

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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

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FILER

JP MORGAN FUNDS

CIK: **894089** | IRS No.: **133692750** | State of Incorporation: **MA** | Fiscal Year End: **0731**
Type: **N-30D** | Act: **40** | File No.: **811-07340** | Film No.: **01697508**

Mailing Address
C/O FUNDS DISTRIBUTOR,
INC.
60 STATE STREET, SUITE
1300
BOSTON MA 02109-

Business Address
60 STATE STREET
SUITE 1300
BOSTON MA 02109-
6175570700

SERIES PORTFOLIO

CIK: **943180** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-09008** | Film No.: **01697509**

Mailing Address
JP MORGAN
522 FIFTH AVENUE
NEW YORK NY 10036

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JP MORAN 522 FIFTH
AVENUE
NEW YORK NY 10036
809-949-66

JP MORGAN INSTITUTIONAL FUNDS

CIK: **894088** | State of Incorporation: **MA** | Fiscal Year End: **0731**
Type: **N-30D** | Act: **40** | File No.: **811-07342** | Film No.: **01697510**

Mailing Address
522 FIFTH AVENUE
11TH FLOOR
NEW YORK NY 10036

Business Address
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6175570700

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SEMI-ANNUAL REPORT MAY 31, 2001 (UNAUDITED)

JPMORGAN INTERNATIONAL
EQUITY FUNDS

INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND

INTERNATIONAL OPPORTUNITIES FUND

INSTITUTIONAL EUROPEAN EQUITY FUND

EUROPEAN EQUITY FUND

[LOGO]
JPMORGAN FLEMING
ASSET MANAGEMENT

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HIGHLIGHTS

- The past six months have been a period of transition and realignment for the global economy and, by extension, the equity markets that track its progress.
- The world's economic leaders were taking steps to stimulate global growth.
- All eyes are turned to the end of the second quarter and what it will bring in the form of quarterly corporate performance.

NOT FDIC INSURED May lose value / No bank guarantee
JPMorgan Funds are distributed by J.P. Morgan Fund Distributors, Inc.

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JPMorgan INTERNATIONAL EQUITY FUNDS

LETTER TO THE SHAREHOLDERS

July 5, 2001

Dear Shareholder:

We are pleased to present this semi-annual report for the JPMorgan International Equity Funds for the six months ended May 31, 2001. Inside, you'll find information on the performance of each Fund along with a report from the portfolio management team.

A PERIOD OF TRANSITION AND REALIGNMENT

The past six months have been a period of transition and realignment for the global economy and, by extension, the equity markets that track its progress.

The U.S. economy, which was growing at an annualized rate of more than 7% as recently as 1999, was more than a little anemic over this reporting period, with first quarter 2001 GDP growth coming in at an annualized rate of 1.3%. Absent this major stimulus to pull them along, many of the world's developed and emerging markets suffered.

While this cyclical retreat from rapid--perhaps too rapid--GDP growth was going on, investors injected considerable turbulence into international equity markets as they searched for some measure of stability in a demonstrably unstable global marketplace. In this regard, they were not heartened by a raft of reports from domestic and multi-national corporations, particularly those in the U.S., that illustrated the major impact that slowing global growth was having on corporate profits.

Hardest hit were companies in the formerly favored TMT (technology-media-telecommunications) sectors, those that had led equity markets globally to new heights at the end of 1999 and the beginning of 2000. At the end of the first quarter, for example, the tech-dominated NASDAQ, on which many international techs are listed, declined by 37%, this on top of a 33% decline for all of 2000. Only a significant rally in such issues during the April - May period allowed this exchange to partly recover.

RISING TO THE CHALLENGE

Even as such developments were unfolding, the world's economic leaders were taking steps to stimulate global growth.

Seeking to reverse the decline of the U.S. economy and demonstrate leadership in global capital markets, for example, the Federal Reserve Board cut interest rates five times, in 50 basis point increments, over the first five months of this year. Most markets followed suit, including Japan, which returned to an effective zero interest rate policy. Surprising many, the European Central Bank cut rates by 25 basis points late in the period, after resisting such a move for quite some time.

On the international political front, perhaps the most significant development of the period took place in Japan, where reformist Junichiro Koizumi was elected prime minister of the world's second leading economy, one that has experienced some hard times over the past decade or so. It is hoped that he will work to discard the old ways of conducting business and politics, and initiate the reforms that are needed to get the Japanese economy back on track.

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Now, all eyes are turned to the end of the second quarter and what it will bring in the form of quarterly corporate performance. Will results be enough to inspire investor confidence and get them back into the markets in a meaningful fashion? Will there be convincing evidence that the tide has turned and moderate, sustainable global economic growth is in the offing?

As events unfold, we will keep you up to date, relying on our global team of equity and fixed income analysts. These well trained and well seasoned professionals are located on-site in all major and most minor markets, allowing them to be uniquely sensitive to local macroeconomic and sector/company-specific developments that can affect the performance of your funds.

As always, thank you for allowing us to manage your assets. We will do our utmost to seek their appreciation over the years to come. Until next time.

Sincerely,

/s/George Gatch
George Gatch
Managing Director

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J.P. Morgan INSTITUTIONAL INTERNATIONAL
 OPPORTUNITIES FUND
 INTERNATIONAL OPPORTUNITIES FUND
 AS OF MAY 31, 2001 (UNAUDITED)

HOW THE FUNDS PERFORMED

The Funds seek to provide total return from a portfolio of foreign companies located in developed and emerging markets. For the six-month period ended May 31, 2001, J.P. Morgan Institutional International Opportunities Fund fell 6.30%, and J.P. Morgan International Opportunities Fund fell 6.60%. This compares with a loss of 6.72% for the Morgan Stanley Capital International All Country World Index Free (ex-U.S.), the Fund's benchmark.

HOW THE FUNDS WERE MANAGED

Taking their lead from the U.S., global equity markets were highly volatile over this reporting period, one marked by the continuing global decline of the once dominant TMT (technology-media-telecommunications) sectors.

On the currency front, the Euro responded favorably to market pressures in the U.S. at the end of 2000, only to give back approximately half its gains this year. Looking eastward, the Yen continued to weaken, driven downward by a weak domestic equity market and slow pace of action by government or industry to address Japan's economic problems.

To help address U.S. economic weakness, the Federal Reserve Board cut interest rates by 250 basis points during the first five months of 2001, an easing mode that was followed to varying degrees by central banks in the U.K. and Australia. Even the nascent European Central Bank, long a holdout against such global easing, surprised the market by making its first rate cut in May. Elsewhere, Japan returned to an essentially zero interest rate policy, which boosted its equity market at the end of the first quarter of 2001.

Within the Funds, effective stock selection added most meaningfully to performance. Among the more notable performers were: Vivendi Environnement, a defensive utility stock with attractive valuations, solid results and healthy growth prospects; Lukoil, a Russian oil company with strong fundamentals that was one of several companies in this sector that outperformed; and Tostem, a Japanese building company whose stock has been on the rise lately. Notable detractors from performance included Zurich Financial Services, which helped performance at the end of 2000, but has since fallen on news of an earnings surprise and an increase in loss reserves.

LOOKING AHEAD

We take comfort from central bank easing of interest rates in most markets, in that it bodes well for the near-term recovery prospects for the global economy.

In particular, we favor the U.K., which is looking more attractive than Continental Europe and is more likely to benefit from further anticipated rate cuts over the next quarter. We are also looking closely at Japan, digesting both the implications of a return to a zero interest rate policy and the possibility of radical political changes from a new reformist leader.

As always, the Funds remain broadly sector neutral, and we continue to look for the most attractive stocks within each sector in markets outside of the U.S.

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AS OF MAY 31, 2001 (UNAUDITED)

PERCENTAGE OF TOTAL PORTFOLIO INVESTMENTS

[CHART]

<Table>

<S>	<C>
United Kingdom	22.7%
Japan	16.9%
France	7.8%
Switzerland	7.0%

Spain	6.9%
Australia	6.4%
Netherlands	5.2%
Germany	4.8%
South Korea	3.8%
Sweden	3.4%
Hong Kong	3.3%
Russia	1.6%
Singapore	1.4%
India	1.3%
Belgium	1.3%
Brazil	1.2%
Finland	1.0%
Venezuela	1.0%
United States	1.0%
Italy	0.7%
Philippines	0.5%
Taiwan	0.4%
Israel	0.4%

</Table>

TOP TEN EQUITY HOLDINGS OF THE PORTFOLIO

1. VODAFONE GROUP PLC (3.4%) Provides mobile telecommunications services. It supplies customers with digital and analog cellular telephone, paging and mobile data and Internet services.
2. TOTAL FINA ELF SA, CLASS B (3.3%) Explores for, produces, refines, transports and markets oil and natural gas. The Company also operates a chemical division, which produces rubber, paint, ink, adhesives and resins.
3. GLAXOSMITHKLINE PLC (2.1%) A research-based pharmaceutical group that develops, manufactures and markets vaccines, prescription and over-the-counter medicines, as well as health-related consumer products. The Group, which also provides laboratory testing and disease management services, specializes in treatments for respiratory, central nervous system, gastro-intestinal and genetic disorders.
4. REUTERS GROUP PLC (2.1%) An international news and information organization. The Company provides economic and financial information to the business community, in addition to supplying various news services.
5. HONG KONG ELECTRIC HOLDINGS (2.1%) Generates and supplies electricity and provides engineering consultancy and project management services.
6. TELEFONAKTIEBOLAGET LM ERICSON AB, CLASS B (2.0%) Develops and manufactures products for wired and mobile communications in public and private networks. The Company produces digital and analog systems for telephones and networks, microwave radio links, radar surveillance systems, and business systems.
7. NEWS CORPORATION LTD (1.9%) An international media company. The Company's operations include the production and distribution of motion pictures and television programming. The Company provides television, satellite, and cable broadcasting and the publication of newspapers, magazines, books and promotional inserts.
8. TELEFONICA SA (1.8%) A telecommunications and multimedia company based in Spain. The Company offers fixed-line and mobile phone services, data transmission, internet services and multimedia communications.
9. HYUNDAI MOTOR CO., LTD (1.8%) Manufactures, sells, and exports passenger cars, trucks, and commercial vehicles. The Company also sells various auto parts and heavy equipment.
10. NOVO-NORDISK A/S, CLASS B (1.8%) The Company develops, produces and markets pharmaceutical preparations such as insulin and diabetes care products, hormone preparations, and industrial enzymes.

Top 10 equity holdings comprised 22.3% of the Portfolio's market value of investments. Portfolio holdings are subject to change at any time.

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AS OF MAY 31, 2001 (UNAUDITED)

AVERAGE ANNUAL TOTAL RETURNS

<Table>
<Caption>

SINCE INCEPTION

<S>	1 YEAR	(02/26/97)
INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND	<C>	<C>
	-16.89%	2.97%

</Table>

LIFE OF FUND PERFORMANCE (02/26/97 TO 05/31/01)

[CHART]

<Table>

<Caption>

J.P. MORGAN INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND	MSCI ALL COUNTRY WORLD INDEX FREE (EX. U.S.)	LIPPER INTERNATIONAL FUNDS INDEX
---	---	-------------------------------------

<S>	<C>	<C>	<C>
2/28/1997	\$1,000,000	\$1,000,000	\$1,000,000
3/31/1997	\$1,005,020	\$997,888	\$1,003,025
4/30/1997	\$1,012,048	\$1,006,335	\$1,005,671
5/31/1997	\$1,051,205	\$1,068,472	\$1,065,104
6/30/1997	\$1,099,398	\$1,127,442	\$1,114,700
7/31/1997	\$1,129,518	\$1,150,248	\$1,146,735
8/31/1997	\$1,050,201	\$1,059,761	\$1,064,596
9/30/1997	\$1,109,438	\$1,117,094	\$1,131,655
10/31/1997	\$1,007,028	\$1,021,962	\$1,047,065
11/30/1997	\$997,992	\$1,009,186	\$1,038,802
12/31/1997	\$1,021,527	\$1,020,800	\$1,048,142
1/31/1998	\$1,034,675	\$1,051,367	\$1,074,005
2/28/1998	\$1,092,326	\$1,121,476	\$1,145,241
3/31/1998	\$1,140,874	\$1,160,226	\$1,205,631
4/30/1998	\$1,153,011	\$1,168,567	\$1,222,487
5/31/1998	\$1,121,657	\$1,147,345	\$1,224,483
6/30/1998	\$1,104,463	\$1,143,068	\$1,215,176
7/31/1998	\$1,108,508	\$1,153,912	\$1,233,520
8/31/1998	\$911,306	\$991,184	\$1,057,929
9/30/1998	\$868,732	\$970,246	\$1,018,821
10/31/1998	\$978,210	\$1,071,877	\$1,094,164
11/30/1998	\$1,024,840	\$1,129,479	\$1,150,860
12/31/1998	\$1,060,616	\$1,168,393	\$1,186,761
1/31/1999	\$1,069,993	\$1,167,142	\$1,197,843
2/28/1999	\$1,037,695	\$1,141,009	\$1,165,399
3/31/1999	\$1,102,291	\$1,196,125	\$1,204,819
4/30/1999	\$1,158,551	\$1,255,923	\$1,259,772
5/31/1999	\$1,125,212	\$1,196,933	\$1,206,866
6/30/1999	\$1,190,849	\$1,251,932	\$1,269,396
7/31/1999	\$1,230,137	\$1,281,296	\$1,314,167
8/31/1999	\$1,242,689	\$1,285,741	\$1,316,096
9/30/1999	\$1,255,242	\$1,294,436	\$1,321,038
10/31/1999	\$1,288,715	\$1,342,635	\$1,372,122
11/30/1999	\$1,351,477	\$1,396,320	\$1,480,717
12/31/1999	\$1,483,771	\$1,529,490	\$1,664,319
1/31/2000	\$1,391,500	\$1,446,495	\$1,570,693
2/29/2000	\$1,437,105	\$1,485,566	\$1,676,987
3/31/2000	\$1,447,711	\$1,541,474	\$1,679,504
4/30/2000	\$1,384,075	\$1,455,438	\$1,568,652
5/31/2000	\$1,362,863	\$1,418,208	\$1,516,128
6/30/2000	\$1,428,620	\$1,478,593	\$1,584,402
7/31/2000	\$1,386,185	\$1,420,220	\$1,528,062
8/31/2000	\$1,409,536	\$1,437,784	\$1,552,655
9/30/2000	\$1,334,177	\$1,358,030	\$1,462,937
10/31/2000	\$1,276,861	\$1,314,866	\$1,407,884
11/30/2000	\$1,208,932	\$1,255,876	\$1,348,099
12/31/2000	\$1,243,274	\$1,298,765	\$1,397,779
1/31/2001	\$1,247,609	\$1,318,245	\$1,401,475
2/28/2001	\$1,152,223	\$1,213,879	\$1,297,557
3/31/2001	\$1,061,173	\$1,128,075	\$1,200,120
4/30/2001	\$1,139,216	\$1,204,799	\$1,278,578
5/31/2001	\$1,132,712	\$1,171,529	\$1,242,767

</Table>

Source: Lipper Analytical Services, Inc. Past performance is not indicative of future results. Investment return and principal value will fluctuate with market conditions. When shares are redeemed, they may be worth more or less than their original cost.

The Fund commenced operations on 2/26/97.

The graph illustrates comparative performance for \$10,000 and assumes reinvestment of all distributions.

The Lipper International Funds Index represents the performance of the 30 largest international stock funds. Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

The MSCI All Country World Index Free (ex-U.S.) is an unmanaged index that measures developed and emerging foreign stock market performance.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. The Fund may also be subject to the additional risk of non-diversified "Regional" fund investing.

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AS OF MAY 31, 2001 (UNAUDITED)

AVERAGE ANNUAL TOTAL RETURNS

[CHART]

<Table>

<Caption>

	1 YEAR	SINCE INCEPTION (02/26/97)
<S>	<C>	<C>
INTERNATIONAL OPPORTUNITIES FUND	-17.37%	2.72%

</Table>

LIFE OF FUND PERFORMANCE (02/26/97 TO 05/31/01)

[CHART]

<Table>

<Caption>

	J. P. MORGAN INTERNATIONAL OPPORTUNITIES FUND	MSCI ALL COUNTRY WORLD INDEX FREE (EX. U.S.)	LIPPER INTERNATIONAL FUNDS INDEX
<S>	<C>	<C>	<C>
2/28/1997	\$10,000	\$10,000	\$10,000
3/31/1997	\$10,040	\$9,979	\$10,030
4/30/1997	\$10,120	\$10,063	\$10,057
5/31/1997	\$10,502	\$10,685	\$10,651
6/30/1997	\$10,984	\$11,274	\$11,147
7/31/1997	\$11,275	\$11,502	\$11,467
8/31/1997	\$10,482	\$10,598	\$10,646
9/30/1997	\$11,074	\$11,171	\$11,317
10/31/1997	\$10,060	\$10,220	\$10,471
11/30/1997	\$9,960	\$10,092	\$10,388
12/31/1997	\$10,191	\$10,208	\$10,481
1/31/1998	\$10,323	\$10,514	\$10,740
2/28/1998	\$10,889	\$11,215	\$11,452
3/31/1998	\$11,374	\$11,602	\$12,056
4/30/1998	\$11,496	\$11,686	\$12,225
5/31/1998	\$11,192	\$11,473	\$12,245
6/30/1998	\$11,010	\$11,431	\$12,152
7/31/1998	\$11,051	\$11,539	\$12,335
8/31/1998	\$9,083	\$9,912	\$10,579
9/30/1998	\$8,657	\$9,702	\$10,188
10/31/1998	\$9,732	\$10,719	\$10,942
11/30/1998	\$10,189	\$11,295	\$11,509
12/31/1998	\$10,545	\$11,684	\$11,868
1/31/1999	\$10,669	\$11,671	\$11,978
2/28/1999	\$10,347	\$11,410	\$11,654
3/31/1999	\$10,981	\$11,961	\$12,048
4/30/1999	\$11,552	\$12,559	\$12,598
5/31/1999	\$11,210	\$11,969	\$12,069
6/30/1999	\$11,874	\$12,519	\$12,694
7/31/1999	\$12,261	\$12,813	\$13,142
8/31/1999	\$12,376	\$12,857	\$13,161
9/30/1999	\$12,502	\$12,944	\$13,210
10/31/1999	\$12,836	\$13,426	\$13,721
11/30/1999	\$13,463	\$13,963	\$14,807
12/31/1999	\$14,768	\$15,295	\$16,643
1/31/2000	\$13,860	\$14,465	\$15,707
2/29/2000	\$14,314	\$14,856	\$16,770
3/31/2000	\$14,409	\$15,415	\$16,795
4/30/2000	\$13,775	\$14,554	\$15,687

5/31/2000	\$13,564	\$14,182	\$15,161
6/30/2000	\$14,208	\$14,786	\$15,844
7/31/2000	\$13,775	\$14,202	\$15,281
8/31/2000	\$14,008	\$14,378	\$15,527
9/30/2000	\$13,257	\$13,580	\$14,629
10/31/2000	\$12,686	\$13,149	\$14,079
11/30/2000	\$11,999	\$12,559	\$13,481
12/31/2000	\$12,346	\$12,988	\$13,978
1/31/2001	\$12,379	\$13,182	\$14,015
2/28/2001	\$11,426	\$12,139	\$12,976
3/31/2001	\$10,529	\$11,281	\$12,001
4/30/2001	\$11,295	\$12,048	\$12,786
5/31/2001	\$11,207	\$11,715	\$12,428

</Table>

Source: Lipper Analytical Services, Inc. Past performance is not indicative of future results. Investment return and principal value will fluctuate with market conditions. When shares are redeemed, they may be worth more or less than their original cost.

The Fund commenced operations on 2/26/97.

The graph illustrates comparative performance for \$10,000 and assumes reinvestment of all distributions.

The Lipper International Funds Index represents the performance of the 30 largest international stock funds. Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

The MSCI All Country World Index Free (ex-U.S.) is an unmanaged index that measures developed and emerging foreign stock market performance.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. The Fund may also be subject to the additional risk of non-diversified "Regional" fund investing.

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J.P. Morgan
 INSTITUTIONAL EUROPEAN
 EQUITY FUND
 EUROPEAN EQUITY FUND
 AS OF MAY 31, 2001 (UNAUDITED)

HOW THE FUNDS PERFORMED

The Funds seek to provide total return through a portfolio of European stocks. For the six-month period ended May 31, 2001, J.P. Morgan Institutional European Equity Fund fell 11.39%, and J.P. Morgan European Equity Fund fell 11.71%. This compares with a return of -8.02% for the Morgan Stanley Capital International (MSCI) Europe Index, the Fund's benchmark.

HOW THE FUNDS WERE MANAGED

Taking their lead from the U.S., global equity markets were highly volatile over this reporting period, one marked by the continuing global decline of the once dominant TMT (technology-media-telecommunications) sectors.

On the currency front, the Euro responded favorably to market pressures in the U.S., rallying at the end of 2000, only to give back approximately half its gains this year. To help address U.S. economic weakness, the Federal Reserve Board cut interest rates by 250 basis points during the first five months of 2001, an easing mode that was followed to varying degrees by central banks in the U.K. and other developed and emerging markets. Even the nascent European Central Bank, a holdout against such global easing over the past few months, surprised the market by making its first rate cut in May.

Within the Funds, effective stock selection in Continental Europe contributed most meaningfully to performance toward the end of this reporting period, whilst large cash flows had a negative impact on the Fund.

Among the more notable performers were Vivendi Environnement, a defensive utility stock with attractive valuations, solid results and healthy growth prospects, and Nokia, the world's leading mobile telephone handset manufacturer. In the latter case, the Funds benefited when they moved into and out of the stock ahead of investor sentiment that sent it sharply

downward then upward over this period.

The Funds held underweight positions in incumbent telecoms, such as British Telecom, Deutsche Telekom and France Telecom, which are characterized by poor management and heavy debt burdens. The key exception was KPN, the Dutch telecom provider, in which we were overweight. We felt that KPN was best positioned to benefit from a recovery in the sector, a position we still hold.

Notable detractors from performance included Zurich Financial Services, which helped performance at the end of 2000, but has since fallen on news of an earnings surprise and an increase in loss reserves.

LOOKING AHEAD

We take comfort from central bank easing of interest rates in most markets, in that it bodes well for the near-term recovery prospects for the global economy and, by extension, the economies of European nations.

In particular, we favor the U.K., which is looking more attractive than Continental Europe and is more likely to benefit from further anticipated rate cuts over the next quarter. Consumer confidence is also more robust in the U.K. than on the continent, and the market is generally more defensive than Continental Europe.

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J.P. MORGAN INSTITUTIONAL EUROPEAN EQUITY FUND
J.P. MORGAN EUROPEAN EQUITY FUND
AS OF MAY 31, 2001 (UNAUDITED)

PERCENTAGE OF TOTAL PORTFOLIO INVESTMENTS

[CHART]

<Table>	<C>
<S>	
Belgium	1.2%
Ireland	0.5%
Portugal	0.3%
Norway	0.3%
United Kingdom	33.6%
France	13.6%
Germany	12.3%
Netherlands	9.3%
Switzerland	8.6%
United States	5.9%
Italy	5.0%
Spain	4.8%
Sweden	2.4%
Finland	2.2%

TOP TEN EQUITY HOLDINGS OF THE PORTFOLIO

1. GLAXOSMITHKLINE PLC (4.5%) A research-based pharmaceutical group that develops, manufactures and markets vaccines, prescription and over-the-counter medicines, as well as health-related consumer products. The Group, which also provides laboratory testing and disease management services, specializes in treatments for respiratory, central nervous system, gastro-intestinal and genetic disorders.
2. TOTAL FINA ELF SA, CLASS B (4.0%) Explores for, produces, refines, transports and markets oil and natural gas. The Company also operates a chemical division, which produces rubber, paint, ink, adhesives and resins.
3. VODAFONE GROUP PLC (3.4%) Provides mobile telecommunications services. It supplies customers with digital and analog cellular telephone, paging and personal communications services.
4. BP AMOCO PLC (2.6%) An oil and petrochemicals company. The Company explores for and produces oil and natural gas; refines, markets, and supplies petroleum products; generates solar energy; and manufactures and markets chemicals. BP's chemicals include terephthalic acid, acetic acid, acrylonitrile, ethylene and polyethylene. The Company has operations in over 100 countries.
5. NOVARTIS AG (2.6%) Manufactures pharmaceutical and nutrition products. The Company produces treatments for hypertension, fungal infections, skin conditions, arthritis, cancer, animal health products, baby food, and clinical nutrition products for healthcare organizations.
6. UBS AG (2.4%) Attracts deposits and offers commercial and investment

banking services. The Bank offers consumer, business, and construction loans, mortgages, export and structured finance, and securities brokerage services, advises on mergers and acquisitions, invests pension funds, and sponsors credit cards.

7. HSBC HOLDINGS PLC (2.2%) The holding company for the HSBC Group. The Company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. The Group operates worldwide.

8. NOKIA OYJ (2.1%) An international telecommunications company which develops and manufactures mobile phones, networks and systems for cellular and fixed networks.

9. NESTLE SA (2.1%) Processes food, the Company's subsidiaries produce and sell beverages, milk products, culinary products, frozen food, chocolate, ready-to-eat dishes, refrigerated products, food service products, pet food, pharmaceuticals, and cosmetics.

10. ING GROEP NV (1.9%) Offers financial services to individuals, corporations, and other institutions. The Company offers corporate, investment, and private banking services, asset and portfolio management, treasury services, and insurance.

Top 10 equity holdings comprised 27.8% of the Portfolio's market value of investments. Portfolio holdings are subject to change at any time.

<Page>

J.P. MORGAN INSTITUTIONAL EUROPEAN EQUITY FUND
AS OF MAY 31, 2001 (UNAUDITED)

AVERAGE ANNUAL TOTAL RETURNS

<Table>
<Caption>

	1 YEAR	5 YEARS	SINCE INCEPTION (2/29/96)
<S>	<C>	<C>	<C>
INSTITUTIONAL EUROPEAN EQUITY FUND	-23.62%	7.41%	7.75%

</Table>

LIFE OF FUND PERFORMANCE (02/29/96 TO 05/31/01)

<Table>
<Caption>

	J.P. MORGAN INSTITUTIONAL EUROPEAN EQUITY FUND	MSCI EUROPE INDEX	LIPPER EUROPEAN FUND INDEX
<S>	<C>	<C>	<C>
2/29/1996	\$1,000,000	\$1,000,000	\$1,000,000
3/31/1996	\$1,011,055	\$1,011,957	\$1,022,236
4/30/1996	\$1,019,095	\$1,019,276	\$1,040,939
5/31/1996	\$1,035,176	\$1,027,152	\$1,067,563
6/30/1996	\$1,048,241	\$1,038,467	\$1,077,869
7/31/1996	\$1,028,141	\$1,025,460	\$1,048,505
8/31/1996	\$1,052,261	\$1,055,887	\$1,081,066
9/30/1996	\$1,073,367	\$1,078,102	\$1,097,846
10/31/1996	\$1,097,487	\$1,103,134	\$1,115,620
11/30/1996	\$1,150,754	\$1,159,032	\$1,166,542
12/31/1996	\$1,176,929	\$1,181,486	\$1,192,322
1/31/1997	\$1,171,838	\$1,184,688	\$1,203,435
2/28/1997	\$1,186,092	\$1,200,347	\$1,218,424
3/31/1997	\$1,228,852	\$1,239,114	\$1,248,854
4/30/1997	\$1,222,744	\$1,232,949	\$1,227,157
5/31/1997	\$1,269,577	\$1,285,599	\$1,274,203
6/30/1997	\$1,327,608	\$1,349,919	\$1,333,705
7/31/1997	\$1,377,496	\$1,413,183	\$1,373,688
8/31/1997	\$1,306,074	\$1,332,434	\$1,315,132
9/30/1997	\$1,431,973	\$1,461,646	\$1,426,525
10/31/1997	\$1,359,300	\$1,389,770	\$1,368,834
11/30/1997	\$1,381,818	\$1,411,124	\$1,378,200
12/31/1997	\$1,439,009	\$1,462,697	\$1,401,183
1/31/1998	\$1,497,440	\$1,523,586	\$1,452,542
2/28/1998	\$1,615,448	\$1,642,704	\$1,572,921
3/31/1998	\$1,713,979	\$1,759,695	\$1,702,421
4/30/1998	\$1,744,913	\$1,793,824	\$1,750,268

5/31/1998	\$1,776,993	\$1,830,159	\$1,803,959
6/30/1998	\$1,791,887	\$1,850,209	\$1,800,087
7/31/1998	\$1,813,656	\$1,886,762	\$1,833,251
8/31/1998	\$1,562,746	\$1,649,441	\$1,568,163
9/30/1998	\$1,460,778	\$1,583,493	\$1,479,786
10/31/1998	\$1,613,157	\$1,710,246	\$1,579,681
11/30/1998	\$1,687,628	\$1,801,238	\$1,659,506
12/31/1998	\$1,748,099	\$1,879,993	\$1,721,574
1/31/1999	\$1,750,489	\$1,867,889	\$1,750,906
2/28/1999	\$1,711,058	\$1,820,483	\$1,691,985
3/31/1999	\$1,732,565	\$1,840,350	\$1,696,168
4/30/1999	\$1,800,673	\$1,895,185	\$1,741,390
5/31/1999	\$1,714,642	\$1,804,163	\$1,673,454
6/30/1999	\$1,760,048	\$1,834,615	\$1,718,427
7/31/1999	\$1,782,750	\$1,851,655	\$1,742,133
8/31/1999	\$1,798,283	\$1,870,466	\$1,750,135
9/30/1999	\$1,774,386	\$1,856,047	\$1,745,410
10/31/1999	\$1,844,883	\$1,924,342	\$1,806,459
11/30/1999	\$1,902,237	\$1,976,239	\$1,928,297
12/31/1999	\$2,105,398	\$2,178,795	\$2,173,972
1/31/2000	\$1,971,683	\$2,023,613	\$2,090,232
2/29/2000	\$2,121,200	\$2,129,143	\$2,315,774
3/31/2000	\$2,104,182	\$2,180,560	\$2,285,327
4/30/2000	\$1,987,486	\$2,084,303	\$2,154,758
5/31/2000	\$1,937,647	\$2,067,259	\$2,099,005
6/30/2000	\$1,971,683	\$2,111,636	\$2,147,043
7/31/2000	\$1,943,724	\$2,077,900	\$2,128,412
8/31/2000	\$1,923,059	\$2,053,446	\$2,133,532
9/30/2000	\$1,812,441	\$1,957,306	\$2,018,653
10/31/2000	\$1,772,327	\$1,942,464	\$1,958,748
11/30/2000	\$1,670,217	\$1,867,246	\$1,845,682
12/31/2000	\$1,780,881	\$1,995,959	\$1,976,184
1/31/2001	\$1,768,650	\$1,996,873	\$1,963,842
2/28/2001	\$1,588,849	\$1,821,570	\$1,800,434
3/31/2001	\$1,453,082	\$1,685,701	\$1,638,480
4/30/2001	\$1,550,932	\$1,805,493	\$1,750,958
5/31/2001	\$1,479,991	\$1,717,472	\$1,672,661

</Table>

Source: Lipper Analytical Services, Inc. Past performance is not indicative of future results. Investment return and principal value will fluctuate with market conditions. When shares are redeemed, they may be worth more or less than their original cost.

The Fund commenced operations on 2/29/96.

The graph illustrates comparative performance for \$10,000 and assumes reinvestment of all distributions. The performance of the Funds does not include sales charges, but does include reinvestment of all distributions.

The Lipper European Funds Index represents the performance of the 30 largest European funds. Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

The MSCI Europe Index is a replica (or model) of the performance of the European markets. The index is unmanaged and reflects the reinvestment of dividends. An individual cannot invest directly in the Index.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. The Fund may also be subject to the additional risk of non-diversified "Regional" fund investing.

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J.P. MORGAN EUROPEAN EQUITY FUND
AS OF MAY 31, 2001
(UNAUDITED)
AVERAGE ANNUAL TOTAL RETURNS

<Table>

<Caption>

	1 YEAR	5 YEARS	SINCE INCEPTION (2/29/96)
<S>	<C>	<C>	<C>
EUROPEAN EQUITY FUND	-24.14%	6.85%	7.20%

</Table>

LIFE OF FUND PERFORMANCE (02/29/96 TO 05/31/01)

[CHART]
 <Table>
 <Caption>

	J.P. MORGAN EUROPEAN EQUITY FUND	MSCI EUROPE INDEX	LIPPER EUROPEAN FUND INDEX
<S>	<C>	<C>	<C>
2/29/1996	\$10,000	\$10,000	\$10,000
3/31/1996	\$10,111	\$10,120	\$10,222
4/30/1996	\$10,191	\$10,193	\$10,409
5/31/1996	\$10,344	\$10,272	\$10,676
6/30/1996	\$10,475	\$10,385	\$10,779
7/31/1996	\$10,273	\$10,255	\$10,485
8/31/1996	\$10,516	\$10,559	\$10,811
9/30/1996	\$10,729	\$10,781	\$10,978
10/31/1996	\$10,972	\$11,031	\$11,156
11/30/1996	\$11,510	\$11,590	\$11,665
12/31/1996	\$11,774	\$11,815	\$11,923
1/31/1997	\$11,723	\$11,847	\$12,034
2/28/1997	\$11,855	\$12,003	\$12,184
3/31/1997	\$12,291	\$12,391	\$12,489
4/30/1997	\$12,230	\$12,329	\$12,272
5/31/1997	\$12,697	\$12,856	\$12,742
6/30/1997	\$13,285	\$13,499	\$13,337
7/31/1997	\$13,792	\$14,132	\$13,737
8/31/1997	\$13,062	\$13,324	\$13,151
9/30/1997	\$14,340	\$14,616	\$14,265
10/31/1997	\$13,599	\$13,898	\$13,688
11/30/1997	\$13,822	\$14,111	\$13,782
12/31/1997	\$14,376	\$14,627	\$14,012
1/31/1998	\$14,925	\$15,236	\$14,525
2/28/1998	\$16,056	\$16,427	\$15,729
3/31/1998	\$17,036	\$17,597	\$17,024
4/30/1998	\$17,337	\$17,938	\$17,503
5/31/1998	\$17,649	\$18,302	\$18,040
6/30/1998	\$17,789	\$18,502	\$18,001
7/31/1998	\$17,994	\$18,868	\$18,333
8/31/1998	\$15,507	\$16,494	\$15,682
9/30/1998	\$14,559	\$15,835	\$14,798
10/31/1998	\$15,883	\$17,102	\$15,797
11/30/1998	\$16,605	\$18,012	\$16,595
12/31/1998	\$17,208	\$18,800	\$17,216
1/31/1999	\$17,230	\$18,679	\$17,509
2/28/1999	\$16,835	\$18,205	\$16,920
3/31/1999	\$17,044	\$18,404	\$16,962
4/30/1999	\$17,712	\$18,952	\$17,414
5/31/1999	\$16,846	\$18,042	\$16,735
6/30/1999	\$17,296	\$18,346	\$17,184
7/31/1999	\$17,548	\$18,517	\$17,421
8/31/1999	\$17,701	\$18,705	\$17,501
9/30/1999	\$17,449	\$18,560	\$17,454
10/31/1999	\$18,140	\$19,243	\$18,065
11/30/1999	\$18,699	\$19,762	\$19,283
12/31/1999	\$20,696	\$21,788	\$21,740
1/31/2000	\$19,376	\$20,236	\$20,902
2/29/2000	\$20,829	\$21,291	\$23,158
3/31/2000	\$20,641	\$21,806	\$22,853
4/30/2000	\$19,476	\$20,843	\$21,548
5/31/2000	\$18,988	\$20,673	\$20,990
6/30/2000	\$19,321	\$21,116	\$21,470
7/31/2000	\$19,032	\$20,779	\$21,284
8/31/2000	\$18,811	\$20,534	\$21,335
9/30/2000	\$17,735	\$19,573	\$20,187
10/31/2000	\$17,324	\$19,425	\$19,587
11/30/2000	\$16,315	\$18,672	\$18,457
12/31/2000	\$17,393	\$19,960	\$19,762
1/31/2001	\$17,270	\$19,969	\$19,638
2/28/2001	\$15,494	\$18,216	\$18,004
3/31/2001	\$14,157	\$16,857	\$16,385
4/30/2001	\$15,101	\$18,055	\$17,510
5/31/2001	\$14,404	\$17,175	\$16,727

</Table>

Source: Lipper Analytical Services, Inc. Past performance is not indicative of future results. Investment return and principal value will fluctuate with market conditions. When shares are redeemed, they may be worth more or less than their original cost.

The Fund commenced operations on 5/13/96. Performance prior to 5/13/96 is based on the historical expenses of the predecessor Institutional European Equity Fund.

The graph illustrates comparative performance for \$10,000 and assumes reinvestment of all distributions. The performance of the Funds does not

include sales charges, but does include reinvestment of all distributions.

The Lipper European Funds Index represents the performance of the 30 largest European funds. Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

The MSCI Europe Index is a replica (or model) of the performance of the European markets.

The index is unmanaged and reflects the reinvestment of dividends. An individual cannot invest directly in the Index.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. The Fund may also be subject to the additional risk of non-diversified "Regional" fund investing.

<Page>

JPMORGAN FUNDS
STATEMENT OF ASSETS AND LIABILITIES As of May 31, 2001 (unaudited)

<Table>

<Caption>

	INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND	INTERNATIONAL OPPORTUNITIES FUND
<S>	<C>	<C>
ASSETS:		
Investment securities, at value	\$266,869,860	\$44,990,322
Other assets	2,893	1,632
Receivables:		
Fund shares sold	11,480,538	216,600
Total Assets	278,353,291	45,208,554
LIABILITIES:		
Payables:		
Fund shares redeemed	14,031,343	104,427
Accrued liabilities:		
Shareholder servicing fees	23,446	11,342
Administration fees	303	58
Administrative services fees	5,468	1,058
Fund services fees	20	9
Other	34,120	36,233
Total Liabilities	14,094,700	153,127
NET ASSETS:		
Paid in capital	310,179,382	52,405,030
Accumulated undistributed net investment income	2,099,811	258,642
Accumulated net realized loss on Investments from Portfolio	(51,860,778)	(9,519,748)
Net unrealized appreciation of Investments from Portfolio	3,840,176	1,911,503
Total Net Assets	\$264,258,591	\$45,055,427
Shares of beneficial interest outstanding (\$.001 par value; unlimited number of shares authorized):	25,292,828	4,401,306
Net asset value, redemption and offering price per share	\$ 10.45	\$ 10.24

</Table>

<Page>

<Table>

<Caption>

	INSTITUTIONAL EUROPEAN EQUITY FUND	EUROPEAN EQUITY FUND
<S>	<C>	<C>
ASSETS:		
Investment securities, at value	\$5,351,050	\$ 8,240,379
Other assets	87,242	64,899
Receivables:		
Fund shares sold	--	330,000
Expense reimbursements	16,867	14,283
Total Assets	5,455,159	8,649,561
LIABILITIES:		
Accrued liabilities:		
Shareholder servicing fees	470	2,605
Administration fees	3	11
Administrative services fees	110	243
Other	32,559	35,000
Total Liabilities	33,142	37,859
NET ASSETS:		
Paid in capital	6,124,149	9,406,245
Accumulated undistributed net investment income	41,142	16,795
Accumulated net realized loss on Investments from Portfolio	(474,063)	(1,012,840)
Net unrealized appreciation (depreciation) of Investments from Portfolio	(269,211)	201,502
Total Net Assets	\$5,422,017	\$ 8,611,702
Shares of beneficial interest outstanding (\$.001 par value; unlimited number of shares authorized):	447,978	671,792
Net asset value, redemption and offering price per share	\$ 12.10	\$ 12.82

</Table>

See notes to financial statements.

<Page>

STATEMENT OF OPERATIONS For the six months ended May 31, 2001 (unaudited)

<Table>

<Caption>

	INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND	INTERNATIONAL OPPORTUNITIES FUND
<S>	<C>	<C>
INVESTMENT INCOME:		
Investment income from Portfolio	\$ 6,236,943	\$ 1,107,494
Foreign taxes withheld	(734,839)	(130,650)
Expenses from Portfolio	(1,573,976)	(290,279)

Total Investment Income	3,928,128	686,565
EXPENSES:		
Shareholder servicing fees	208,796	96,034
Administrative services fees	48,988	9,016
Registration fees	20,451	21,049
Administration fees	2,016	372
Transfer agent fees	16,085	19,184
Professional fees	6,987	5,876
Accounting fees	24,931	24,932
Printing and postage	3,763	4,286
Service organization fees	1,471	1,012
Fund services fees	2,687	505
Trustees' fees	2,455	462
Other	7,445	3,066
Total Expenses	346,075	185,794
Net Investment Income	3,582,053	500,771
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized loss on:		
Investments from Portfolio	(49,786,733)	(9,335,245)
Change in net unrealized appreciation/depreciation of:		
Investments from Portfolio	16,485,679	4,120,056
Net realized and unrealized loss on investments from Portfolio	(33,301,054)	(5,215,189)
Net decrease in net assets from operations	\$ (29,719,001)	\$ (4,714,418)

</Table>

See notes to financial statements.

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<Page>

<Table>

<Caption>

	INSTITUTIONAL EUROPEAN EQUITY FUND	EUROPEAN EQUITY FUND
<S>	<C>	<C>
INVESTMENT INCOME:		
Investment income from Portfolio	\$ 99,904	\$ 194,632
Foreign taxes withheld	(8,376)	(16,725)
Expenses from Portfolio after reimbursements	(34,262)	(61,758)
Total Investment Income	57,266	116,149
EXPENSES:		
Shareholder servicing fees	3,455	15,477
Administrative services fees	811	1,452
Registration fees	6,558	7,892
Administration fees	33	60
Transfer agent fees	8,452	13,391
Professional fees	5,668	5,673
Accounting fees	24,932	24,932
Printing and postage	3,328	4,336
Service organization fees	436	37
Fund services fees	46	81
Trustees' fees	57	74
Other	2,251	2,282
Total Expenses	56,027	75,687

Less expense reimbursements	55,480	44,237

Net Expenses	547	31,450

Net Investment Income	56,719	84,699

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized loss on:		
Investments from Portfolio	(311,169)	(602,482)
Change in net unrealized appreciation/depreciation of:		
Investments from Portfolio	(521,194)	(555,237)

Net realized and unrealized loss on investments from Portfolio	(832,363)	(1,157,719)

Net decrease in net assets from operations	\$ (775,644)	\$ (1,073,020)

</Table>

See notes to financial statements.

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JPMORGAN FUNDS
STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIODS INDICATED (UNAUDITED)

	INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND		INTERNATIONAL OPPORTUNITIES FUND	
	12/1/2000 THROUGH 5/31/2001	YEAR ENDED 11/30/2000	12/1/2000 THROUGH 5/31/2001	YEAR ENDED 11/30/2000
<S>	<C>	<C>	<C>	<C>
=====				
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 3,582,053	\$ 3,861,140	\$ 500,771	\$ 452,263
Net realized gain (loss) on investments from Portfolio	(49,786,733)	11,838,741	(9,335,245)	4,096,544
Change in unrealized appreciation/depreciation of investments from Portfolio	16,485,679	(75,486,528)	4,120,056	(14,119,947)

Decrease in net assets from operations	(29,719,001)	(59,786,647)	(4,714,418)	(9,571,140)

DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(2,758,753)	(5,681,844)	(834,461)	(820,352)
Net realized gain on investment transactions	(5,762,266)	--	(1,949,250)	--

Total distributions to shareholders	(8,521,019)	(5,681,844)	(2,783,711)	(820,352)

Increase (decrease) in net assets from capital share transactions	(158,517,409)	156,216,705	(26,854,737)	22,256,599

Total increase (decrease) in net assets	(196,757,429)	90,748,214	(34,352,866)	11,865,107
NET ASSETS:				
Beginning of period	461,016,020	370,267,806	79,408,293	67,543,186

End of period	\$264,258,591	\$461,016,020	\$ 45,055,427	\$ 79,408,293

Undistributed net investment income	\$ 2,099,811	\$ 1,276,511	\$ 258,642	\$ 592,332

</Table>

See notes to financial statements.

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<Page>

<Table>
<Caption>

	INSTITUTIONAL		EUROPEAN EQUITY FUND	
	EUROPEAN EQUITY FUND		EUROPEAN EQUITY FUND	
	12/1/2000	YEAR	12/1/2000	YEAR
	THROUGH	ENDED	THROUGH	ENDED
	5/31/2001	11/30/2000	5/31/2001	11/30/2000
<S>	<C>	<C>	<C>	<C>
=====				
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 56,719	\$ 75,956	\$ 84,699	\$ 30,220
Net realized loss on investments from Portfolio	(311,169)	(146,463)	(602,482)	(306,714)
Change in unrealized appreciation/depreciation of investments from Portfolio	(521,194)	(966,545)	(555,237)	(915,109)

Decrease in net assets from operations	(775,644)	(1,037,052)	(1,073,020)	(1,191,603)

DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	--	(201,456)	--	(76,970)
Net realized gain on investment transactions	(50,107)	(8,736)	(133,880)	(87,783)

Total distributions to shareholders	(50,107)	(210,192)	(133,880)	(164,753)

Decrease in net assets from capital share transactions	(1,608,715)	(2,591,368)	(448,653)	(1,637,907)

Total Decrease in net assets	(2,434,466)	(3,838,612)	(1,655,553)	(2,994,263)
NET ASSETS:				
Beginning of period	7,856,483	11,695,095	10,267,255	13,261,518

End of period	\$ 5,422,017	\$ 7,856,483	\$ 8,611,702	\$10,267,255

Undistributed net investment income	\$ 41,142	\$ --	\$ 16,795	\$ 592,332
=====				

</Table>

See notes to financial statements.

<Page>

JPMorgan FUNDS
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J.P. Morgan Funds and J.P. Morgan Institutional Funds (the "Trusts") were organized as Massachusetts business trusts and are registered under the Investment Company Act of 1940 (the "1940 Act"), as amended, as open-end, management investment companies. J.P. Morgan Funds and J.P. Morgan Institutional Funds were organized on November 4, 1992. The following Funds (collectively, the "Funds") are among the separate series of the Trusts:

J.P. MORGAN INSTITUTIONAL FUNDS

J.P. Morgan Institutional International Opportunities Fund ("IIOF")
J.P. Morgan Institutional European Equity Fund ("IEEF")

J.P. MORGAN FUNDS

J.P. Morgan International Opportunities Fund ("IOF")
J.P. Morgan European Equity Fund ("EEF")

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE FUNDS:

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

The Funds utilize the Master Feeder Fund Structure and seek to achieve their investment objectives by investing all of their investable assets in either The International Opportunities Portfolio ("IOP") or The European Equity Portfolio ("EEP") (collectively the "Portfolios"), respectively, diversified open-end management investment companies having the same investment objective as the respective Funds. The values of such investments included in the Statements of Assets and Liabilities reflects the Funds' proportionate interest in the net assets of the Portfolios, and at May 31, 2001 were approximately:

<Table>

<Caption>		
FUND		% OF THE INTERNATIONAL OPPORTUNITIES PORTFOLIO
<S>		<C>
IIOF		85.6%
IOF		14.4%
<Caption>		
FUND		% OF THE EUROPEAN EQUITY PORTFOLIO
<S>		<C>
IEEF		39.4%
EEF		60.6%
</Table>		

The performance of the Funds are directly affected by the performance of the Portfolios. The financial statements of the Portfolios, including the Portfolios of Investments, are included elsewhere in this report and should be read in conjunction with the Funds' financial statements.

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

B. INVESTMENT INCOME -- The Funds earn income, net of expenses, daily on its investment in the Portfolios. All net investment income, realized and unrealized gains and losses of the Portfolios are allocated pro-rata among the Funds and other investors in the Portfolios at the time of such determination.

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

D. ORGANIZATION EXPENSES -- The following Funds incurred organization expenses that have been deferred and are being amortized on a straight-line basis over a period not to exceed five years beginning with the commencement of operations of the Funds.

<Table>

<Caption>

		ORGANIZATION EXPENSES
<S>		<C>
IIOF		\$12,000
IOF		12,000
IEEF		11,800
</Table>		

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

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

2. TRANSACTIONS WITH AFFILIATES

A. ADMINISTRATIVE SERVICES -- The Trusts have an Administrative Services Agreement (the "Services Agreements") with Morgan Guaranty Trust Company of New York ("Morgan") under which Morgan is responsible for certain aspects of the administration and operation of the Funds. Under the Services Agreement, the Trusts have agreed to pay Morgan a fee equal to its allocable share of an annual complex-wide charge. This charge is calculated based on the aggregate average daily net assets of the Trusts and certain other registered investment companies for which J.P. Morgan Investment Management Inc. ("JPMIM"), an affiliate of Morgan and a wholly owned subsidiary of J.P. Morgan Chase & Co., acts as investment advisor in accordance with the following annual schedule: 0.09% on the first \$7 billion of their aggregate average daily net assets and 0.04% of their aggregate average daily net assets in excess of \$7 billion less the complex-wide

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fees payable to Funds Distributor, Inc ("FDI"). The portion of this charge payable by the Funds is determined by the proportionate share that their net assets bear to the net assets of the Trusts and certain other investment companies for which Morgan provides similar services.

The Trustees have approved an increase in the Funds' administration fee. Effective August 11, 2001, the administration fee payable to Morgan will be increased to each fund's proportionate share of 0.15% of average daily net assets for complex wide non-money market fund assets up to \$25 billion and 0.075% on assets in excess of \$25 billion. Morgan, however, has contractually agreed to waive fees payable to it and to reimburse expenses so that the Funds' actual total operating expenses will remain the same for a period of three years.

Morgan has agreed to reimburse the following Funds to the extent that total operating expenses (excluding interest, taxes and extraordinary expenses) of the Funds, including expenses allocated to the Funds from the Portfolios, exceed the listed percentages of the Funds' average daily net assets:

FUND	% OF AVERAGE DAILY NET ASSETS
IIOF	0.92%
IOF	1.20%
IEEF	1.00%
EEF	1.50%

These reimbursement arrangements can be changed or terminated at any time after the expiration date at the option of Morgan.

B. ADMINISTRATION -- Prior to May 1, 2001, the Trusts retained FDI, a registered broker-dealer, to serve as the Co-Administrator for the Fund. Under a Co-Administration Agreement between FDI and the Trusts, FDI provided administrative services necessary for the operations of the Funds, furnished office space and facilities required for conducting the business of the Funds and paid the compensation of the Funds' officers affiliated with FDI. The Funds agreed to pay FDI fees equal to its allocable share of an annual complex-wide charge of \$425,000 plus FDI's out-of-pocket expenses. The portion of this charge payable by the Funds was determined by the proportionate share that its net assets bear to the net assets of the Trusts and certain other investment companies for which FDI provides similar services.

Effective May 1, 2001, BISYS Fund Services, L.P. ("BISYS") has been named as the Funds' Sub-Administrator. FDI will no longer serve as the Funds' Co-Administrator. For its services as Sub-Administrator, BISYS will receive a portion of the fees payable to Morgan as Administrator. On April 11, 2001, The BISYS Group, Inc., completed its acquisition of Boston Institutional Group, the parent company of FDI.

<Page>

C. DISTRIBUTION PLAN -- Pursuant to Distribution Agreements, J.P. Morgan Fund Distributors, Inc., a wholly owned subsidiary of The BISYS Group, Inc., acts as the Trusts' exclusive underwriter and promotes and arranges for the sale of each Fund's shares. Prior to April 10, 2001, FDI acted as the Trusts' Distributor.

D. SHAREHOLDER SERVICING -- The Trusts have a Shareholder Servicing Agreement with Morgan under which Morgan provides account administration and personal account maintenance service to Fund shareholders. The agreement provides for the Funds to pay Morgan a fee for these services that is computed daily and paid monthly at the listed annual rates of the average daily net assets of the Funds.

FUNDS	% OF AVERAGE DAILY NET ASSETS
IIOF	0.10%
IOF	0.25%
EEF	0.25%

Morgan, Charles Schwab & Co. ("Schwab") and the Trusts are parties to separate servicing 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 Funds are not responsible for payments to Schwab under the Schwab Agreements; however, in the event the servicing agreement with Schwab is terminated for reasons other than a breach by Schwab and the relationship between the Trusts and Morgan are terminated, the Funds would be responsible for the ongoing payments to Schwab with respect to pre-termination shares.

E. FUND SERVICES -- The Trusts have a Fund Services Agreement with Pierpont Group, Inc. ("PGI") which assists the Trustees in exercising their overall supervisory responsibilities for the Trusts' affairs. The Trustees of the Trusts represent all the existing shareholders of PGI. In connection with the Reorganization Plans discussed in Note 6, it is anticipated that the Trusts will terminate their agreement with PGI.

F. TRUSTEES -- Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trusts, the Series Trust, and other registered investment companies in which they invest. The trustees' fees and expenses shown in the financial statements represent the Fund's allocated portion of the total Trustees' fees and expenses. The Trust's Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. The allocated portion of such compensation and benefits

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included in the Fund Services Fee shown on the Statement of Operations were as follows:

<Table>	
<Caption>	
FUND	ALLOCATED TRUSTEES' FEES AND EXPENSES
<S>	<C>
IIOF	\$500
IOF	100
IEEF	--
EEF	--

</Table>

+ Amounts round to less than one hundred.

3. BANK LOANS

The Funds may borrow money for temporary or emergency purposes, such as funding shareholder redemptions. Effective May 23, 2001, the Funds, along with certain other Funds managed by JPMIM, entered into a \$150,000,000 bank line of credit agreement with DeutscheBank. Borrowings under the agreement will bear interest at approximate market rates. A commitment fee is charged at an annual rate of 0.085% on the unused portion of the committed amount. The Funds had no borrowings outstanding at May 31, 2001, nor at any time during the six months then ended.

4. CONCENTRATIONS OF RISK

The Funds may have elements of risk not typically associated with investments in the United States due to concentrated investments in a limited number of countries or regions which may vary throughout the year. Such concentrations may subject the Funds to additional risks resulting from political or economic conditions in such countries or regions and the possible imposition of adverse governmental laws or currency exchange restrictions could cause the securities and their markets to be less liquid and their prices more volatile than those of comparable U.S. securities.

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

5. CORPORATE EVENT

The Merger of J.P. Morgan & Co. Incorporated, the former parent company of the Funds' Advisor, JPMIM, with and into The Chase Manhattan Corporation was consummated on December 31, 2000. J.P. Morgan Chase & Co. is the new parent company of JPMIM, which will continue to serve as the Funds' Advisor.

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6. SUBSEQUENT EVENT

On March 27, 2001, the Board of Trustees of the Trusts approved agreements and plans of Reorganization (the "Reorganization Plans") pursuant to which (i) JPMorgan Fleming European Fund ("EF") (formerly, Chase Vista European Fund) will acquire all of the assets and assume all of the liabilities of IEEF and EEF in exchange for Select Shares and Institutional Shares, respectively, of equal value to EF and (ii) IIOF will acquire all of the assets and assume all of the liabilities of IOF in exchange for Select Shares of equal value to IIOF. Concurrent with the reorganizations, IIOF will cease to operate under a "master/feeder" structure and will instead invest directly in portfolio securities. The Reorganization Plans can be consummated only if, among other things, it is approved by the vote of a majority (as defined by the 1940 Act) of outstanding voting securities of the acquired Funds. At a special meeting of shareholders (the "Meeting") held on July 3, 2001, the shareholders of IIOF and IOF approved the Plan(s) of Reorganization. A special meeting of shareholders of IEEF and EEF originally scheduled for July 3, 2001 to vote on the Plan(s) of

Reorganization, was adjourned until July 25, 2001.

Only shareholders of record as of the close of business on April 6, 2001 are entitled to notice of, and to vote at, the Meeting or any adjournment(s) thereafter. The Reorganizations are expected to become effective on or about September 7, 2001, or such other date agreed to by the parties to the Reorganization Plans.

IIOF has also entered into an agreement and plan of reorganization with the JPMorgan Fleming International Equity Fund (formerly, Chase Vista International Equity Fund), a series of Mutual Fund Group ("MFG") (the "Concurrent Reorganization"). The concurrent Reorganization meeting originally scheduled for July 3, 2001, was adjourned until July 25, 2001. If the Concurrent reorganization is approved by the shareholders of the JPMorgan Fleming International Equity Fund and certain other conditions are met, then this fund will also be reorganized into IIOF.

In connection with the reorganizations, it is anticipated that the Trusts will terminate their agreements with PGI.

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FINANCIAL HIGHLIGHTS (unaudited)

<Table>

<Caption>

	INSTITUTIONAL INTERNATIONAL OPPORTUNITIES FUND				
	12/1/00 THROUGH 5/31/01	YEAR ENDED NOVEMBER 30,			1/26/97* THROUGH 11/30/97
		2000	1999	1998	
<S>	<C>	<C>	<C>	<C>	<C>
Per share operating performance:					
Net asset value, beginning of period	\$ 11.39	\$ 12.92	\$ 10.11	\$ 9.94	\$ 10.00
Income from investment operations:					
Net investment income	0.06	0.08	0.25	0.22	0.07
Net gains or losses in securities (both realized and unrealized)	(0.66)	(1.42)	2.88	0.05	(0.13)
Total from investment operations	(0.60)	(1.34)	3.13	0.27	(0.06)
Distributions to shareholders from:					
Dividends from net investment income	0.11	0.19	0.32	0.10	--
Distributions from capital gains	0.23	--	--	--	--
Total dividends and distributions	0.34	0.19	0.32	0.10	--
Net asset value, end of period	\$ 10.45	\$ 11.39	\$ 12.92	\$ 10.11	\$ 9.94
Total return	(6.30%)	(10.55%)	31.87%	2.69%	(0.60%) ^
Ratios/supplemental data:					
Net assets, end of period (000 omitted)	\$264,259	\$461,016	\$370,268	\$323,918	\$211,229
Ratios to average net assets:#					
Expenses	0.92%	0.91%	0.94%	0.99%	0.99%
Net investment income	1.72%	0.84%	0.76%	1.13%	1.35%
Expenses without waivers, reimbursements and earnings credits	0.92%	0.91%	0.95%	1.02%	1.17%
Net investment income without waivers, reimbursements and earnings credits	1.72%	0.84%	0.75%	1.10%	1.17%

</Table>

Short periods have been annualized.

* Commencement of operations.

^ Not annualized

See notes to financial statements.

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<Caption>

	INTERNATIONAL OPPORTUNITIES FUND				
	12/1/00 THROUGH 5/31/01	YEAR ENDED NOVEMBER 30,			1/26/97* THROUGH 11/30/97
		2000	1999	1998	
<S>	<C>	<C>	<C>	<C>	<C>
Per share operating performance:					

Net asset value, beginning of period	\$ 11.35	\$ 12.88	\$ 10.04	\$ 9.92	\$ 10.00
Income from investment operations:					
Net investment income	0.22	0.13	0.21	0.23	0.06
Net gains or losses in securities (both realized and unrealized)	(0.70)	(1.51)	2.93	(0.01)	(0.14)
Total from investment operations	(0.48)	(1.38)	3.14	0.22	(0.08)
Distributions to shareholders from:					
Dividends from Net Investment Income	0.19	0.15	0.30	0.10	--
Distributions from capital gains	0.44	--	--	--	--
Total dividends and distributions	0.63	0.15	0.30	0.10	--
Net asset value, end of period	\$ 10.24	\$ 11.35	\$ 12.88	\$ 10.04	\$ 9.92
Total return	(6.60%)	(10.87%)	32.13%	2.30%	(0.80%)^
Ratios/supplemental data:					
Net assets, end of period (000 omitted)	\$45,055	\$79,408	\$67,543	\$55,050	\$62,939
Ratios to average net assets:#					
Expenses	1.20%	1.21%	1.18%	1.20%	1.20%
Net investment income	0.50%	0.55%	0.47%	0.96%	1.08%
Expenses without waivers, reimbursements and earnings credits	1.20%	1.21%	1.24%	1.24%	1.51%
Net investment income without waivers, reimbursements and earnings credits	0.50%	0.55%	0.41%	0.92%	0.77%

</Table>

Short periods have been annualized.
 * Commencement of operations.
 ^ Not annualized

See notes to financial statements.

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 <Caption>

INSTITUTIONAL EUROPEAN EQUITY FUND						
	12/1/00 THROUGH 5/31/01	YEAR ENDED NOVEMBER 30, 2000	1/1/98 THROUGH 11/30/98	FOR THE YEAR ENDED 12/31/97	2/29/96* THROUGH 12/31/96	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per share operating performance:						
Net asset value, beginning of period	\$13.72	\$15.92	\$ 14.73	\$ 12.56	\$ 11.56	\$10.00
Income from investment operations:						
Net investment income	0.12	0.04	0.25	0.20	0.21	0.12
Net gains or losses in securities (both realized and unrealized)	(1.65)	(1.96)	1.55	1.97	2.34	1.59
Total from investment operations	(1.53)	(1.92)	1.80	2.17	2.55	1.71
Distributions to shareholders from:						
Dividends from net investment income	--	0.22	0.23	--	0.17	0.10
Distributions from capital gains	0.09	--	0.14	--	1.38	0.05
In excess of net realized gain	--	0.06	0.24	--	--	--
Total dividends and distributions	0.09	0.28	0.61	--	1.55	0.15
Net asset value, end of period	\$12.10	\$13.72	\$ 15.92	\$ 14.73	\$ 12.56	\$11.56
Total return	(11.39%)	(12.20%)	12.72%	17.28%^	22.27%	17.10%^
Ratios/supplemental data:						
Net assets, end of period (000 omitted)	\$5,422	\$7,856	\$11,695	\$12,439	\$10,174	\$6,532
Ratios to average net assets:#						
Expenses	1.00%	1.00%	0.99%	1.00%	1.00%	1.00%
Net Investment Income	1.64%	0.70%	1.10%	1.32%	1.57%	1.68%
Expenses without waivers, reimbursements and earnings credits	2.50%	2.04%	2.17%	1.77%	2.08%	2.50% (a)
Net investment income without waivers, reimbursements and earnings credits	0.14%	(0.34%)	(0.08%)	0.55%	0.49%	0.18%

</Table>

Short periods have been annualized.
 * Commencement of operations.
 ^ Not annualized

(a) After consideration of certain state limitations.

See notes to financial statements.

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<Table>

<Caption>

EUROPEAN EQUITY FUND						
	12/1/00 THROUGH 5/31/01	YEAR ENDED 2000	NOVEMBER 30, 1999	1/1/98 THROUGH 11/30/98	FOR THE YEAR ENDED 12/31/97	2/29/96* THROUGH 12/31/96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per share operating performance:						
Net asset value, beginning of period	\$14.68	\$ 17.06	\$ 15.42	\$ 13.35	\$11.61	\$10.00
Income from investment operations:						
Net investment income	0.15	(0.09)	0.17	0.12	0.10	0.01
Net gains or losses in securities (both realized and unrealized)	(1.88)	(2.08)	1.74	1.95	2.45	1.60
Total from investment operations	(1.73)	(2.17)	1.91	2.07	2.55	1.61
Distributions to shareholders from:						
Dividends from net investment income	--	0.10	0.20	--	0.07	--
Distributions from capital gains	0.13	--	0.01	--	0.74	--
In excess of net realized gain	--	0.11	0.06	--	--	--
Total dividends and distributions	0.13	0.21	0.27	--	0.81	--
Net asset value, end of period	\$12.82	\$ 14.68	\$ 17.06	\$ 15.42	\$13.35	\$11.61
Total Return	(11.71%)	(12.75%)	12.61%	15.51%^	22.10%	16.10%^
Ratios/supplemental data:						
Net assets, end of period (000 omitted)	\$8,612	\$10,267	\$13,262	\$14,902	\$4,832	\$2,072
Ratios to average net assets:#						
Expenses	1.50%	1.50%	1.48%	1.42%	1.42%	1.42%
Net investment income	1.36%	0.22%	0.57%	0.91%	0.91%	0.29%
Expenses without waivers, reimbursements and earnings credits	2.62%	2.13%	2.38%	2.03%	3.78%	2.50% (a)
Net investment income without waivers, reimbursements and earnings credits	0.24%	(0.41%)	(0.33%)	0.30%	(1.45%)	(0.79%)

</Table>

Short periods have been annualized.

* Commencement of operations.

^ Not annualized

(a) After consideration of certain state limitations.

See notes to financial statements.

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<Page>

<Table>

<Caption>

AS OF MAY 31, 2001 (UNAUDITED)		
SHARES	ISSUER	VALUE
<S>	<C>	<C>
	LONG-TERM INVESTMENTS--97.7%	
	COMMON STOCK-- 95.8%	
	AUSTRALIA -- 4.6%	
202,935	AMP LTD	\$ 2,086,132
321,890	Commonwealth Bank of Australia	5,090,717
990,050	Santos LTD	3,327,267
1,368,420	Southern Pacific Petroleum *	610,406
600,550	WMC LTD	2,724,515
		13,839,037
	BELGIUM -- 1.3%	
157,217	Interbrew SA	3,891,114
	BRAZIL -- 1.2%	
93,327	Companhia Brasileira de Distribuicao Grupo Pao de Acucar, ADR	2,435,835
70,600	Tele Norte Leste Participacoes SA, ADR	1,119,010

		3,554,845
	FINLAND -- 1.0%	
264,044	Stora Enso OYJ, Class R	3,028,843
	FRANCE -- 7.8%	
99,700	Air France	1,832,087
57,939	Alcatel Optronics	1,092,679
60,752	BNP Paribas SA	5,278,080
711	Cie Generale D'Optique Essilor International SA	192,244
6,840	Compagnie de Saint-Gobain	1,019,797
20,344	Lafarge SA	1,900,245
41,120	Societe Generale, Class A	2,448,449
7,730	Total Fina Elf SA *	66
67,776	Total Fina Elf SA, Class B	9,875,143
		23,638,790
	GERMANY -- 4.8%	
125,530	Commerzbank AG	3,133,462
52,460	Dresdner Bank AG	2,316,635
28,848	Merck KGaA	956,058
4,670	Muenchener Rueckversicherungs AG	1,279,718
133,766	Novo-Nordisk A/S, Class B	5,383,060
29,550	Schering AG	1,520,330
		14,589,263
	HONG KONG -- 3.3%	
2,029,000	Cnooc LTD *	2,016,045
1,826,100	Hong Kong Electric Holdings	6,344,689
1,000	I-Cable Communications LTD *	619
145,000	Sun Hung Kai Properties LTD	1,352,439
1,282,000	SUNeVision Holdings LTD *	309,003
		10,022,795
	INDIA -- 1.3%	
220,581	Reliance Industries LTD, GDR, #	3,904,284
	ISRAEL -- 0.4%	
22,770	Check Point Software Technologies LTD *	1,226,392
	ITALY -- 0.7%	
491,770	Unicredito Italiano SPA	2,171,658

</Table>

See notes to financial statements.

<Page>

<Table>

<Caption>

AS OF MAY 31, 2001 (UNAUDITED)

SHARES	ISSUER	VALUE
<S>	<C>	<C>
	LONG-TERM INVESTMENTS-- CONTINUED	
	JAPAN -- 16.9%	
322,000	Fujitsu LTD	\$ 4,181,502
420,000	Hitachi LTD	4,326,544
278,000	Matsushita Electric Industrial Co., LTD	5,100,488
568,000	Minebea Co., LTD	4,163,676
1,235,000	Mitsubishi Chemical Corp.	3,669,037
563,000	Mitsubishi Corp.	4,472,917
184,000	NEC Corp.	3,015,048
53,600	Promise Co., LTD	4,258,408
200,000	Ricoh Co., LTD	3,955,563
40,000	Shionogi & Co., LTD	890,422
54,000	Takeda Chemical Industries LTD	2,749,537
273,000	Tostem Corp.	4,756,017
98,000	Welfide Corp.	969,113
608	West Japan Railway Co.	3,075,307
187,000	Yamaha Motor Co., LTD	1,501,414
		51,084,993
	NETHERLANDS -- 5.2%	
75,102	Aegon NV	1,996,906
55,938	Akzo Nobel NV	2,418,069
160,102	Heineken Holding NV, Class A	4,919,229

145,589	TNT Post Group NV	3,241,756
80,301	VNU NV	3,151,328

		15,727,288
	PHILLIPINES -- 0.5%	
1,418,186	ABS-CBN Broadcasting Corp., PDR	1,067,150
1,011,390	First Phillipine Holdings Corp.	475,654

		1,542,804
	RUSSIA -- 1.6%	
93,571	OAO Lukoil Holding, ADR	4,884,405
	SINGAPORE -- 1.4%	
381,000	Singapore Press Holdings	4,107,419
	SOUTH KOREA -- 3.8%	
494,520	Hyundai Motor Co., LTD	5,501,535
280,934	LG Chem LTD *	4,101,066
73,284	LG Household & Health Care LTD *	1,807,786

		11,410,387
	SPAIN -- 6.9%	
51,991	Acerinox SA	1,630,503
354,610	Banco Bilbao Vizcaya Argentaria SA	4,839,142
308,918	Endesa SA	5,043,025
215,742	Repsol YPF SA	3,851,099
376,482	Telefonica SA *	5,542,882

		20,906,651
	SWEDEN -- 3.4%	
134,244	Skandia Forsakrings AB	1,421,455
308,368	Skandinaviska Enskilda Banken AB, Class A	2,849,876
937,230	Telefonaktiebolaget LM Ericson AB, Class B	5,963,075

		10,234,406
	SWITZERLAND -- 7.0%	
1,959	Compagnie Financiere Richemont AG, Class A	4,810,142
8,668	Credit Suisse Group	1,570,290

</Table>

See notes to financial statements.

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<Page>

<Table>

<Caption>

AS OF MAY 31, 2001 (UNAUDITED)

SHARES	ISSUER	VALUE
<S>	<C>	<C>
	LONG-TERM INVESTMENTS -- CONTINUED	

	SWITZERLAND -- CONTINUED	
2,387	Nestle SA	\$ 4,941,650
791	Swiss Re	1,534,381
26,630	UBS AG	3,978,172
13,007	Zurich Financial Services AG	4,364,668

		21,199,303
	TAIWAN -- 0.5%	
214,829	Compal Electronics, Inc., #, *	1,372,757
	UNITED KINGDOM -- 20.9%	
49,109	Barclays PLC	1,475,363
287,820	BBA Group PLC	1,186,644
726,115	British Airways PLC	3,780,130
422,880	British American Tobacco PLC	3,243,682
517,814	Cable & Wireless PLC	3,383,444
3,200,000	Corus Group PLC *	3,272,727
235,208	GlaxoSmithkline PLC	6,388,035
1,462,590	Invensys PLC	2,950,111
613,683	P & O Princess Cruises PLC	3,138,152
315,493	Reckitt Benckiser PLC	4,181,179
455,822	Reuters Group PLC	6,377,623
710,110	Royal & Sun Alliance Insurance Group PLC	4,675,227
621,025	Scottish Power PLC	4,507,724
1,305,986	Tesco PLC	4,619,183
4,020,288	Vodafone Group PLC	10,350,528

		63,529,752
	UNITED STATES -- 0.3%	
53,270	JDS Uniphase Corp. *	996,142

120,050	VENEZUELA -- 1.0%	
	Compania Anonima Nacional Telefonos de Venezuela, ADR	3,001,250
	Total Common Stock	289,864,578
	(Cost \$285,614,996)	
	PREFERRED STOCK-- 1.9%	
737,670	AUSTRALIA -- 1.9%	
	News Corporation LTD	5,663,771
	(Cost \$3,706,051)	
	Total Long-Term Investments	295,528,349
	(Cost \$289,321,047)	

</Table>

See notes to financial statements.

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AS OF MAY 31, 2001 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL

AMOUNT (USD)	ISSUER	VALUE
<S>	<C>	<C>
	SHORT-TERM INVESTMENTS-- 2.3%	
	TIME DEPOSITS-- 1.7%	
	United Kingdom-- 1.7%	
\$5,000,000	Bank of New York, 3.95%, 06/04/01 (Cost \$5,000,000)	\$ 5,000,000
	U.S. Treasury Security-- 0.6%	
	United States-- 0.6%	
1,950,000	U.S. Treasury Bill, DN, @, 3.62%, 08/02/01 (Cost \$1,937,852)	1,938,476
	Total Short-Term Investments	6,938,476
	(Cost \$6,937,852)	
	Total Investments-- 100.0%	\$302,466,825
	(Cost \$296,258,899)	

</Table>

<Table>

<Caption>

NUMBER OF CONTRACTS	DESCRIPTION	EXPIRATION DATE	ORIGINAL NOTIONAL VALUE (USD)	NOTIONAL VALUE AT 05/31/01 (USD)	UNREALIZED DEPRECIATION (USD)
<S>	<C>	<C>	<C>	<C>	<C>
	LONG FUTURES OUTSTANDING				
138	DJ Euro Stoxx 50 Index	June, 2001	\$5,275,566	\$5,166,519	\$(109,047)
34	Topix Index	June, 2001	3,861,446	3,754,250	(107,196)
42	FT-SE 100 Index	June, 2001	3,524,440	3,452,173	(72,267)

</Table>

INDEX:

@ -- All or a portion of this security is segregated for futures contracts.

* -- Non-Income producing security.

-- Security may only be sold to qualified institutional buyers.

ADR -- American Depositary Receipt.

DN -- Discount Note. The rate shown is the effective yield at the date of purchase.

GDR -- Global Depositary Receipt.

See notes to financial statements.

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AS OF MAY 31, 2001 (UNAUDITED)
SUMMARY OF INVESTMENTS BY INDUSTRY, MAY 31, 2001

INDUSTRY	% OF INVESTMENT SECURITIES
Banking	11.9%
Electronics/Electrical Equipment	9.0%
Oil & Gas	8.3%
Telecommunications	7.9%
Multi-Media	6.9%
Pharmaceuticals	6.4%
Food/Beverage Products	6.2%
Insurance	5.0%
Chemicals	4.8%
Utilities	3.8%
Consumer Products	3.1%
ConstructionMaterials	2.6%
Manufacturing	2.5%
Retailing	2.5%
Automotive	2.4%
Financial Services	2.4%
Telecommunications Equipment	2.4%
Transportation	2.1%
Other (below 2%)	9.8%
Total	100.0%

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THE EUROPEAN EQUITY PORTFOLIO
PORTFOLIO OF INVESTMENTS

AS OF MAY 31, 2001 (UNAUDITED)

SHARES	ISSUER	VALUE
LONG-TERM INVESTMENTS -- 91.1%		
COMMON STOCK -- 89.4%		
BELGIUM -- 1.2%		
4,975	Fortis, Class B	\$ 118,071
3,162	Interbrew SA	78,259
		196,330
FINLAND -- 2.3%		
11,899	Nokia OYJ	344,726
2,604	Stora Enso OYJ, Class R	29,870
		374,596
FRANCE -- 13.5%		
1,389	Aventis SA	103,133
791	BNP Paribas SA	68,721
640	Groupe Danone	83,540
352	L'Air Liquide SA	49,050
829	Lafarge SA	77,433
1,117	Lagardere SCA	58,510
1,625	Pechiney SA, Class A	88,013
456	Pernod-Ricard SA	31,307
665	PSA Peugeot Citroen SA	184,259
2,834	Sanofi-Synthelabo SA	174,152
3,905	Societe Generale, Class A	232,519
4,551	Total Fina Elf SA, Class B	663,092
1,905	Usinor SA	24,366
4,406	Vivendi Environnement	187,847
3,603	Vivendi Universal	229,960
		2,255,902
GERMANY -- 10.6%		
748	Allianz AG	209,349
3,327	BASF AG	133,949
2,400	Bayerische Motoren Werke AG	81,573

1,869	Deutsche Bank AG	143,700
5,893	Deutsche Telekom AG	122,875
3,100	Douglas Holdings AG	94,330
4,398	Dresdner Bank AG	194,216
2,930	E.ON AG	146,127
795	Muenchener Rueckversicherungs AG	217,854
3,366	Schering AG	173,179
3,490	Siemens AG	250,612

1,767,764

1,665	IRELAND -- 0.5%	
	CRH PLC	28,903
4,487	Irish Life & Permanent PLC	50,354

79,257

	ITALY -- 5.0%	
4,100	Assicurazioni Generali SPA	116,418
24,100	Enel SPA	76,398
25,809	ENI-Ente Nazionale Idrocarburi SPA	166,256
2,665	Mediolanum SPA	28,710
51,654	Telecom Italia SPA	271,886
37,140	Unicredito Italiano SPA	164,010

823,678

See notes to financial statements.

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	NETHERLANDS -- 9.3%	
1,629	Aegon NV	\$ 43,314
2,308	DSM NV	85,215
9,114	Getronics NV	43,646
3,562	Heineken Holding NV, Class A	109,444
4,733	ING Groep NV	308,901
5,404	Koninklijke Philips Electronics NV *	148,131
4,999	Royal Dutch Petroleum Co.	303,677
19,561	Royal KPN NV	182,877
6,623	TNT Post Group NV	147,471
470	Unilever NV	26,073
3,572	VNU NV	140,179

1,538,928

9,997	NORWAY -- 0.3%	
	Telenor ASA	43,546

6,504	PORTUGAL -- 0.4%	
	Brisa-Auto Estradas de Portugal SA	59,042

	SPAIN -- 4.8%	
21,646	Banco Bilbao Vizcaya Argentaria SA	295,390
858	Banco Popular Espanol	28,217
2,946	Iberdrola SA	38,205
3,315	Inditex *	50,835
2,153	NH Hoteles SA	25,822
17,769	Telefonica SA *	261,610
5,546	Union Electrica Fenosa SA	99,187

799,266

	SWEDEN -- 2.4%	
3,934	ForeningsSparbanken AB	44,944
18,780	Skandinaviska Enskilda Banken AB, Class A	173,561
27,269	Telefonaktiebolaget LM Ericson AB, Class B	173,498

392,003

	SWITZERLAND -- 8.6%	
1,616	Carrier1 International SA *	7,027
68	Compagnie Financiere Richemont AG, Class A	166,967
165	Nestle SA	341,589
11,400	Novartis AG	433,696
415	SGS Societe Generale de Surveillance Holdings	89,408
2,639	UBS AG	394,233

1,432,920

	UNITED KINGDOM -- 30.5%	
22,210	ARM Holdings PLC *	106,633
2,020	AstraZeneca PLC	95,405
10,121	BAA PLC	87,265
34,873	BAE Systems PLC	173,374
5,421	Barclays PLC	162,861
33,271	BG Group PLC	129,020
49,239	BP Amoco PLC	435,038
18,119	British Telecommunications PLC	111,957
20,166	Cadbury Schweppes PLC	130,406

2,662	Colt Telecom Group PLC *	27,792
59,184	Corus Group PLC *	60,529
18,963	Gallaher Group PLC	125,522

See notes to financial statements.

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27,800	GlaxoSmithkline PLC	\$ 755,022
29,632	HSBC Holdings PLC	369,558
13,026	International Power PLC	57,636
10,861	Land Securities PLC	133,448
20,867	Lattice Group PLC	40,015
99,153	Legal & General Group PLC	216,545
10,700	Next PLC	148,645
19,974	P & O Princess Cruises PLC	102,140
3,111	Pearson PLC	57,801
4,740	Railtrack Group PLC	28,649
7,023	Reckitt Benckiser PLC	93,075
3,883	Reed International PLC	33,700
4,632	Royal & Sun Alliance Insurance Group PLC	30,496
12,182	Royal Bank of Scotland Group PLC	280,324
12,288	Scottish Power PLC	89,193
11,906	Shell Transport & Trading Co., PLC	103,247
65,893	Tesco PLC	233,059
3,520	Unilever PLC	26,825
220,589	Vodafone Group PLC	567,923
6,684	WPP Group PLC	72,821

		5,085,924
	TOTAL COMMON STOCK	14,849,156
	(Cost \$13,476,867)	

	PREFERRED STOCK -- 1.7%	

	GERMANY-- 1.7%	
875	Fresenius Medical Care AG	42,200
1,632	SAP AG	232,240

	TOTAL PREFERRED STOCK	274,440
	(Cost \$265,440)	

	TOTAL LONG-TERM INVESTMENTS	15,123,596
	(Cost \$13,742,307)	

<Caption>
PRINCIPAL
AMOUNT
(USD)

<S>	<C>	<C>
	SHORT-TERM INVESTMENTS -- 8.9%	

	TIME DEPOSITS -- 6.0%	

	UNITED KINGDOM -- 3.0%	
\$500,000	Deutsche Bank AG, 4.13%, 06/01/01	500,000

	UNITED STATES -- 3.0%	
500,000	Bank of New York, 4.00%, 06/01/01	500,000

	TOTAL TIME DEPOSITS	1,000,000
	(Cost \$1,000,000)	

	U.S. TREASURY SECURITY -- 2.9%	

	UNITED STATES -- 2.9%	
480,000	U.S. Treasury Bill, DN, @, 4.44%, 08/02/01	
	(Cost \$476,333)	477,163

	TOTAL SHORT-TERM INVESTMENTS	1,477,163
	(Cost \$1,476,333)	

	TOTAL INVESTMENTS -- 100.0%	\$16,600,759
	(Cost \$15,218,640)	

</Table>

See notes to financial statements.

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<Table>
<Caption>

NUMBER OF CONTRACTS	DESCRIPTION	EXPIRATION DATE	ORIGINAL NOTIONAL VALUE (USD)	NOTIONAL VALUE AT 05/31/01 (USD)	UNREALIZED DEPRECIATION (USD)
<S>	<C>	<C>	<C>	<C>	<C>
SHORT FUTURES OUTSTANDING					
6	FT-SE 100 Index	June, 2001	\$ 493,862	\$ 493,167	(\$695)
27	DJ Euro Stoxx 50 Index	June, 2001	1,011,789	1,010,841	(948)

SUMMARY OF INVESTMENTS BY INDUSTRY, MAY 31, 2001

INDUSTRY	% OF INVESTMENT SECURITIES
Banking	16.9%
Oil & Gas	12.2%
Pharmaceuticals	11.5%
Telecommunications	10.6%
Food/Beverage Products	6.8%
Insurance	4.9%
Financial Services	4.0%
Telecommunications Equipment	3.4%
Utilities	3.4%
Multi-Media	3.2%
Retailing	3.0%
Diversified	2.5%
Transportation	2.1%
Other (below 2%)	15.5%
Total	100.0%

</Table>

See notes to financial statements.

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<Page>

STATEMENT OF ASSETS AND LIABILITIES AS OF MAY 31, 2001 (UNAUDITED)

<Table>
<Caption>

	THE INTERNATIONAL OPPORTUNITES PORTFOLIO	THE EUROPEAN EQUITY PORTFOLIO
<S>	<C>	<C>
ASSETS:		
Investment securities, at value	\$302,466,825	\$16,600,759
Cash	7,893,806	--
Foreign currency	1,224,239	220,636
Other assets	2,684	11,490
Receivables:		
Investment securities sold	3,670,153	1,299,641
Open forward currency contracts	9,127,387	7,206
Variation margin on futures contracts	51,464	6,032
Interest and dividends	2,728,866	72,575
Total Assets	327,165,424	18,218,339
LIABILITIES:		
Payables:		
To Custodian	--	3,326,773
Investment securities purchased	5,734,098	1,145,548
Open forward currency contracts	8,906,867	35,082
Variation margin on futures contracts	349,782	47,017
Other	940	235
Accrued liabilities:		
Investment advisory fees	167,023	9,657
Administrative services fees	6,493	346
Administration fees	391	15
Fund services fees	50	1
Other	139,598	62,236
Total Liabilities	15,305,242	4,626,910
NET ASSETS APPLICABLE TO INVESTORS' BENEFICIAL INTERESTS	\$311,860,182	\$13,591,429
Cost of investments	\$296,258,899	\$15,218,640

Cost of foreign currency	\$ 1,265,221	\$ 221,534
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</Table>

See notes to financial statements.

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<Page>

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED MAY 31, 2001 (UNAUDITED)

<Table>
<Caption>

	THE INTERNATIONAL OPPORTUNITIES PORTFOLIO	THE EUROPEAN EQUITY PORTFOLIO
<S>	<C>	<C>
INTEREST INCOME:		
Dividend	\$ 6,759,223	\$ 234,044
Interest	589,531	60,492
Foreign taxes withheld	(865,993)	(25,102)
Total investment income	6,482,761	269,434
EXPENSES:		
Investment advisory fees	1,483,814	62,293
Administrative services fees	58,027	2,248
Administration fees	1,314	51
Fund services fees	3,194	126
Custodian fees	286,406	44,707
Printing and postage	3,085	3,029
Professional fees	24,837	23,405
Trustees' fees	2,970	130
Other	1,912	50
Total expenses	1,865,559	136,039
Less amounts reimbursed	--	40,020
Net expenses	1,865,559	96,019
Net investment income	4,617,202	173,415
REALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on:		
Investment transactions	(57,945,550)	(384,616)
Futures Transactions	349,218	(235,612)
Foreign Exchange Transactions	(1,565,761)	(293,423)
Change in net unrealized appreciation/ depreciation of:		
Investment transactions	17,207,436	(1,045,614)
Futures Transactions	1,199,843	703
Foreign Exchange Transactions	2,212,322	(31,520)
Net realized and unrealized loss on investments, futures and foreign exchange transactions	(38,542,492)	(1,990,082)
Net decrease in net assets from operations	\$ (33,925,290)	\$ (1,816,667)

</Table>

See notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIODS INDICATED (UNAUDITED)

<Table>
<Caption>

	THE INTERNATIONAL OPPORTUNITIES PORTFOLIO	THE EUROPEAN EQUITY PORTFOLIO		
	12/1/2000	YEAR	12/1/2000	YEAR

	THROUGH 5/31/2001	ENDED 11/30/2000	THROUGH 5/31/2001	ENDED 11/30/2000
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 4,617,202	\$ 5,437,531	\$ 173,415	\$ 175,049
Net realized gain (loss) on investments, futures and foreign exchange transactions	(59,162,093)	15,929,556	(913,651)	(453,177)
Change in net unrealized appreciation/depreciation of investments, futures contracts and foreign exchange transactions	20,619,601	(89,620,334)	(1,076,431)	(1,900,915)
Decrease in net assets from operations	(33,925,290)	(68,253,247)	(1,816,667)	(2,179,043)
TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS:				
Contributions	465,942,919	610,156,921	46,414,439	59,216,973
Withdrawals	(662,182,769)	(438,270,720)	(49,070,543)	(64,403,587)
Net increase (decrease) from transactions in investors' beneficial interests	(196,239,850)	171,886,201	(2,656,104)	(5,186,614)
Total increase (decrease) in net assets	(230,165,140)	103,632,954	(4,472,771)	(7,365,657)
NET ASSETS:				
Beginning of period	542,025,322	438,392,368	18,064,200	25,429,857
End of period	\$ 311,860,182	\$542,025,322	\$13,591,429	\$18,064,200

</Table>

See notes to financial statements
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SUPPLEMENTARY DATA FOR THE INTERNATIONAL OPPORTUNITIES PORTFOLIO

	FOR THE SIX MONTHS ENDED MAY 31, 2001	FOR THE YEARS ENDED NOVEMBER 30, (EXCEPT AS NOTED)			
	(UNAUDITED)	2000	1999	1998	1997 (a)
<S>	<C>	<C>	<C>	<C>	<C>
Ratios to Average Net Assets					
Expenses	0.76%	0.76%	0.79%	0.85%	0.89% (b)
Net Investment Income	1.87%	1.00%	1.26%	1.07%	1.26% (b)
Expenses without Reimbursements	0.76%	0.76%	0.79%	0.85%	0.92% (b)
Portfolio Turnover	76%	86%	80%	143%	72% (c)

</Table>

SUPPLEMENTARY DATA FOR THE EUROPEAN EQUITY PORTFOLIO

	FOR THE SIX MONTHS ENDED MAY 31, 2001	FOR THE YEARS ENDED NOVEMBER 30,		FOR THE ELEVEN MONTHS ENDED NOVEMBER 30,	FOR THE YEARS ENDED DECEMBER 30,	
	(UNAUDITED)	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ratios to Average Net Assets						
Expenses	1.00%	1.00%	1.00%	0.87%	0.88%	0.84% (b)
Net Investment Income	1.81%	0.72%	0.89%	1.17%	1.47%	1.65% (b)
Expenses without reimbursement	1.42%	1.51%	1.59%	1.11%	0.89%	0.84% (b)
Portfolio Turnover	60%	86%	68%	99%	65%	57% (c)

</Table>

(A) For the period February 26, 1997 (commencement of operations) through November 30, 1997.

(B) Annualized.

(C) Not annualized.

See notes to financial statements.
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NOTES TO FINANCIAL STATEMENTS (unaudited)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The International Opportunities Portfolio ("IOP") and The European Equity Portfolio ("EEP") (collectively the "Portfolios") are two of five sub-trusts comprising The Series Portfolio (the "Series Portfolio"). The Series Portfolio is registered under the Investment Company Act of 1940 (the "1940 Act"), as amended, as a diversified, open-end management investment company, which was organized as a trust under the laws of the State of New York.

IOP's investment objective is to provide a high total return from a portfolio of equity securities of foreign companies in developed and, to a lesser extent, developing markets. EEP's investment objective is to provide a high total return from a portfolio of equity securities of European companies. The Declaration of Trust for each Trust permits the Trustees to issue beneficial interests in the respective Portfolios.

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE PORTFOLIOS:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

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

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 when 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 Portfolios' net assets are calculated, such securities will be valued at fair value in accordance with procedures adopted by the Trustees.

B. REPURCHASE AGREEMENTS-- The Portfolios may enter into repurchase agreements with brokers, dealers or banks that meet the credit guidelines approved by the Trustees. It is each Portfolio's policy that

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the repurchase agreements are fully collateralized by U.S. Treasury and Government Agency securities. The Portfolios' custodian (or designated sub-custodians, as the case may be under tri-party repurchase agreements) takes possession of the collateral pledged for investments in repurchase agreements on behalf of the Portfolios. It is the policy of the Portfolios to mark-to-market the collateral on a daily 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 Portfolios have the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the seller of the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

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

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

E. ORGANIZATION EXPENSES -- The IOP incurred organization expenses in the amount of \$12,800, which have been deferred and are being amortized on a straight-line basis over a period not to exceed five years beginning with the commencement of operations of the Portfolio.

F. FUTURES CONTRACTS -- The Portfolios may enter into futures contracts in

order to hedge existing portfolio securities, or securities the Portfolios intend to purchase, against fluctuations in value caused by changes in prevailing market interest rates or securities movements and to manage exposure to changing interest rates and securities prices. The risks of entering into futures contracts include the possibility that the change in value of the contract may not correlate with the changes in value of the underlying securities. Upon entering into a futures contract, the Portfolios are required to deposit either cash or securities in an amount equal to a certain percentage of the contract value (initial margin). Subsequent payments (variation margin) are made or received daily, in cash, by the Portfolios. The variation margin is equal to the daily change in the contract value and is recorded as unrealized gain or loss. The Portfolios will recognize a gain or loss when the contract is closed or expires.

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G. FOREIGN CURRENCY TRANSACTIONS -- All assets and liabilities initially expressed in foreign currencies are translated into U.S. dollars at prevailing exchange rates at period end. Purchases and sales of investment securities, dividend and interest income, and certain expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Realized and unrealized gains and losses from foreign currency translations arise from changes in currency exchange rates and are reported in the Statement of Operations.

Although the net assets of the Portfolios are presented at the exchange rates and market values prevailing at the end of the period, the Portfolios do not isolate the portion of the results of operations arising from changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities during the period.

H. FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS -- The Portfolios may enter into forward foreign currency exchange contracts to facilitate transactions of securities denominated in a foreign currency, to manage the Portfolios' exposure to foreign currency exchange fluctuations or to adjust the Portfolios' exposure relative to the benchmark. The net U.S. dollar value of foreign currency underlying all contractual commitments held by the Portfolios and the resulting unrealized appreciation or depreciation are determined daily using prevailing exchange rates. The Portfolios bear the risk of an unfavorable change in the foreign currency exchange rate underlying the forward contract. Additionally, losses may arise if the counterparties do not perform under the contract terms.

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

J. FOREIGN TAXES -- The Portfolios may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The Portfolios will accrue such taxes and recoveries as applicable, based upon the current tax rules and regulations that exist in the markets in which they invest.

2. TRANSACTIONS WITH AFFILIATES

A. ADVISORY-- The Portfolios have an Investment Advisory Agreement with J.P. Morgan Investment Management Inc. ("JPMIM"), an affiliate of Morgan Guaranty Trust Company of New York ("Morgan")

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and a wholly owned subsidiary of J.P. Morgan Chase & Co. Under the terms of the agreement, IOP and EEP pay JPMIM at an annual rate of 0.60% and 0.65%, respectively, of their average daily net assets.

The Portfolios may invest in one or more affiliated money market funds: J.P. Morgan Institutional Prime Money Market Fund, J.P. Morgan Institutional Tax Exempt Money Market Fund, J.P. Morgan Institutional Federal Money Market Fund and J.P. Morgan Institutional Treasury Money Market Fund. The Advisor has agreed to reimburse its advisory fee from the Portfolios in an amount to offset any investment advisory, administrative fee and shareholder servicing fees related to the Portfolio's investment in an affiliated money market fund.

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

The Trustees have approved an increase in the Funds' administration fee. Effective, August 11, 2001, the administration fee payable to Morgan will be increased to each fund's proportionate share of 0.15% of average daily net assets for complex wide non-money market fund assets up to \$25 billion and 0.075% on assets in excess of \$25 billion. Morgan, however, has contractually agreed to waive fees payable to it and to reimburse expenses so that the Funds' actual total operating expenses will remain the same for a period of three years.

Morgan had agreed to reimburse EEP to the extent the total operating expenses (excluding interest, taxes and extraordinary items) of the portfolio exceed 1.00% of the average daily net assets of the portfolio through February 28, 2001.

ADMINISTRATION -- The Portfolios had retained FDI, a registered broker-dealer, to serve as the co-administrator for the Portfolios. Under a Co-Administration Agreement between FDI and the

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Portfolios, FDI provided administrative services necessary for the operations of the Portfolio, furnished office space and facilities required for conducting the business of the Portfolios and paid the compensation of the Portfolios' officers affiliated with FDI. The Portfolios agreed to pay FDI fees equal to its allocable share of an annual complex-wide charge of \$425,000 plus FDI's out-of-pocket expenses. The portion of this charge payable by the Portfolios is determined by the proportionate share that its net assets bear to the net assets of the Portfolio and certain other investment companies for which FDI provides similar services. As of April 10, 2001, J.P. Morgan Funds Distributor, Inc. has been the Portfolio's exclusive Placement Agent. On April 11, 2001, The BISYS Group, Inc., completed its acquisition of Boston Institutional Group, the parent company of FDI.

Effective May 1, 2001, BISYS Fund Services, L.P. ("BISYS") has been named as the Funds' Sub-Administrator. FDI will no longer serve as the Funds' Co-Administrator. For its services as Sub-Administrator, BISYS will receive a portion of the fees payable to Morgan as Administrator.

D. FUND SERVICES -- The Portfolios have a Fund Services Agreement with Pierpont Group, Inc. ("PGI") to assist the Trustees in exercising their overall supervisory responsibilities for the Portfolios' affairs. The Trustees of the Portfolios represent all the existing shareholders of PGI. In connection with the Reorganization Plan discussed in Note 6 of the Funds' Notes to the Financial Statements, it is anticipated that the Portfolios will terminate their agreements with PGI.

E. TRUSTEES -- Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trusts, the Series Trust, and other registered investment companies in which they invest. The Trustees' fees and expenses shown in the financial statements represent the Fund's allocated portion of the total Trustees' fees and expenses. The Trust's Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. The allocated portion of such compensation and benefits included in the Fund Services Fee shown on the Statement of Operations for IOP and EEP were \$600 and \$25, respectively.

3. FEDERAL INCOME TAXES

For Federal income tax purposes, the cost and net unrealized appreciation (depreciation) of investment securities at May 31, 2001 were:

<Table>
<Caption>

IOP EEP

<S>	<C>	<C>
Aggregate cost	\$296,258,899	\$15,218,640
Gross unrealized appreciation	29,899,507	2,022,667
Gross unrealized depreciation	(23,691,581)	(640,548)
	-----	-----
Net unrealized appreciation	6,207,926	1,382,119
	-----	-----

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4. INVESTMENT TRANSACTIONS

During the six months ended May 31, 2001, purchases and sales of investments (excluding short-term investments) were as follows:

<Table>

<Caption>

	IOP	EEP
<S>	<C>	<C>
Purchases (excluding U.S. Government securities)	\$358,886,972	\$10,044,129
Sales (excluding U.S. Government securities)	513,876,227	11,238,141

</Table>

5. CREDIT AGREEMENT

The Portfolios are party to revolving line of credit agreement (the "Agreement") as discussed more fully under the heading "Bank Loans" in the Funds' Notes to the Financial Statements which are included elsewhere in this report.

6. CONCENTRATIONS OF RISK

The Portfolios may have elements of risk not typically associated with investments in the United States of America due to concentrated investments, which may vary throughout the year, in a limited number of countries or regions. Such concentrations may subject the Portfolios to additional risks resulting from political or economic conditions in such countries or regions and the possible imposition of adverse governmental laws or currency exchange restrictions could cause the securities and their markets to be less liquid and their prices more volatile than those of comparable U.S. securities.

7. CORPORATE EVENT

The merger of J.P. Morgan & Co. Incorporated, the former parent company of the Portfolios' Advisor, JPMIM, with and into The Chase Manhattan Corporation was consummated on December 31, 2000. J.P. Morgan Chase & Co. is the new parent company of JPMIM, which continues to serve as the Portfolios' Advisor.

8. SUBSEQUENT EVENT

See Note 6 in the Funds' Notes to Financial Statements for a description of the proposed Reorganization Plans.

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JPMORGAN INTERNATIONAL EQUITY FUNDS
SEMI-ANNUAL REPORT

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Management, Inc.

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FUND SERVICING AGENT
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CUSTODIAN
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LEGAL COUNSEL
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INDEPENDENT ACCOUNTANTS
PricewaterhouseCoopers LLP

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This report is submitted for the general information of the shareholders of the funds. It is not authorized for distribution to prospective investors in the funds unless preceded or accompanied by a prospectus.

The financial information in this report has been taken from the books and records of the funds without examination by independent accountants, who express no opinion thereto.

To obtain a prospectus for any of the JPMorgan Funds, call 1-800-348-4782. The prospectus contains more complete information, including charges and expenses. Please read it carefully before you invest or send money.

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