The Fund represents and warrants to the Bank that:

4.01 It is a business trust duly organized and existing and in good standing under the laws of the Commonwealth of Massachusetts.

4.02 It is empowered under applicable laws and by its Declaration of Trust and By-Laws to enter into and perform this Agreement.

4.03 All corporate proceedings required by said Declaration of Trust and By-Laws have been taken to authorize it to enter into and perform this Agreement.

4.04 It is an open-end management investment company registered under the Investment Company Act of 1940, as amended.

4.05 A registration statement under the Securities Act of 1933, as amended on behalf of each of the Portfolios is currently effective and will remain effective, and appropriate state securities law filings have been made and the Fund will use its best efforts to continue to make such filings with respect to all Shares of the Fund being offered for sale.

Article 5 DATA ACCESS AND PROPRIETARY INFORMATION

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5.01 The Fund acknowledges that the data bases, computer programs, screen format, report formats, interactive design techniques, and documentation manuals (collectively, "Proprietary Information") furnished to the Fund by the Bank as part of the Fund's ability to access certain Fund-related data ("Customer Data") maintained by the Bank on data bases under the control and ownership of the Bank or other third party ("Data Access Services") constitute copyrighted, trade secret, or other proprietary information of substantial value to the Bank or other third party. In no event shall Proprietary Information be deemed Customer Data. The Fund agrees to treat all Proprietary Information as proprietary to the Bank and further agrees that it shall not divulge any Proprietary Information to any person or organization except as may be provided hereunder. Without limiting the foregoing, the Fund agrees for itself and its employees and agents:

(a) to access Customer Data solely from locations as may be designated in writing by the Bank and solely in accordance with the Bank's applicable user documentation;

(b) to refrain from copying or duplicating in any way the Proprietary Information;

(c) to refrain from obtaining unauthorized access to any portion of the Proprietary Information, and if such access is inadvertently obtained, to inform in a timely manner of such fact and dispose of such

information in accordance with the Bank's instructions;

(d) to refrain from causing or allowing third-party data required hereunder from being retransmitted to any other computer facility or other location, except with the prior written consent of the Bank;

(e) that the Fund shall have access only to those authorized transactions agreed upon by the parties;

(f) to honor all reasonable written requests made by the Bank to protect at the Bank's expense the rights of the Bank in Proprietary Information at common law, under federal copyright law and under other federal or state law.

Each party shall take reasonable efforts to advise its employees of their obligations pursuant to this Article 5. The obligations of this Article shall survive any earlier termination of this Agreement.

5.02 If the Fund notifies the Bank that any of the Data Access

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Services do not operate in material compliance with the most recently issued user documentation for such services, the Bank shall use its best efforts to promptly correct such failure. Organizations from which the Bank may obtain certain data included in the Data Access Services are solely responsible for the contents of such data and the Fund agrees to make no claim against the Bank arising out of the contents of such third-party data, including, but not limited to, the accuracy thereof. DATA ACCESS SERVICES AND

ALL COMPUTER PROGRAMS AND SOFTWARE SPECIFICATIONS USED IN CONNECTION THEREWITH ARE PROVIDED ON AN AS IS, AS AVAILABLE BASIS. THE BANK EXPRESSLY DISCLAIMS ALL WARRANTIES EXCEPT THOSE EXPRESSLY STATED HEREIN INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5.03 If the transactions available to the Fund include the ability to originate electronic instructions to the Bank in order to (i) effect the transfer or movement of cash or Shares or (ii) transmit Shareholder information or other information (such transactions are known as "Customer Originated Electronic Financial Instructions" or "COEFI"), then in such event the Bank shall be entitled to rely on the validity and authenticity of such instruction without undertaking any further inquiry as long as such instruction is undertaken in conformity with security procedures established by the Bank from time to time.

Article 6 INDEMNIFICATION

6.01 The Bank shall not be responsible for, and the Fund shall on behalf of the applicable Portfolio indemnify and hold the Bank harmless from and against, any and all losses, damages, costs, charges, reasonable counsel fees, payments, expenses and liability arising out of or attributable to any claim, demand, action or suit in connection with:

(a) All actions of the Bank or its agent or subcontractors required to be taken pursuant to this Agreement, provided that such actions are taken in good faith and without negligence or willful misconduct.

(b) The Fund's lack of good faith, negligence or willful misconduct which arise out of the breach of any representation or warranty of the Fund hereunder.

(c) The reliance on or use by the Bank or its agents or subcontractors of information, records, documents or services which (i) are received by the Bank or its agents or subcontractors, and (ii) have been

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prepared, maintained or performed by the Fund or any other person or firm on behalf of the Fund.

(d) The reliance on, or the carrying out by the Bank or its agents or subcontractors of any instructions or requests of the Fund on behalf of the applicable Portfolio.

(e) The offer or sale of Shares in violation of any requirement under the federal securities laws or regulations or the securities laws or regulations of any state that such Shares be registered in such state or in violation of any stop order or other determination or ruling by any federal agency or any state with respect to the offer or sale of such Shares in such state unless any such violation results from failure of the system provided by the Bank to Section 1.02 (b) to operate properly.

6.02 The Bank shall indemnify and hold the Fund harmless from and against any and all losses, damages, costs, charges, reasonable counsel fees, payments, expenses and liability arising out of or attributable to any action or failure or omission to act by the Bank as a result of the Bank's lack of good faith, negligence or willful misconduct.

6.03 At any time the Bank may apply to any officer of the Fund for instructions, and may consult with legal counsel with respect to any matter arising in connection with the services to be performed by the Bank under this Agreement, and the Bank and its agents or subcontractors shall not be liable and shall be indemnified by the Fund on behalf of the applicable Portfolio for any action taken or omitted by it in reliance upon such instructions or upon the opinion of such counsel. The Bank, its agents and subcontractors shall be protected and indemnified in acting upon any paper or document furnished by or on behalf of the Fund, reasonably believed to be genuine and to have been signed by the proper person or persons, or upon any instruction, information, data, records or documents provided the Bank or its agents or subcontractors by machine readable input, telex, CRT data entry or other similar means authorized by the Fund, and shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Fund. The Bank, its agents and subcontractors shall also be protected and indemnified in recognizing stock certificates which are reasonably believed to bear the proper manual or facsimile signatures of the officers of the Fund, and the proper countersignature of any former transfer agent or former registrar, or of a co-transfer agent or co-registrar.

6.04 In the event either party is unable to perform its obligations under the terms of this Agreement because of acts of God, strikes, equipment or transmission failure or damage

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reasonably beyond its control, or other causes reasonably beyond its control, such party shall not be liable for damages to the other for any damages resulting from such failure to perform or otherwise from such causes, provided that the Bank shall use its best efforts to minimize the likelihood of all damage, loss of data, delays and errors resulting from uncontrollable events, and if such damage, loss of data, delays or errors occur, the Bank shall use its best efforts to mitigate the effects of such occurrence.

6.05 Neither party to this Agreement shall be liable to the other party for consequential damages under any provision of this Agreement or for any consequential damages arising out of any act or failure to act hereunder.

6.06 In order that the indemnification provisions contained in this Article 6 shall apply, upon the assertion of a claim for which either party may be required to indemnify the other, the party seeking indemnification shall promptly notify the other party of such assertion, and shall keep the other party advised with respect to all developments concerning such claim. The party who may be required to indemnify shall have the option to participate with the party seeking indemnification in the defense of such claim. The party seeking indemnification shall in no case confess any claim or make any compromise in any case in which the other party may be required to indemnify it except with the other party's prior written consent.

Article 7 STANDARD OF CARE

7.01 The Bank shall at all times act in good faith and agrees to use its best efforts within reasonable limits to insure the accuracy of all services performed under this Agreement, but assumes no responsibility and shall not be liable for loss or damage due to errors unless said errors are caused by its negligence, bad faith, or willful misconduct or that of its employees.

Article 8 COVENANTS OF THE FUND AND THE BANK

8.01 The Fund shall on behalf of each of the Portfolios promptly furnish to the Bank the following:

(a) A certified copy of the resolution of the Trustees of the Fund authorizing the appointment of the Bank and the execution and delivery of this Agreement.

(b) A copy of the Declaration of Trust and By-Laws of the Fund and all amendments thereto.

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8.02 The Bank hereby agrees to establish and maintain facilities and procedures reasonably acceptable to the Fund for safekeeping of stock certificates, check forms and facsimile signature imprinting devices, if any; and for the preparation or use, and for keeping account of, such certificates, forms and devices. The forms and documents used for the Fund or its Shareholders shall be acceptable to the Fund.

8.03 The Bank shall keep records relating to the services to be performed hereunder, in the form and manner as it may deem advisable and as may be reasonably acceptable to the Fund. To the

extent required by Section 31 of the Investment Company Act of 1940, as amended, and the Rules thereunder, the Bank agrees that all such records prepared or maintained by the Bank relating to the services to be performed by the Bank hereunder are the property of the Fund and will be preserved, maintained and made available in accordance with such Section and Rules, and will be surrendered promptly to the Fund on and in accordance with its request.

8.04 The Bank and the Fund agree that all books, records, information and data pertaining to the business of the other party which are exchanged or received pursuant to the negotiation or the carrying out of this Agreement shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law. Notice shall be given to the other party a reasonable time in advance of any such disclosure. In addition, in the case of any request or demand for the inspection of the Shareholder records of the Fund, the Bank will notify the Fund promptly of receipt of such request or demand and request instructions from an authorized officer of the Fund as to such inspection. The Fund will, within two business days, furnish instructions to the Bank. Pending receipt of such instructions, the Bank will not disclose such Shareholder records and upon receipt the Bank will abide by such instructions. Notwithstanding any other provision of this Agreement, in the event that (i) the Fund instructs the Bank not to disclose such Shareholder records and the Bank has furnished the Fund with an opinion of counsel that the Bank may be held liable for the failure to disclose such

Shareholder records, the Fund will indemnify the Bank for any such liability, or (ii) the Bank discloses such Shareholder records without proper instructions from the Fund, the Bank shall indemnify and hold the Fund harmless from and against any and all losses, damages, costs, charges, reasonable counsel fees, payments, expenses and liability arising out of or attributable to such disclosure. The provision of Section 6.06 shall govern such indemnification.

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Article 9 TERMINATION OF AGREEMENT

9.01 This Agreement may be terminated by either party upon one hundred twenty (120) days written notice to the other.

9.02 Should the Fund exercise its right to terminate, all out-of-pocket expenses associated with the movement of records and material will be borne by the Fund on behalf of the applicable Portfolio(s). Additionally, the Bank reserves the right to charge for any other reasonable expenses associated with such termination.

Article 10 ADDITIONAL FUNDS

10.01 In the event that the Fund establishes one or more series of Shares in addition to The JPM Advisor U.S. Fixed Income Fund, The JPM Advisor International Fixed Income Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor International Equity Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund and The JPM Advisor Japan Equity Fund with respect to which it desires to have the Bank render services as transfer agent under the terms hereof, it shall so

notify the Bank in writing, and if the Bank agrees in writing to provide such services, such series of Shares shall become a Portfolio hereunder.

Article 11 ASSIGNMENT

11.01 Except as provided in Section 11.03 below, neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the written consent of the other party.

11.02 This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

11.03 The Bank may, without further consent on the part of the Fund, subcontract for the performance hereof with (i) Boston Financial Data Services, Inc., a Massachusetts corporation ("BFDS") which is duly registered as a transfer agent pursuant to Section 17A(c)(1) of the Securities Exchange Act of 1934, as amended ("Section 17A(c)(1)"), (ii) a BFDS subsidiary duly registered as a transfer agent pursuant to Section 17A(c)(1) or (iii) a BFDS affiliate; provided, however, that the Bank shall be as fully responsible to the Fund for the acts and omissions of any subcontractor as it is for its own acts and omissions.

Article 12 AMENDMENT

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12.01 This Agreement may be amended or modified by a written agreement executed by both parties and authorized or approved by a resolution of the Trustees of the Fund.

Article 13 MASSACHUSETTS LAW TO APPLY

13.01 This Agreement shall be construed and the provisions thereof interpreted under and in accordance with the laws of the Commonwealth of Massachusetts.

Article 14 MERGER OF AGREEMENT

14.01 This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject matter hereof whether oral or written.

Article 15 LIMITATIONS OF LIABILITY OF THE TRUSTEES AND THE SHAREHOLDERS

15.01 A copy of the Declaration of Trust of the Trust is on file with the Secretary of the Commonwealth of Massachusetts, and notice is hereby given that this instrument is executed on behalf of the Trustees of the Trust as Trustees and not individually and that the obligations of this instrument are not binding upon any of the Trustees or Shareholders individually but are binding only upon the assets and property of the Fund. Article 16 COUNTERPARTS

16.01 This Agreement may be executed by the parties hereto on any number of counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their names and on their behalf by and through their duly authorized officers, as of the day and year first above written.

THE JPM ADVISOR FUNDS

BY: /s/ James B. Craver
James B. Craver
Secretary and Treasurer

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STATE STREET BANK AND TRUST COMPANY

BY: /s/ Ronald E. Logue

Executive Vice President

STATE STREET BANK & TRUST COMPANY
FUND SERVICE RESPONSIBILITIES*

SERVICE PERFORMED	RESPONSIBILITY BANK	RESPONSIBILITY FUND
1. Receives orders for the purchase of Shares.		X
2. Issue Shares and hold Shares in Shareholders accounts.	X	
3. Receive redemption requests.		X
4. Effect transactions 1-3 above directly with broker-dealers.	N/A	
5. Pay over monies to redeeming Shareholders.	X	
6. Effect transfers of Shares.		X
7. Prepare and transmit dividends and distributions.	X	
8. Issue Replacement Certificates.	N/A	
9. Reporting of abandoned property.	X	
10. Maintain records of account.	X	
11. Maintain and keep a current and accurate control book for each issue of securities.	X	
12. Mail proxies.		X
13. Mail Shareholder reports.		X
14. Mail prospectuses to current Shareholders.		X
15. Withhold taxes on U.S. resident and non-resident alien		

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accounts.	X	
16. Prepare and file U.S. Treasury Department forms.	X	
17. Prepare and mail account and confirmation statements for Shareholders.	X	

SERVICE PERFORMED	RESPONSIBILITY BANK	FUND
18. Provide Shareholder account information.		X
19. Blue sky reporting.		X

* Such services are more fully described in Article 1.02 (a), (b) and (c) of the Agreement.

THE JPM ADVISOR FUNDS

BY: /s/ James B. Craver
James B. Craver
Secretary and Treasurer

STATE STREET BANK AND TRUST COMPANY

BY: /s/ Ronald E. Logue

Executive Vice President

[logo] State Street [registered trademark]

State Street Bank and Trust Company
P.O. Box 1713
Boston, Massachusetts 02105-1713

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STATE STREET BANK & TRUST CO.

FEE INFORMATION FOR SERVICES AS
TRANSFER AND DIVIDEND DISBURSING AGENT

THE JPM ADVISOR FUNDS

GENERAL: Fees are based on annual per shareholder account charges for account maintenance. Fees are billable on a monthly basis at the rate of 1/12 of the annual fee. A charge is made for an account in the month that an account opens or closes.

ANNUAL MAINTENANCE CHARGE:

[bullet]	Daily Dividend Funds - Per Account, Per Year	$20.00
[bullet]	Non-daily Dividend Funds - Per Account, Per Year	$15.00

[bullet] There would be a minimum charge per Fund of $16,000 per annum.

OTHER FEES:

[bullet]	Closed Accounts, Per Account, Per Month	$0.10
[bullet]	Disaster Recovery/Emergency Backup per Account Serviced Per Year	$0.25
[bullet]	Investor Account, Per Year	$1.80

The following features will each be assessed additional charges as an add-on to the annual per account rate.

[bullet]	Transmissions, Per Type, Per Month	$300.00
[bullet]	Super Selects	$100.00
[bullet]	Custom Tape Generations	$150.00
[bullet]	Spacs	$25.00

OUT OF POCKET EXPENSES:

[bullet] Out-of-Pocket expenses include but are not limited to: confirmation statements, stationery, forms, postage, microfilm, microfiche, and expenses incurred at the specific direction of the fund.

THE JPM ADVISOR FUNDS	STATE STREET BANK & TRUST CO.
By: /s/ Thomas M. Lenz	By: /s/ [indistinguishable]

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Title: Secretary

Date 5/9/96

Title: Vice President

Date: 5/29/96

[JPM259D]

[The JPM Advisor Funds
60 State Street, Suite 1300
Boston, Massachusetts 02109
(617) 557-0700

[_________, 199_]

State Street Bank and Trust Company
1776 Heritage Drive
North Quincy, MA 02171

Ladies and Gentlemen:

RE: CUSTODIAN CONTRACT AND TRANSFER AGENCY AND SERVICE AGREEMENT

This is to advise you that the Board of Trustees of The JPM Advisor Funds (the "Fund") has established and organized a new series of shares of beneficial interest (The JPM Advisor Diversified Fund) (the "Portfolio"). In accordance with the additional funds provisions in Article 16 of the Custodian Contract dated March 8, 1995 and in Section 10.01 of the Transfer Agency and Service Agreement dated March 8, 1995 between the Fund and State Street Bank and Trust Company ("State Street"), the Fund hereby requests that State Street act as Custodian and Transfer Agent for the Portfolio under the terms of the respective contracts.

Please indicate your acceptance of the foregoing by executing the eight originals of this letter agreement, returning four to the Fund and retaining four agreements for your records.

Very truly yours,

By ____________________________
Name:
Title:

Agreed to as of the ___ day of ______, 199_

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STATE STREET BANK AND TRUST COMPANY

By ___________________________

Title:

[JPM259D]]

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Exhibit 10

SULLIVAN & CROMWELL

NEW YORK TELEPHONE: (212) 558-4000
TELEX: 62694 (INTERNATIONAL) 127816 (DOMESTIC)
CABLE ADDRESS: LADYCOURT, NEW YORK
FACSIMILE: (212) 558-3588 (125 BROAD STREET)
(212) 558-3792 (250 PARK AVENUE)

125 Broad Street, New York 10004-2498
250 PARK AVENUE, NEW YORK 10177-0021
1701 PENNSYLVANIA AVE., N.W., WASHINGTON, DC 20006-5805
444 SOUTH FLOWER STREET, LOS ANGELES 90071-2901
8, PLACE VENDOME, 75001 PARIS
ST. OLAVE'S HOUSE, 9a IRONMONGER LANE, LONDON EC2V 8EY
101 COLLINS STREET, MELBOURNE 3000
2-1, MARUNOUCHI 1-CHOME, CHIYODA-KU, TOKYO 100
NINE QUEEN'S ROAD, CENTRAL, HONG KONG

March 23, 1995

The JPM Advisor Funds,
6 St. James Avenue,
Suite 900,
Boston, Massachusetts 02116.

Dear Sirs:

In connection with the Pre-Effective Amendment No. 2 to the Registration Statement on Form N-1A (File No. 33-84798) of The JPM Advisor Funds, an unincorporated business trust organized in compliance with the laws of the Commonwealth of Massachusetts (the "Trust"), with the Securities and Exchange Commission for the purpose of registering under the Securities Act 1933, as amended (the "Securities Act") an indefinite number of shares of beneficial interest, par value $.001 per share (the "Shares"), we, as your counsel, have examined such trust records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion.

Upon the basis of such examination and review, we advise you that, in our

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opinion, when the Registration

Statement referred to above has become effective under the Securities Act and the Shares are issued and sold for the consideration authorized by the Trustees of the Trust, which consideration shall in each event be at least equal to the par value of such Shares, they will be validly issued, fully paid and nonassessable by the Trust.

The foregoing opinion is limited to the Federal laws of the United States and the laws of the Commonwealth of Massachusetts, and we are expressing no opinion as to the effect of the laws of any other jurisdiction. With respect to all matters of Massachusetts law, we have relied upon the opinion, dated March 23, 1995, of James B. Craver (Massachusetts license no. M.B.O. 104500), and our opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in such opinion of James B. Craver.

Also, we have relied as to certain matters on information obtained from public officials, officers of the Trust and other sources believed by us to be responsible.

We hereby consent to the filing of this opinion as an exhibit to the Pre-Effective Amendment referred to above. In giving such consent, we do not thereby admit that we are

in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Sullivan & Cromwell

[JPM511]

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Exhibit 11

CONSENTS OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Statement of Additional Information constituting part of this Post-Effective Amendment No. 8 to the registration statement on Form N-1A (the "Registration Statement") of our reports dated June 27, 1996, relating to the statement of assets and liabilities of The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund and The JPM Advisor Japan Equity Fund at December 31, 1995 and our reports dated January 30, 1996, relating to the statements of assets and liabilities of The JPM Advisor Emerging Markets Equity Fund and The JPM Advisor International Equity Fund at October 31, 1995 and The JPM Advisor International Fixed Income Fund at September 30, 1995, which appear in such Statement of Additional Information, and to the incorporation by reference of our reports into the Prospectuses which constitute parts of this Registration Statement.

We hereby consent to the incorporation by reference in the Prospectuses and Statement of Additional Information constituting parts of the Registration Statement of our reports dated July 25, 1996, relating to the financial statements and the financial highlights of The JPM Advisor U.S. Equity Fund and The JPM Advisor U.S. Small Cap Equity Fund and the financial statements and supplementary data of The Selected U.S. Equity Portfolio and The U.S. Small Company Portfolio appearing in the May 31, 1996 Annual Reports, which are also incorporated by reference into the Registration Statement.

We hereby consent to the incorporation by reference in the Prospectus and Statement of Additional Information constituting parts of the Registration Statement of our report dated August 28, 1995, relating to the financial statements and supplementary data of The Diversified Portfolio appearing in the June 30, 1995 Annual Report, which is also incorporated by into the Registration Statement.

We hereby consent to the incorporation by reference in the Prospectus and Statement of Additional Information constituting parts of the Registration Statement of our report dated November 20, 1995, relating to the financial statements and supplementary data of The Non-U.S. Fixed Income Portfolio appearing in the September 30, 1995 Annual Report, which is also incorporated by reference into the Registration Statement.

We hereby consent to the incorporation by reference in the Prospectuses and Statement of Additional Information constituting parts of the Registration Statement of our report dated February 27, 1996, relating to the financial statements and financial highlights of The JPM Advisor U.S. Fixed Income Fund at October 31, 1995 and our reports dated December 22, 1995, relating to the financial statements and supplementary data of The U.S. Fixed Income Portfolio,

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The Emerging Markets Equity Portfolio, and The Non-U.S. Equity Portfolio appearing in the October 31, 1995 Annual Reports, which are also incorporated by reference into the Registration Statement.

We hereby consent to the incorporation by reference in the Prospectuses and Statement of Additional Information constituting parts of the Registration Statement of our reports dated February 23, 1996, relating to the financial statements and supplementary data of The Asia Growth Portfolio, The Japan Equity Portfolio, and The European Equity Portfolio at December 31, 1995, which are also incorporated by reference into the Registration Statement.

We also consent to the references to us under the headings "Independent Accountants" and "Financial Statements" in the Statement of Additional Information.

/s/ Price Waterhouse LLP
PRICE WATERHOUSE LLP
New York, New York
August 22, 1996

JPM510

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Exhibit 13

H.C. WAINWRIGHT & CO., INC.
Investments Since 1868

One Boston Place (617) 227-3100
Boston, MA 02108 Fax: 973-0550

March 24, 1995

The JPM Advisor Funds
6 St. James Avenue, 9th Floor
Boston, MA 02116

Ladies and Gentlemen:

With respect to our purchase from you of 10,000 shares of beneficial interest ("Initial Shares") of The JPM Advisor U.S. Fixed Income Fund (the "Fund"), a series of The JPM Advisor Funds, a Massachusetts business trust, for a purchase price of $100,000, we hereby advise you that we are purchasing such Initial Shares with no intention to dispose of them either through resale to others or redemption by the Fund.

The amount paid by the Fund on any redemption by us of any such Initial Shares will be reduced by the PRO RATA portion of any unamortized organization expenses which the number of Initial Shares redeemed bears to the total number of Initial Shares outstanding immediately prior to such redemption.

Very truly yours,

SFG INVESTORS II LIMITED PARTNERSHIP

By: H.C. WAINWRIGHT & CO., INC.
as General Partner

By: /s/ Stephen D. Barrett
Stephen D. Barrett
President

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Member: New York and Boston Stock Exchanges

SIGNATURE FINANCIAL GROUP INC.
6 St. James Avenue
Boston, Massachusetts 02116
Tel. (617) 423-0800
Fax (617) 542-5815

March 22, 1995

The JPM Advisor Funds
6 St. James Avenue
Boston, Massachusetts 02116

Ladies and Gentlemen:

Re: The JPM Advisor International Fixed Income Fund, The JPM Advisor U.S. Equity Fund, The JPM Advisor U.S. Small Cap Equity Fund, The JPM Advisor International Equity Fund, The JPM Advisor Emerging Markets Equity Fund, The JPM Advisor Asia Growth Fund, The JPM Advisor European Equity Fund, and The JPM Advisor Japan Equity Fund (each, a "Fund"; collectively, the "Funds"; each Fund is a series of The JPM Advisor Funds, a Massachusetts business trust)

With respect to our purchase from you of 10 shares of beneficial interest ("Initial Shares") of each of the Funds for $100 per Fund, we hereby advise you that we are purchasing such Initial Shares with no intention to dispose of them either through resale to others or redemption by the Funds.

The amount paid by the Funds on any redemption by us of any such Initial Shares will be reduced by the PRO RATA portion of any unamortized organization expenses which the number of Initial Shares redeemed bears to the total number of Initial Shares outstanding immediately prior to such redemption.

Very truly yours,

SIGNATURE FINANCIAL GROUP, INC.

By /s/ Linwood C. Downs
Linwood C. Downs
Treasurer

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CHANGE IN OWNERSHIP AGREEMENT

SFG Investors II Limited Partnership ("SFG") and FDI Distribution Services, Inc. ("FDI"), a Delaware corporation, hereby agree with each other as follows:

1. SFG and FDI hereby represent that this change in ownership agreement (the "Agreement") shall be entered into for the benefit of The JPM Advisor Funds, a Massachusetts business trust (the "Trust"), such benefit to be evidenced by the Trust's acceptance of the terms of this Agreement by signature inscribed at the end hereof,

2. SFG hereby offers FDI and FDI hereby purchases 10,203,146 shares (par value $.001 per share) of the U.S. Fixed Income Fund of the Trust (the "Fund")(the "Shares") by deposit of a sum of $103,744.53, determined as the net asset value of the Shares as of the close of business on the last business day immediately preceding this Agreement, plus any accrued but yet unpaid dividends (the "Cash Deposit").

3. SFG represents and warrants to FDI and the Trust that, upon receipt of the Cash Deposit from FDI as consideration for this transaction, SFG shall immediately notify (via fax, with hard copy to follow) the Trust's transfer agent or shareholder servicing agent to change the record of ownership, as of the date of this Agreement, to reflect that FDI has assumed ownership of the Shares. Such notification shall take the form of the letter attached hereto as Exhibit A.

4. FDI represents and warrants to the Trust that the Shares are being acquired for investment purposes and not with a view to the distribution thereof.

5. FDI agrees that if it or any direct or indirect transferee of any of the Shares redeems any of the Shares prior to the fifth anniversary of July 23, 1996, the date the Trust began its investment activities, FDI will pay to the Trust an amount equal to the number resulting from multiplying the Trust's total unamortized organizational expenses by a fraction, the numerator of which is equal to the number of Shares redeemed by FDI or such transferee and the denominator of which is equal to the number of Shares held by FDI outstanding as of the date of such redemption, as long as the administrative position of the staff of the Securities and Exchange Commission requires such reimbursement.

6. FDI is authorized and otherwise duly qualified to purchase and hold Shares and to enter into this Agreement.

SFG INVESTORS II LIMITED PARTNERSHIP

ATTEST:

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By: H.C. Wainwright & Co., Inc.
as General Partner

/s/ Michael Flynn

By: /s/ Stephen D. Barrett
Stephen D. Barrett, President

Date: 8/6/96

FDI DISTRIBUTION SERVICES, INC.

ATTEST:
/s/ Cheryl A. Vella

By: /s/ Joseph F. Tower
Joseph F. Tower, Senior Vice
President & Treasurer

Date: 8/6/96

ACCEPTED BY:

THE JPM ADVISOR FUNDS

ATTEST:

____

By: _________________________________
Richard W. Ingram, President

Date: _________________

[JPM515]

EXHIBIT A

August , 1996

Mr. Timothy Herrera
Morgan Guaranty Trust Co. of New York
522 Fifth Avenue
New York, NY 10036

Re: SFG Investors II, L.P. Seed Capital

Dear Mr. Herrera:

We have entered into a change in ownership agreement, effective immediately (the "Agreement"), whereby SFG Investors II Limited Partnership ("SFG") shall transfer ownership of certain shares of the U.S. Fixed Income Fund (the "Fund") of The JPM Advisor Funds, a Massachusetts business trust (the "Trust"), to FDI

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Distribution Services, Inc. ("FDI"), in exchange for such consideration as is defined in the Agreement, which is attached hereto.

Please re-register all full and fractional shares in the following account previously held by SFG and FDI:

JPM ADVISOR FUND	FUND AND ACCOUNT NUMBER
U.S. Fixed Income Fund	600 - 101

The account should be registered to FDI in the following manner:

FDI Distribution Services, Inc.
Attn: Joseph F. Tower
60 State Street
Suite 1300
Boston, MA 02109
Tax ID#: 04-3229807

If you have any questions regarding these instructions, please contact

______________________ at _________________.

Sincerely,

[Authorized Signatory of SFG]

[JPM515]

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THE JPM ADVISOR FUNDS
SCHEDULE FOR COMPUTATION OF PERFORMANCE QUOTATIONS

U.S. FIXED INCOME AND INTERNATIONAL FIXED INCOME FUNDS

30-DAY YIELD

Quotations of yield will be based on a Fund's investment income per share earned during a particular 30-day period, less expenses accrued during the period ("net investment income") and will be computed by dividing net investment income by the maximum offering price per share on the last day of the period, according to the following formula:

```
30-DAY YIELD - 2[(a-b + 1)6[superscript]-1]
                  ---
                  cd
```

(where a = dividends and interest earned during the period, b = expenses accrued for the period (net of any reimbursements), c = the average daily number of shares outstanding during the period that were entitled to receive dividends and d = the maximum offering price per share on the last day of the period).

ALL FUNDS

ANNUAL TOTAL RETURN

Quotations of a Fund's average annual total return will be expressed in terms of the average annual compounded rate of return of a hypothetical investment in such Fund over periods of 1, 5 and 10 years (up to the life of the Fund), calculated pursuant to the following formula:

P (1 + T)n [superscript] + ERV

(where P = a hypothetical initial payment of $1,000, T = the average annual total return, n = the number of years and ERV = the ending redeemable value of a hypothetical $1,000 payment made at the beginning of the period). All total return figures will reflect the deduction of Fund expenses (net of certain expenses reimbursed) on an annual basis and will assume that all dividends and distributions are reinvested when paid.

AGGREGATE TOTAL RETURN

A Fund's aggregate total return, reflecting the cumulative percentage

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change over a measuring period, is calculated according to the following formula:

$$P(1 + T) = ERV$$

(where P = a hypothetical initial payment of $1,000 and T = total return).

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Exhibit 18

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Conroy and Christopher J. Kelley, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The JPM Advisor Funds with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 18th day of July, 1996.

/s/ Kenneth Whipple, Jr.
Kenneth Whipple, Jr.

JPM502A

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Conroy and Christopher J. Kelley, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The JPM Advisor Funds with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange

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Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 18th day of July, 1996.

/s/ John R. Rettberg
John R. Rettberg

JPM502A

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Conroy and Christopher J. Kelley, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The JPM Advisor Funds with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 18th day of July, 1996.

/s/ John F. Ruffle
John F. Ruffle

JPM502A

POWER OF ATTORNEY

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The undersigned hereby constitutes and appoints Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Conroy and Christopher J. Kelley, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The JPM Advisor Funds with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 18th day of July, 1996.

/s/ John C. Cox
John C. Cox

JPM502A

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Conroy and Christopher J. Kelley, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The JPM Advisor Funds with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 18th day of July, 1996.

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/s/ John E. Baumgardner, Jr.
John E. Baumgardner, Jr.

JPM502A

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Matthew Healey, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Con[t]roy, Christopher J. Kelley and Jacqueline Henning/Lenore McCabe, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The Pierpont Funds, The JPM Institutional Funds or The JPM Advisor Funds (each a "Trust"), or the Registration Statement(s), and any and all amendments thereto, filed by any other investor in any registered investment company in which any of the Trusts invest, with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of July, 1996, in Paget, Bermuda.

/s/ Richard W. Ingram
Richard W. Ingram

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Matthew Healey, Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Con[t]roy, Christopher J. Kelley and Jacqueline Henning/Lenore McCabe, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The Pierpont Funds, The JPM Institutional Funds or The JPM Advisor Funds (each a "Trust"), or the

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Registration Statement(s), and any and all amendments thereto, filed by any other investor in any registered investment company in which any of the Trusts invest, with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of July, 1996, in Paget, Bermuda.

/s/ Frederick S. Addy
Frederick S. Addy

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Matthew Healey, Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Con[t]roy, Christopher J. Kelley and Jacqueline Henning/Lenore McCabe, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The Pierpont Funds, The JPM Institutional Funds or The JPM Advisor Funds (each a "Trust"), or the Registration Statement(s), and any and all amendments thereto, filed by any other investor in any registered investment company in which any of the Trusts invest, with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of July, 1996, in Paget, Bermuda.

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/s/ William G. Burns
William G. Burns

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Matthew Healey, Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Con[t]roy, Christopher J. Kelley and Jacqueline Henning/Lenore McCabe, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The Pierpont Funds, The JPM Institutional Funds or The JPM Advisor Funds (each a "Trust"), or the Registration Statement(s), and any and all amendments thereto, filed by any other investor in any registered investment company in which any of the Trusts invest, with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of July, 1996, in Paget, Bermuda.

/s/ Arthur C. Eschenlauer
Arthur C. Eschenlauer

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Con[t]roy, Christopher J. Kelley and Jacqueline Henning/Lenore McCabe, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The Pierpont Funds, The JPM Institutional Funds or The JPM Advisor Funds (each a "Trust"), or the Registration Statement(s), and any and all amendments thereto, filed by any other investor in any registered investment company in which any of the Trusts invest, with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and

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all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of July, 1996, in Paget, Bermuda.

/s/ Matthew Healey
Matthew Healey

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Matthew Healey, Richard W. Ingram, Marie E. Connolly, Joseph F. Tower III, John E. Pelletier, Elizabeth A. Bachman, Karen Jacoppo-Wood, Mary A. Nelson, Douglas C. Con[t]roy, Christopher J. Kelley and Jacqueline Henning/Lenore McCabe, and each of them, with full powers of substitution as his true and lawful attorneys and agents to execute in his name and on his behalf in any and all capacities the Registration Statements on Form N-1A, and any and all amendments thereto, filed by The Pierpont Funds, The JPM Institutional Funds or The JPM Advisor Funds (each a "Trust"), or the Registration Statement(s), and any and all amendments thereto, filed by any other investor in any registered investment company in which any of the Trusts invest, with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, and any and all instruments which such attorneys and agents, or any of them, deem necessary or advisable to enable each Trust to comply with such Acts, the rules, regulations and requirements of the Securities and Exchange Commission, and the securities or Blue Sky laws of any state or other jurisdiction, and the undersigned hereby ratifies and confirms as his own act and deed any and all acts that such attorneys and agents, or any of them, shall do or cause to be done by virtue hereof. Any one of such attorneys and agents have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of July, 1996, in Paget, Bermuda.

/s/ Michael P. Mallardi
Michael P. Mallardi

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE SEMI-ANNUAL REPORT DATED APRIL 30, 1996 FOR THE JPM ADVISOR U.S. FIXED INCOME FUND AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH SEMI-ANNUAL REPORT.
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<SERIES>
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<APPREC-INCREASE-CURRENT>	(145)
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