

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)

Filing Date: **2001-08-03** | Period of Report: **2001-05-31**
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([HTML Version](#) on [secdatabase.com](#))

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.: **01697520**

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

TAX EXEMPT MONEY MARKET PORTFOLIO

CIK: **909009** | IRS No.: **043194418** | State of Incorporation: **MA** | Fiscal Year End: **0831**
Type: **N-30D** | Act: **40** | File No.: **811-07842** | Film No.: **01697521**

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

Business Address
C/O FUNDS DISTRIBUTO, INC.
60 STATE STREET, SUITE
1300
BOSTON MA 02109-
6175573334

PRIME MONEY MARKET PORTFOLIO /NEW

CIK: **909597** | IRS No.: **043194414** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-07898** | Film No.: **01697518**

Mailing Address
C/O STATE STREET CAYMAN
TRUST CO LTD
PO BOX 2508 GT
GOERGE TOWN G CAYMAN
E9 00000-

Business Address
ELIZABETHAN SQ 2ND FL
SHEDDEN ROAD
GOERGE TOWN G CAYMAN
E9 00000-
8099496644

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.: **01697519**

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

Business Address
522 FIFTH AVENUE
11TH FLOOR
NY NY 10036
6175570700

JPMORGAN MONEY MARKET FUNDS

PRIME MONEY MARKET FUND
INSTITUTIONAL SERVICE PRIME MONEY MARKET FUND
INSTITUTIONAL PRIME MONEY MARKET FUND
PRIME MONEY MARKET RESERVES FUND
INSTITUTIONAL DIRECT PRIME MONEY MARKET FUND
PRIME CASH MANAGEMENT FUND
TAX EXEMPT MONEY MARKET FUND
INSTITUTIONAL SERVICE TAX EXEMPT MONEY MARKET FUND
INSTITUTIONAL TAX EXEMPT MONEY MARKET FUND

[GRAPHIC] JPMORGAN FLEMING
Asset Management

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HIGHLIGHTS

- Soft landing for U.S. economy seems more likely as the threat of a recession recedes.
- Weak economic data delays recovery until later this year or early in 2002.
- Federal Reserve continues to cut interest rates in an effort to jumpstart the U.S. economy.

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

JPMORGAN MONEY MARKET FUNDS

LETTER TO THE SHAREHOLDERS

July 5, 2001

Dear Shareholder:

We are pleased to present this semi-annual report for the JPMorgan Money Market

Funds for the six-month period ended May 31, 2001. Inside you'll find in-depth information on each of the money market funds.

U.S. ECONOMY WEAKENS

As the reporting period began in December, the U.S. economy was noticeably weaker. Job claims slowed while claims for unemployment benefits rose. In fact, the U.S. economy lost more jobs in April than in any month in the last decade. Retail sales dropped as consumer confidence softened. Manufacturing output declined. Investors who had favored equities over any other investment during the long bull market in stocks were once again putting their money into fixed income and money markets.

Faced with multiple recession risks and the threat of inflation, the Federal Reserve Board moved to an easing bias on its monetary policy in December, only six weeks after reaffirming its bias toward higher interest rates. Then it shocked the market by lowering the Federal Funds rate half a percentage point in early January and another half a percent later the same month. In April and May, the Fed cut rates again. By the end of the reporting period, the Federal Funds rate stood at 4% -- 2.5% lower than it was at the beginning of 2001.

A GROWING SENSE OF OPTIMISM

Although the U.S. economy remains fragile, a soft landing seems increasingly likely. Mortgage rates are the lowest they have been in nearly two years. In May, Congress approved a long-awaited tax cut. Rebates of \$40 billion are being sent to taxpayers later this year and another \$20 billion in reduced tax payments is scheduled for early next year. Consumers are expected to spend part of that money, adding as much as 1% growth to the U.S. economy in 2001.

The Federal Reserve is expected to continue cutting short-term interest rates in an attempt to revive economic growth. And although corporate earnings have slowed, some companies are not doing as badly as had been feared. Our money market investment team believes that these factors should stabilize the economy and lead to a modest recovery later this year.

Yet, even as the threat of a recession recedes, leading economic indicators continue to disappoint. The severe slump in manufacturing activity continues, and although inventory levels have fallen, considerable slackness remains. Rising unemployment and job insecurity are likely to undermine consumer spending as the year progresses, while fluctuating food and energy prices may result in an inflationary spurt. Still, as investors become more optimistic, they may begin to move some of their assets out of money markets back into equities.

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In these difficult and changing market conditions, your portfolio managers did an excellent job in maintaining good performance. They will continue to focus on preservation of principal first and foremost, while trying to lock in the highest possible yields in the current falling interest rate environment. The portfolio management team and all of us at JPMorgan Funds thank you for your continued investment and look forward to serving your investment needs for many years to come.

Sincerely,

/s/George Gatch

George Gatch
Managing Director

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J.P. MORGAN PRIME MONEY MARKET FUND
INSTITUTIONAL SERVICE PRIME
MONEY MARKET FUND
INSTITUTIONAL PRIME MONEY
MARKET FUND
PRIME MONEY MARKET
RESERVES FUND
INSTITUTIONAL DIRECT PRIME
MONEY MARKET FUND
PRIME CASH MANAGEMENT FUND
AS OF MAY 31, 2001 (UNAUDITED)

FUND FACTS

<Table>

<S>

Objectives

<C>

Maximize current income consistent with the preservation of capital

Primary Investments	High quality, short-term, U.S. dollar-denominated money market instruments
Suggested Investment Time Frame	Short-term
Average Maturity	47 days
S&P Rating*	AAA
Moody's Rating*	Aaa

* This rating is historical and is based upon the Funds' credit quality, market price exposure and management. It signifies that the Funds' safety is excellent and that it has superior capacity to maintain a \$1 Net Asset Value per share.

MATURITY SCHEDULE

<S>	<C>
1-14 days	40.4%
15-30 days	14.2%
31-60 days	17.6%
61-90 days	13.1%
91-180 days	11.7%
181+ days	3.0%

7-DAY SEC YIELD

<S>	<C>
Prime Money Market Fund	4.06%
Institutional Service Prime Money Market Fund	4.04%**
Institutional Prime Money Market Fund	4.28%**
Prime Money Market Reserves Fund	3.79%**
Institutional Direct Prime Money Market Fund	4.25%**
Prime Cash Management Fund	3.55%

Past performance is not a guarantee of future results. Yields will fluctuate. An investment in a money market fund is not insured by the FDIC or any other government agency. Although money market funds strive to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

** Yield reflects the reimbursement of certain fund expenses as described in the prospectus. Had expenses not been subsidized, the current 7-Day Yield would have been lower.

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J.P. MORGAN TAX EXEMPT MONEY MARKET FUND
 INSTITUTIONAL SERVICE TAX EXEMPT
 MONEY MARKET FUND
 INSTITUTIONAL TAX EXEMPT MONEY
 MARKET FUND
 AS OF MAY 31, 2001 (UNAUDITED)

FUND FACTS

<S>	<C>
Objectives	Maximize current income that is exempt from federal income tax consistent with the preservation of capital *
Primary Investments	Short-term municipal obligations
Suggested Investment Time Frame	Short-term
Average Maturity	35 days
S & P Rating**	AAA
Moody's Rating**	Aaa

** This rating is historical and is based upon the Funds' credit quality, market price exposure and management. It signifies that the Funds' safety is excellent and that it has superior capacity to maintain a \$1 Net Asset Value per share.

MATURITY SCHEDULE

<S>	<C>
1-14 days	72.0%
15-30 days	3.6%
31-60 days	7.6%
61-90 days	3.5%
91-180 days	7.1%
181+ days	6.2%

</Table>

7-DAY SEC YIELD

<S>	<C>
Tax Exempt Money Market Fund	2.78%
Institutional Service Tax Exempt Money Market Fund	2.79%+
Institutional Tax Exempt Money Market Fund	3.04%+

</Table>

* A portion of the Fund's income may be subject to the Alternative Minimum Tax (AMT), and some investors may be subject to certain state and local taxes.

Past performance is not a guarantee of future results. Yields will fluctuate. An investment in a money market fund is not insured by the FDIC or any other government agency. Although money market funds strive to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

+ Yield reflects the reimbursement of certain fund expenses as described in the prospectus. Had expenses not been subsidized, the current 7-Day Yield would have been lower.

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JPMORGAN FUNDS

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

(Amounts in Thousands, Except Per Share Amounts)

<Table>

<Caption>

	PRIME MONEY MARKET FUND <C>	INSTITUTIONAL SERVICE PRIME MONEY MARKET FUND <C>	INSTITUTIONAL PRIME MONEY MARKET FUND <C>
ASSETS:			
Investment in Portfolio, at value	\$ 3,167,232	\$ 997,717	\$ 14,688,919
Other assets	2	4	135
Receivables:			
Expense reimbursements	--	58	1,828
Total Assets	3,167,234	997,779	14,690,882
LIABILITIES:			
Payables:			
Dividends	6,158	3,345	31,610
Accrued liabilities:			
Administrative services fees	64	18	274
Shareholder servicing fees	689	43	1,226
Service organization fees	--	214	--
Fund services fees	2	1	8
Administration fees	3	1	6
Other	163	134	44
Total Liabilities	7,079	3,756	33,168
NET ASSETS:			
Paid in capital	3,160,439	994,088	14,657,981
Accumulated undistributed net investment income	--	8	88
Accumulated net realized loss on investments	(284)	(73)	(355)
Net Assets	\$ 3,160,155	\$ 994,023	\$ 14,657,714

Shares of beneficial interest outstanding (\$.001 par value; unlimited number of shares authorized)	3,160,082	994,097	14,657,971
Net Asset Value,			

offering and redemption price per share	\$	1.00	\$	1.00	\$	1.00
---	----	------	----	------	----	------

See notes to financial statements.

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	PRIME MONEY MARKET RESERVES FUND	INSTITUTIONAL DIRECT PRIME MONEY MARKET FUND	PRIME CASH MANAGEMENT FUND
<S>	<C>	<C>	<C>
ASSETS:			
Investment in Portfolio, at value	\$ 162,067	\$ 2,341	\$ 481,715
Other assets	8	1	--
Receivables:			
Expense reimbursements	26	17	--
Total Assets	162,101	2,359	481,715

LIABILITIES:

Payables:			
Dividends	375	--	1,224
Accrued liabilities:			
Administrative services fees	3	--	10
Shareholder servicing fees	7	--	105
Service organization fees	37	--	--
Distribution fees	37	--	--
Administration fees	--	--	1
Other	86	53	286
Total Liabilities	545	53	1,626

NET ASSETS:

Paid in capital	161,564	2,305	480,091
Accumulated net realized gain (loss) on investments	(8)	1	(2)
Net Assets	\$ 161,556	\$ 2,306	\$ 480,089

Shares of beneficial interest outstanding (\$.001 par value; unlimited number of shares authorized)

	161,564	2,305	480,091
Net Asset Value, offering and redemption price per share	\$ 1.00	\$ 1.00	\$ 1.00

See notes to financial statements.

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	TAX EXEMPT MONEY MARKET FUND	INSTITUTIONAL SERVICE TAX EXEMPT MONEY MARKET FUND	INSTITUTIONAL TAX EXEMPT MONEY MARKET FUND
<S>	<C>	<C>	<C>
ASSETS:			
Investment in Portfolio, at value	\$ 1,979,003	\$ 64,053	\$ 1,643,206
Other assets	14	4	20
Receivables:			
Expense reimbursements	--	15	253
Total Assets	1,979,017	64,072	1,643,479
LIABILITIES:			
Payables:			
Dividends	3,690	121	1,043
Accrued liabilities:			
Administrative services fees	38	1	31
Shareholder servicing fees	411	2	140
Service organization fees	--	10	--
Fund services fees	1	--	1

Administration fees	2	--	1
Other	60	29	25

Total Liabilities	4,202	163	1,241

NET ASSETS:			
Paid in capital	1,975,280	63,909	1,642,262
Accumulated undistributed net investment income	7	--	5
Accumulated net realized loss on investments	(472)	--	(29)

Net Assets	\$ 1,974,815	\$ 63,909	\$ 1,642,238

Shares of beneficial interest outstanding (\$.001 par value; unlimited number of shares authorized)	1,974,948	63,909	1,642,263
Net Asset Value, offering and redemption price per share	\$ 1.00	\$ 1.00	\$ 1.00

See notes to financial statements.

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JPMORGAN FUNDS
STATEMENT OF OPERATIONS For the six months ended
May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>
<Caption>

	PRIME MONEY MARKET FUND	INSTITUTIONAL SERVICE PRIME MONEY MARKET FUND	INSTITUTIONAL PRIME MONEY MARKET FUND
<S>	<C>	<C>	<C>
INTEREST INCOME:			
Interest income from Portfolio	\$ 116,729	\$ 44,416	\$ 367,676
Expenses from Portfolio	(2,832)	(1,051)	(9,136)

Total Interest Income	113,897	43,365	358,540

EXPENSES:			
Administrative services fees	474	176	1,476
Shareholder servicing fees	5,034	373	6,500
Service organization fees	--	1,866	--
Administration fees	19	7	60
Fund services fees	26	10	80
Accounting fees	10	10	10
Printing and postage	6	5	5
Professional fees	16	12	25
Registration expenses	139	98	493
Transfer agent fees	97	9	16
Trustees' fees	21	10	47
Other	17	12	27

Total Expenses	5,859	2,588	8,739

Less expense reimbursements	--	280	4,875

Net Expenses	5,859	2,308	3,864

Net Investment Income	108,038	41,057	354,676

REALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized loss on investment transactions	(176)	(85)	(367)

Net increase in net assets from operations	\$ 107,862	\$ 40,972	\$ 354,309

See notes to financial statements.

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<Caption>

	PRIME MONEY MARKET RESERVES FUND	INSTITUTIONAL DIRECT PRIME MONEY MARKET FUND	PRIME CASH MANAGEMENT FUND
<S>	<C>	<C>	<C>
INTEREST INCOME:			
Interest income from Portfolio	\$ 8,914	\$ 634	\$ 13,259
Expenses from Portfolio	(211)	(14)	(329)
Total Interest Income	8,703	620	12,930
EXPENSES:			
Administrative services fees	35	2	55
Shareholder servicing fees	75	5	585
Service organization fees	374	10	--
Distribution fees	374	--	1,170
Administration fees	1	--	2
Fund services fees	2	--	3
Accounting fees	10	10	10
Printing and postage	5	5	5
Professional fees	7	6	7
Registration expenses	40	20	51
Transfer agent fees	13	8	8
Trustees' fees	2	--	1
Other	3	2	3
Total Expenses	941	68	1,900
Less expense reimbursements	104	52	--
Net Expenses	837	16	1,900
Net Investment Income	7,866	604	11,030
REALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized loss on investment transactions	(18)	(1)	(15)
Net increase in net assets from operations	\$ 7,848	\$ 603	\$ 11,015

See notes to financial statements.

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	TAX EXEMPT MONEY MARKET FUND MARKET	INSTITUTIONAL SERVICE TAX EXEMPT MONEY FUND	INSTITUTIONAL TAX EXEMPT MONEY MARKET FUND
<S>	<C>	<C>	<C>
INTEREST INCOME:			
Interest income from Portfolio	\$ 36,447	\$ 844	\$ 21,851
Expenses from Portfolio	(1,697)	(40)	(1,021)
Total Interest Income	34,750	804	20,830
EXPENSES:			
Administrative services fees	236	5	137
Shareholder servicing fees	2,511	12	605
Service organization fees	--	58	--
Administration fees	10	--	6
Fund services fees	13	--	7
Accounting fees	10	10	10
Printing and postage	5	4	4
Professional fees	10	6	7
Registration expenses	41	8	50
Transfer agent fees	30	8	13
Trustees' fees	11	--	4
Other	8	6	6
Total Expenses	2,885	117	849
Less expense reimbursements	--	52	660
Net Expenses	2,885	65	189
Net Investment Income	31,865	739	20,641
REALIZED GAIN (LOSS) ON INVESTMENTS:			

Net realized gain on investment transactions	52	1	39
<hr/>			
Net increase in net assets from operations	\$ 31,917	\$ 740	\$ 20,680

See notes to financial statements.

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JPMORGAN FUNDS

STATEMENT OF CHANGES IN NET ASSETS For the periods indicated (unaudited)

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

<Table>

	PRIME MONEY MARKET FUND		INSTITUTIONAL SERVICE MONEY MARKET FUND		PRIME INSTITUTIONAL MONEY MARKET FUND	
	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00
	<C>	<C>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:						
Net investment income	\$ 108,038	\$ 230,223	\$ 41,057	\$ 108,853	\$ 354,676	\$ 556,947
Net realized gain (loss) on investments	(176)	101	(85)	70	(367)	278
<hr/>						
Increase in net assets from operations	107,862	230,324	40,972	108,923	354,309	557,225
<hr/>						
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(108,038)	(230,048)	(41,057)	(108,853)	(354,676)	(556,924)
<hr/>						
Net increase (decrease) from capital share transactions	(798,127)	1,073,242	(1,373,749)	877,055	4,209,371	2,696,715
<hr/>						
Total increase (decrease) in net assets	(798,303)	1,073,518	(1,373,834)	877,125	4,209,004	2,697,016
NET ASSETS:						
Beginning of period	3,958,458	2,884,940	2,367,857	1,490,732	10,448,710	7,751,694
<hr/>						
End of period	\$ 3,160,155	\$ 3,958,458	\$ 994,023	\$ 2,367,857	\$ 14,657,714	\$ 10,448,710

See notes to financial statements.

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<Table>

	PRIME MONEY MARKET RESERVES FUND		INSTITUTIONAL DIRECT MONEY MARKET FUND		PRIME CASH MANAGEMENT FUND	
	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00	12/1/00 THROUGH 5/31/01	4/24/00* THROUGH 11/30/00	12/1/00 THROUGH 5/31/01	8/20/00* THROUGH 11/30/00
	<C>	<C>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:						
Net investment income	\$ 7,866	\$ 18,587	\$ 604	\$ 679	\$ 11,030	\$ 5,237
Net realized gain (loss) on investments	(18)	10	(1)	2	(15)	13
<hr/>						
Increase in net assets from operations	7,848	18,597	603	681	11,015	5,250
<hr/>						
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(7,866)	(18,587)	(604)	(679)	(11,030)	(5,237)
<hr/>						
Net increase (decrease) from capital share transactions	(242,927)	233,131	(46,210)	48,515	76,814	403,277
<hr/>						
Total increase (decrease) in net assets	(242,945)	233,141	(46,211)	48,517	76,799	403,290
NET ASSETS:						
Beginning of period	404,501	171,360	48,517	--	403,290	--
<hr/>						
End of period	\$ 161,556	\$ 404,501	\$ 2,306	\$ 48,517	\$ 480,089	\$ 403,290
<hr/>						
* Commencement of operations						

See notes to financial statements.

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	TAX EXEMPT MONEY MARKET FUND		INSTITUTIONAL SERVICE TAX EXEMPT MONEY MARKET FUND		INSTITUTIONAL TAX EXEMPT MONEY MARKET FUND	
	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:						
Net investment income	\$ 31,865	\$ 65,642	\$ 739	\$ 1,411	\$ 20,641	\$ 26,580
Net realized gain (loss) on investments	52	(22)	1	--	39	(8)

Increase in net assets from operations	31,917	65,620	740	1,411	20,680	26,572

DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(31,858)	(65,642)	(739)	(1,411)	(20,636)	(26,580)

Net increase (decrease) from capital share transactions	(42,320)	413,663	23,584	34,899	636,811	551,354

Total increase (decrease) in net assets	(42,261)	413,641	23,585	34,899	636,855	551,346
NET ASSETS:						
Beginning of period	2,017,076	1,603,435	40,324	5,425	1,005,383	454,037

End of period	\$ 1,974,815	\$ 2,017,076	\$ 63,909	\$ 40,324	\$ 1,642,238	\$ 1,005,383

See notes to financial statements.

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JPMORGAN FUNDS

NOTES TO FINANCIAL STATEMENTS (unaudited)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

J.P. Morgan Funds	Commencement of Operations
J.P. Morgan Prime Money Market Fund ("PMMF")	July 12, 1993
J.P. Morgan Tax Exempt Money Market Fund ("TEMMF")	September 12, 1983
J.P. Morgan Institutional Funds	Commencement of Operations
J.P. Morgan Institutional Service Prime Money Market Fund ("ISPMMF")	October 23, 1997
J.P. Morgan Institutional Prime Money Market Fund ("IPMMF")	July 12, 1993
J.P. Morgan Prime Money Market Reserves Fund ("PMMRF")	June 1, 1999
J.P. Morgan Institutional Direct Prime Money Market Fund ("IDPMMF")	April 24, 2000
J.P. Morgan Prime Cash Management Fund ("PCMF")	August 20, 2000
J.P. Morgan Institutional Service Tax Exempt Money Market Fund ("ISTEMMF")	November 4, 1997
J.P. Morgan Institutional Tax Exempt Money Market Fund ("ITEMMF")	July 12, 1993

The Funds invest all of their investable assets respectively, in The Prime Money Market Portfolio and the Tax Exempt Money Market Portfolio (the "Portfolios"), diversified open-end management investment companies having the same investment objective as the Funds. The value of such investments included in the Statements of Assets and Liabilities reflects the Funds' proportionate interest in the net assets of their respective Portfolios, which at May 31, 2001 were approximately:

<Table>

<Caption>

FUND	% OF THE PRIME MONEY MARKET PORTFOLIO
<S>	<C>
PMMF	12.6
ISPMMF	4.0
IPMMF	58.5
PMMRF	0.6
IDPMMF	-- +
PCMF	1.9

<Caption>

FUND	% OF THE TAX EXEMPT MONEY MARKET PORTFOLIO
<S>	<C>
TEMMF	53.7
ISTEMMF	1.7
ITEMMF	44.6

</Table>

+ Amount rounds to less than 0.1%.

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

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. Actual amounts could differ from those estimates.

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

B. INVESTMENT INCOME -- The Funds earn income, net of expenses, daily on their investment in the Portfolios. All net investment income and realized 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 Trusts 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 -- ISPMMF incurred organization expenses in the amount of \$12,664 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 Fund. The amounts associated with the deferred organization costs are included in Other Assets in the Statement of Assets and Liabilities and amortization of such costs is included in Other Expenses in the Statement of Operations.

E. INCOME TAX STATUS -- It is the Funds' 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 -- Dividends and distributions paid to shareholders are recorded on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains is determined in accordance with Federal income tax regulations, which may differ from generally accepted accounting principles.

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To the extent these "book/tax" differences are permanent in nature (i.e., that they result from other than timing of recognition -- "temporary differences"), such amounts are reclassified within the capital accounts based on their Federal income tax-basis treatment. Dividends and distributions which exceed net investment income or net realized capital gains for financial reporting purposes but not for tax purposes are reported as distributions in excess of net investment income or net realized capital gains.

2. TRANSACTIONS WITH AFFILIATES

A. ADMINISTRATIVE SERVICES -- The Trusts have an Administrative Services (the "Services Agreement") with Morgan Guaranty Trust Company of New York ("Morgan") under which Morgan is responsible for certain aspects of the administration and operation of the Funds. Under the Services Agreement, the Trusts have agreed to pay Morgan a fee equal to their 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") acts as investment advisor in accordance with the following annual schedule: 0.09% on the first \$7 billion of their aggregate average daily net assets and 0.04% of their aggregate average daily net assets in excess of \$7 billion less the complex-wide fees payable to Funds Distributor, Inc. ("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 0.10% of average daily net assets for complex wide money market fund assets up to \$100 billion and 0.05% on assets in excess of \$100 billion. Morgan, however, has contractually agreed to waive fees payable to them and to reimburse expenses so that the Funds' actual total operating expenses will remain the same for a period of three years and will not exceed the listed percentages of the Funds' average daily net assets.

<Table> <Caption>	
FUND	% OF AVERAGE DAILY NET ASSETS
<S>	<C>
PMMF	0.44
ISPMMF	0.45
IPMMF	0.20
PMMRF	0.70
IDPMMF	0.30
PCMF	0.97
TEMMF	0.45
ISTEMMF	0.45
ITEMMF	0.20

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B. ADMINISTRATION -- Prior to May 1, 2001, the Trusts retained FDI, a registered broker-dealer, to serve as the Co-Administrator for the Funds. 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 their 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 their net assets bear to the net assets of the Trust 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 receives 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.

C. DISTRIBUTION-- 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.

The Trustees have adopted Distribution Plans for Shares of PMMRF, PCMF in accordance with Rule 12b-1 under the 1940 Act. The Plans allow for the Funds to pay distribution fees that are computed daily and paid up to the listed annual rates shown below:

<Table> <Caption>	
FUND	% OF AVERAGE DAILY NET ASSETS
<S>	<C>
PMMRF	0.25
PCMF	0.50

D. SHAREHOLDER SERVICING -- The Trusts have a Shareholder Servicing Agreement with Morgan under which Morgan provides account administration and personal

account maintenance service to shareholders of the Funds. 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.

FUND	% OF AVERAGE DAILY NET ASSETS
PMMF	0.25
ISPMMF	0.05
IPMMF	0.10
PMMRF	0.05
IDPMMF	0.05
PCMF	0.25
TEMMF	0.25
ISTEMMF	0.05
ITEMMF	0.10

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

FUND	% OF AVERAGE DAILY NET ASSETS
ISPMMF	0.25
PMMRF	0.25
IDPMMF	0.10
ISTEMMF	0.25

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

G. TRUSTEES -- Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trusts, J.P. Morgan Series Trust and other registered investment companies in which they invest. The Trustees' Fees and Expenses shown in the financial statements represent each Fund's allocated portion of the total Trustees' Fees and Expenses. The Trusts' Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. The allocated portions of such compensation and benefits included in the Fund Services Fee shown on the Statement of Operations were as follows (in thousands):

FUND	ALLOCATED TRUSTEES' FEES & Expenses
PMMF	\$5
ISPMMF	2
IPMMF	15
PMMRF	1
IDPMMF	-- +
PCMF	1
TEMMF	2
ISTEMMF	-- +
ITEMMF	1

+ Amounts round to less than one thousand.

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3. CONCENTRATIONS OF RISK

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 Funds.

4. 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.

5. SUBSEQUENT EVENTS

On March 27, 2001, the Board of Trustees of the Trusts approved agreements and plans of Reorganization (the "Reorganization Plans") with regard to the Funds listed below. Under the Reorganization Plans, each Target Fund would transfer all of its assets and liabilities to the Acquiring Fund in a tax-free reorganization. In exchange, shareholders of the Target Fund would receive shares of a class of the Acquiring Fund with a value equal to their respective holdings in the Target Fund. The Reorganization Plans can be consummated only if, among other things, they are 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 ISPMMF, PMMRF, IDPMMF, PCMF and ISTEMMF approved the Plans of Reorganization. The meeting originally scheduled for PMMF, IPMMF, TEMMF and ITEMFF was adjourned until July 25, 2001. Only shareholders of record as of the close of business on April 6, 2001 were entitled to vote at the meeting and the adjournment. If the Reorganization Plans are approved at the adjourned meeting, the Reorganizations are expected to become effective on or about September 7, 2001, or such other date as agreed to by the parties to the Reorganization Plans.

ACQUIRING FUND	TARGET FUND
JPMorgan Prime Money Market Fund	PMMF, ISPMMF, IPMMF, PMMRF, IDPMMF, PCMF
JPMorgan Tax Free Money Market Fund	TEMMF, ISTEMMF, ITEMFF

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

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6. CAPITAL SHARE TRANSACTIONS

Capital share transactions were as follows for the periods presented (amounts in thousands):

<Table>

<Caption>

	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Prime Money Market Fund				
Shares sold	\$ 15,648,059	15,648,063	\$ 34,663,837	34,663,837
Shares issued in reinvestment of distributions	52,711	52,711	128,509	128,509
Shares redeemed	(16,498,897)	(16,498,899)	(33,719,104)	(33,719,104)
	-----	-----	-----	-----
Net increase/(decrease) in Fund shares outstanding	\$ (798,127)	(798,125)	\$ 1,073,242	1,073,242
	=====	=====	=====	=====

</Table>

<Table>

<Caption>

	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Institutional Service Prime Money Market Fund				
Shares sold	\$ 4,049,552	4,049,552	\$ 11,404,370	11,404,370
Shares issued in reinvestment of distributions	1,834	1,834	8,429	8,429
Shares redeemed	(5,425,135)	(5,425,135)	(10,535,744)	(10,535,744)
	-----	-----	-----	-----
Net increase/(decrease) in Fund shares outstanding	\$ (1,373,749)	(1,373,749)	\$ 877,055	877,055
	=====	=====	=====	=====

</Table>

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Institutional Prime Money Market Fund				
Shares sold	\$ 93,519,141	93,518,580	\$ 76,235,505	76,235,505
Shares issued in reinvestment of distributions	147,251	147,251	280,678	280,678
Shares redeemed	(89,457,021)	(89,456,460)	(73,819,468)	(73,819,468)
	-----	-----	-----	-----
Net increase in Fund shares outstanding	\$ 4,209,371	4,209,371	\$ 2,696,715	2,696,715
	=====	=====	=====	=====

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Prime Money Market Reserves Fund				
Shares sold	\$ 1,129,123	1,129,123	\$ 3,043,305	3,043,305
Shares issued in reinvestment of distributions	4,535	4,535	13,653	13,653
Shares redeemed	(1,376,585)	(1,376,585)	(2,823,827)	(2,823,827)
	-----	-----	-----	-----
Net increase/(decrease) in Fund shares outstanding	\$ (242,927)	(242,927)	\$ 233,131	233,131
	=====	=====	=====	=====

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Institutional Direct Prime Money Market Fund				
Shares sold	\$ 5	5	\$ 66,524	66,524
Shares issued in reinvestment of distributions	602	602	678	678
Shares redeemed	(46,817)	(46,817)	(18,687)	(18,687)
	-----	-----	-----	-----
Net increase/(decrease) in Fund shares outstanding	\$ (46,210)	(46,210)	\$ 48,515	48,515
	=====	=====	=====	=====

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Prime Cash Management Fund				
Shares sold	\$ 1,337,442	1,337,442	\$ 689,182	689,182
Shares issued in reinvestment of distributions	1,377	1,377	--	--
Shares redeemed	(1,262,005)	(1,262,005)	(285,905)	(285,905)
	-----	-----	-----	-----
Net increase in Fund shares outstanding	\$ 76,814	76,814	\$ 403,277	403,277
	=====	=====	=====	=====

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT	SHARES	AMOUNT	SHARES
<S>	<C>	<C>	<C>	<C>
Tax Exempt				

Money Market Fund				
Shares sold	\$ 4,282,559	4,282,650	\$ 7,973,029	7,973,029
Shares issued in reinvestment of distributions	7,788	7,788	17,590	17,590
Shares redeemed	(4,332,667)	(4,332,740)	(7,576,956)	(7,576,956)
	-----	-----	-----	-----
Net increase/(decrease) in Fund shares outstanding	\$ (42,320)	(42,302)	\$ 413,663	413,663
	=====	=====	=====	=====

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT <C>	SHARES <C>	AMOUNT <C>	SHARES <C>
Institutional Service Tax Exempt Money Market Fund				
Shares sold	\$ 77,383	77,383	\$ 137,725	137,725
Shares issued in reinvestment of distributions	--	--	8	8
Shares redeemed	(53,799)	(53,799)	(102,834)	(102,834)
	-----	-----	-----	-----
Net increase in Fund shares outstanding	\$ 23,584	23,584	\$ 34,899	34,899
	=====	=====	=====	=====

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	SIX MONTHS ENDED MAY 31, 2001		YEAR ENDED NOVEMBER 30, 2000	
	AMOUNT <C>	SHARES <C>	AMOUNT <C>	SHARES <C>
Institutional Tax Exempt Money Market Fund				
Shares sold	\$ 3,307,806	3,307,807	\$ 3,961,296	3,961,296
Shares issued in reinvestment of distributions	16,865	16,865	22,441	22,441
Shares redeemed	(2,687,860)	(2,687,860)	(3,432,383)	(3,432,383)
	-----	-----	-----	-----
Net increase in Fund shares outstanding	\$ 636,811	636,812	\$ 551,354	551,354
	=====	=====	=====	=====

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JPMORGAN FUNDS
FINANCIAL HIGHLIGHTS (unaudited)

FINANCIAL HIGHLIGHTS (unaudited)

<Table>

<Caption>

	PRIME MONEY MARKET FUND					
	12/1/00 THROUGH 5/31/01 <C>	2000 <C>	1999 <C>	YEAR ENDED NOVEMBER 30, 1998 1997 <C> <C>		1996 <C>
Per Share Operating Performance						
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	-----	-----	-----	-----	-----	-----
Income from Investment Operations:						
Net Investment Income	0.03	0.06	0.05	0.05	0.05	0.05
Less Dividends from Net Investment Income	0.03	0.06	0.05	0.05	0.05	0.05
	-----	-----	-----	-----	-----	-----
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
	=====	=====	=====	=====	=====	=====
Total Return	2.67%	6.11%	4.88%	5.40%	5.40%	5.27%
Ratios/Supplemental Data:						
Net Assets, End of Period (millions)	\$ 3,160	\$ 3,958	\$ 2,885	\$ 2,806	\$ 2,318	\$ 2,155
Ratios to Average Net Assets: #						
Expenses	0.43%	0.44%	0.45%	0.40%	0.38%	0.40%
Net Investment Income	5.37%	5.97%	4.78%	5.27%	5.25%	5.09%

</Table>

Short periods have been annualized.

See notes to financial statements.

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	INSTITUTIONAL SERVICE PRIME MONEY MARKET FUND				
	12/1/00 THROUGH 5/31/01	2000	1999	1998	10/23/97* THROUGH 11/30/97
<S>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance					
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:					
Net Investment Income	0.03	0.06	0.05	0.05	0.01
Less Dividends from Net Investment Income	0.03	0.06	0.05	0.05	0.01
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	2.67%	6.10%	4.89%	5.35%	0.57%^
Ratios/Supplemental Data:					
Net Assets, End of Period (millions)	\$ 994	\$ 2,368	\$ 1,491	\$ 471	\$ 384
Ratios to Average Net Assets: #					
Expenses	0.45%	0.45%	0.45%	0.45%	0.45%
Net Investment Income	5.50%	5.99%	4.78%	5.17%	5.28%
Expenses Without Reimbursements	0.49%	0.49%	0.51%	0.56%	35.55% [@]
Net Investment Income Without Reimbursements	5.46%	5.95%	4.72%	5.06%	(29.82%) [@]

* Commencement of operations.

Short periods have been annualized.

^ Not annualized.

@ Not representative of ongoing reimbursements since period covers less than two months.

See notes to financial statements.

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	INSTITUTIONAL PRIME MONEY MARKET FUND					
	12/1/00 THROUGH 5/31/01	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance						
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:						
Net Investment Income	0.03	0.06	0.05	0.05	0.05	0.05
Less Dividends from Net Investment Income	0.03	0.06	0.05	0.05	0.05	0.05
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	2.79%	6.36%	5.14%	5.61%	5.59%	5.46%
Ratios/Supplemental Data:						
Net Assets, End of Period (millions)	\$ 14,658	\$ 10,449	\$ 7,752	\$ 3,459	\$ 1,388	\$ 1,220
Ratios to Average Net Assets: #						
Expenses	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Net Investment Income	5.46%	6.20%	5.04%	5.45%	5.42%	5.28%
Expenses Without Reimbursements	0.27%	0.29%	0.29%	0.31%	0.29%	0.31%
Net Investment Income Without Reimbursements	5.39%	6.11%	4.95%	5.34%	5.33%	5.17%

Short periods have been annualized.

See notes to financial statements.

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	PRIME MONEY MARKET RESERVES FUND		
	12/1/00 THROUGH 5/31/01	12/1/99 THROUGH 11/30/00	6/1/99* THROUGH 11/30/99
<S>	<C>	<C>	<C>
Per Share Operating Performance			

Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:			
Net Investment Income	0.03	0.06	0.02
Less Dividends from Net Investment Income	0.03	0.06	0.02
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	2.54%	5.84%	2.35%^
Ratios/Supplemental Data:			
Net Assets, End of Period (millions)	\$ 162	\$ 405	\$ 171
Ratios to Average Net Assets: #			
Expenses	0.70%	0.70%	0.70%
Net Investment Income	5.25%	5.75%	4.61%
Expenses Without Reimbursements	0.77%	0.76%	0.86%
Net Investment Income Without Reimbursements	5.18%	5.69%	4.45%

</Table>
* Commencement of operations.
Short periods have been annualized.
^ Not annualized.

See notes to financial statements.

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	INSTITUTIONAL DIRECT PRIME MONEY MARKET FUND		PRIME CASH MANAGEMENT FUND	
	12/1/00 THROUGH 5/31/01	4/24/00* THROUGH 11/30/00	12/1/00 THROUGH 5/31/01	8/20/00* THROUGH 11/30/00
<S>	<C>	<C>	<C>	<C>
Per Share Operating Performance				
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:				
Net Investment Income	0.03	0.04	0.02	0.02
Less Dividends from Net Investment Income	0.03	0.04	0.02	0.02
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	2.76%	3.91%^	2.41%	1.61%^
Ratios/Supplemental Data:				
Net Assets, End of Period (millions)	\$ 2	\$ 49	\$ 480	\$ 403
Ratios to Average Net Assets: #				
Expenses	0.30%	0.30%	0.95%	0.98%
Net Investment Income	5.87%	6.41%	4.71%	5.73%
Expenses Without Reimbursements	0.81%	1.11% [@]	0.95%	1.08%
Net Investment Income Without Reimbursements	5.36%	5.60% [@]	4.71%	5.63%

* Commencement of operations.
Short periods have been annualized.
^ Not annualized.
[@] Not representative of ongoing reimbursements since period covers less than two months.

See notes to financial statements.

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	TAX EXEMPT MONEY MARKET FUND					
	12/1/00 THROUGH 5/31/01	12/1/99 THROUGH 11/30/00	9/1/99 THROUGH 11/30/99 [@]	YEAR ENDED AUGUST 31,		
	<C>	<C>	<C>	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance						
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:						
Net Investment Income	0.02	0.04	0.01	0.03	0.03	0.03
Less Dividends from Net Investment Income	0.02	0.04	0.01	0.03	0.03	0.03

Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	1.59%	3.65%	0.75%^	2.75%	3.23%	3.18%
Ratios/Supplemental Data:						
Net Assets, End of Period (millions)	\$ 1,975	\$ 2,017	\$ 1,603	\$ 1,637	\$ 1,240	\$ 1,104
Ratios to Average Net Assets: #						
Expenses	0.45%	0.47%	0.50%	0.50%	0.43%	0.46%
Net Investment Income	3.17%	3.59%	2.99%	2.70%	3.18%	3.13%

Short periods have been annualized.

^ Not annualized.

@ In 1999, the Fund changed its fiscal year-end from August 31 to November 30.

See notes to financial statements.

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INSTITUTIONAL SERVICE TAX EXEMPT MONEY MARKET FUND

	12/1/00 THROUGH 5/31/01	12/1/99 THROUGH 11/30/00	9/1/99 THROUGH 11/30/99@	9/1/98 THROUGH 8/31/99	11/4/97* THROUGH 8/31/98
<S>	<C>	<C>	<C>	<C>	<C>
Per Share Operating Performance					
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:					
Net Investment Income	0.02	0.04	0.01	0.03	0.03
Less Dividends from Net Investment Income	0.02	0.04	0.01	0.03	0.03
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	1.60%	3.68%	0.76%^	2.78%	2.80%^
Ratios/Supplemental Data:					
Net Assets, End of Period (millions)	\$ 64	\$ 40	\$ 5	\$ 8	\$ 8
Ratios to Average Net Assets: #					
Expenses	0.45%	0.45%	0.45%	0.48%	0.60%
Net Investment Income	3.17%	3.69%	3.04%	2.66%	2.95%
Expenses Without Reimbursements	0.67%	0.70%	1.64%	1.13%	5.83%
Net Investment Income Without Reimbursements	2.95%	3.44%	1.85%	2.01%	(2.28%)

* Commencement of operations.

Short periods have been annualized.

^ Not annualized.

@ In 1999, the Fund changed its fiscal year-end from August 31 to November 30.

See notes to financial statements.

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<Page>

<Table>
<Caption>

INSTITUTIONAL TAX EXEMPT MONEY MARKET FUND

	12/1/00 THROUGH 5/31/01	12/1/99 THROUGH 11/30/00	9/1/99 THROUGH 11/30/99@	YEAR ENDED AUGUST 31,		
<S>	<C>	<C>	<C>	1999	1998	1997
				<C>	<C>	<C>
Per Share Operating Performance						
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations:						
Net Investment Income	0.02	0.04	0.01	0.03	0.03	0.03
Less Dividends from Net Investment Income	0.02	0.04	0.01	0.03	0.03	0.03
Net Asset Value, End of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	1.72%	3.93%	0.82%^	3.06%	3.45%	3.35%
Ratios/Supplemental Data:						
Net Assets, End of Period (millions)	\$ 1,642	\$ 1,005	\$ 454	\$ 417	\$ 594	\$ 291
Ratios to Average Net Assets: #						
Expenses	0.20%	0.20%	0.20%	0.20%	0.22%	0.29%
Net Investment Income	3.41%	3.91%	3.29%	3.02%	3.37%	3.29%
Expenses Without Reimbursements	0.31%	0.33%	0.35%	0.35%	0.35%	0.39%

Short periods have been annualized.
 ^ Not annualized.
 @ In 1999, the Fund changed its fiscal year-end from August 31 to November 30.

See notes to financial statements.

<Page>

THE PRIME MONEY MARKET PORTFOLIO
 PORTFOLIO OF INVESTMENTS
 As of May 31, 2001 (unaudited)
 (Amounts in thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT (USD)	ISSUER	VALUE

Money Market Instruments -- 100.0%		
<S>	<C>	<C>
U.S. Government Agency Securities -- 11.7%		

Federal Home Loan Bank,		
\$141,691	DN, 4.13%, 07/25/01	\$ 140,813
72,730	DN, 4.14%, 07/27/01	72,262
Federal Home Loan Mortgage Corp.,		
1,000	DN, 4.12%, 07/20/01	994
24,000	DN, 4.14%, 07/18/01	23,870
125,000	DN, 4.15%, 07/12/01	124,409
130,757	DN, 4.15%, 07/19/01	130,033
163,198	DN, 4.15%, 07/26/01	162,163
50,000	DN, 4.41%, 08/15/01	49,541
165,000	DN, 4.81%, 07/27/01	163,764
39,295	DN, 4.90%, 07/13/01	39,070
Federal National Mortgage Association,		
75,000	DN, 4.12%, 07/23/01	74,554
504,482	DN, 4.14%, 07/26/01	501,289
100,000	DN, 4.15%, 07/12/01	99,527
110,341	DN, 4.16%, 07/19/01	109,729
213,000	DN, 4.36%, 09/07/01	210,472
95,687	DN, 4.37%, 09/06/01	94,562
114,020	DN, 4.38%, 09/20/01	112,482
205,000	DN, 4.40%, 09/12/01	202,416
76,870	DN, 4.45%, 09/27/01	75,750
100,000	DN, 4.70%, 08/15/01	99,021
100,000	DN, 4.76%, 07/30/01	99,220
20,000	DN, 4.76%, 08/16/01	19,799
334,120	DN, 4.82%, 08/23/01	330,410

Total U.S. Government Agency Securities		2,936,150
(Cost \$2,936,150)		

State and Municipal Obligation -- 0.0%		
6,200	Wake Forest University, Ser. 1997, Rev., FRDO, 4.10%, 06/07/01	
	(Cost \$6,200)	6,200

Corporate Notes & Bonds -- 32.2%		

Asset Backed Securities -- 5.1%		
300,000	Asset Securitization Corp., 4.08%, 10/17/01	299,971
Restructured Asset Securities with Enhanced Returns (RACERS),		
165,000	Series 1999-35-MM, FRN, #, 4.15%, 12/17/01	165,000
175,000	Series 2000-15-MM, FRN, #, 4.15%, 09/13/01	175,000
200,000	Series 2001-8-MM, FRN, 4.44%, 04/01/02	200,000
447,000	Special Purpose Accounts Receivable Cooperative, 4.46%, 07/24/01	447,000

		1,286,971

</Table>

See notes to financial statements.

<Page>

As of May 31, 2001 (unaudited)
 (Amounts in thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT (USD)	ISSUER	VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>
	Automotive -- 0.4%	
\$100,000	Toyota Motor Credit Corp., MTN, FRN, 4.03%, 03/25/02	\$ 100,000
	Banking -- 16.4%	
	American Express Centurion Bank,	
75,000	FRN, 4.05%, 03/19/02	75,000
75,000	FRN, 4.06%, 03/22/02	75,000
21,500	FRN, 4.12%, 10/16/01	21,500
110,000	FRN, 5.02%, 04/09/02	110,000
200,000	Bank Austria AG (Austria), (Yankee), FRN, 4.71%, 07/16/01	199,993
	Bank of America, N.A.,	
130,000	FRN, 4.15%, 06/06/01	130,000
50,000	FRN, 4.18%, 02/19/02	50,054
35,500	MTN, FRN, 4.24%, 02/11/02	35,548
	Bank One, N.A.,	
57,000	FRN, 4.46%, 05/09/02	57,067
50,000	FRN, 5.08%, 12/14/01	50,049
25,000	FRN, 5.16%, 03/07/02	25,022
750	MTN, FRN, 5.10%, 09/21/01	751
300,000	Bayerische Hypo-und Vereinsbank AG (Germany), (Yankee), FRN, 4.09%, 09/21/01	299,955
	Bayerische Landesbank Girozentrale, (Germany), (Yankee),	
150,000	FRN, 4.10%, 04/10/02	150,000
200,000	FRN, 4.11%, 09/19/01	199,977
50,000	Canadian Imperial Bank of Commerce (Canada), (Yankee), FRN, 4.05%, 05/28/02	49,993
25,000	Commerzbank AG (Germany), (Yankee), 7.00%, 07/17/01	25,053
391,000	Credit Agricole Indosuez SA (France), (Yankee), FRN, 4.05%, 05/21/02	390,981
275,000	Credit Suisse First Boston, Inc., FRN, #, 4.16%, 04/24/02	275,000
	First Union National Bank,	
125,000	FRN, 4.00%, 05/20/02	125,000
50,000	FRN, 4.03%, 05/14/02	50,000
20,000	FRN, 4.16%, 10/16/01	20,000
400,000	FRN, 4.17%, 09/26/01	400,000
100,000	FRN, 4.17%, 09/28/01	100,000
25,000	FRN, 4.17%, 11/15/01	25,000
50,000	Fleet National Bank, FRN, 4.41%, 10/03/01	50,002
372,000	Merita Bank PLC (Finland), (Yankee), FRN, 4.06%, 05/21/02	372,000
44,000	National City Bank, 6.98%, 08/02/01	43,997
40,000	UBS AG (Switzerland), (Yankee), #, 7.03%, 07/19/0139,999	
640,000	Westdeutsche Landesbank Girozentrale (Germany), (Yankee), 4.01%, 05/29/02	639,796

		4,086,737

</Table>

See notes to financial statements.

<Page>

As of May 31, 2001 (unaudited)
 (Amounts in thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT (USD)	ISSUER	VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>
	Financial Services -- 10.3%	
	Associates Corp. of North America,	
\$29,700	FRN, 4.22%, 05/17/02	\$ 29,747
325,000	FRN, 4.85%, 10/01/01	325,000
150,000	Citigroup, Inc., MTN, FRN, 4.15%, 06/06/01	150,000
	Goldman Sachs Group, Inc.,	

50,000	MTN, FRN, 4.52%, 01/28/02	50,056
50,000	MTN, FRN, 4.94%, 01/15/02	50,085
30,000	MTN, FRN, 5.16%, 03/15/02	30,045
Merrill Lynch & Co., Inc.,		
10,000	MTN, FRN, 4.35%, 11/09/01	10,008
36,265	MTN, FRN, 4.39%, 11/01/01	36,298
275,000	MTN, FRN, 4.40%, 04/03/02	274,977
125,000	MTN, FRN, 4.45%, 05/02/02	125,000
150,000	MTN, FRN, 4.50%, 05/01/02	150,124
80,600	MTN, FRN, 4.66%, 11/26/01	80,747
32,400	MTN, FRN, 4.67%, 02/08/02	32,505
70,000	MTN, FRN, 4.69%, 02/01/02	70,200
30,000	MTN, FRN, 5.19%, 01/11/02	30,091
Morgan Stanley Dean Witter & Co.,		
250,000	FRN, 4.17%, 12/17/01	250,000
20,000	FRN, 5.12%, 12/17/01	20,025
55,000	MTN, FRN, 4.47%, 01/28/02	55,069
15,000	MTN, FRN, 4.56%, 04/22/02	15,025
Salomon Smith Barney Holdings, Inc.,		
65,120	MTN, FRN, 4.24%, 05/14/02	65,237
21,000	MTN, FRN, 4.42%, 05/08/02	21,027
13,325	MTN, FRN, 4.96%, 06/15/02	13,349
15,000	MTN, FRN, 4.99%, 04/19/02	15,023
Wells Fargo & Co.,		
8,000	FRN, 5.23%, 09/15/01	8,005
500,000	MTN, FRN, 4.10%, 04/15/02	500,001
100,000	MTN, FRN, 4.12%, 07/20/01	99,993
30,000	MTN, FRN, 4.35%, 07/24/01	29,998
52,000	MTN, FRN, 4.88%, 07/16/01	51,998

2,589,633

Total Corporate Notes & Bonds 8,063,341
(Cost \$8,063,341)

Commercial Paper -- 40.6%

Asset Backed Securities -- 22.6% Alpine
Securitization Corp.,

138,974	4.03%, 06/14/01	138,772
35,000	4.09%, 06/11/01	34,960
105,252	4.25%, 07/23/01	104,606
123,477	4.43%, 10/05/01	121,562
29,000	4.78%, 06/21/01	28,923
Amstel Funding Corp.,		
76,000	3.97%, 08/09/01	75,422
65,000	4.95%, 06/12/01	64,902

</Table>

See notes to financial statements.

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<Page>

As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL

AMOUNT

(USD)

ISSUER

VALUE

Money Market Instruments -- Continued

<S>	<C>	<C>
Asset Backed Securities -- Continued		
Amsterdam Funding Corp.,		
\$30,000	4.00%, 06/28/01	\$ 29,910
100,000	4.02%, 06/12/01	99,877
50,000	4.02%, 06/14/01	49,927
100,000	4.02%, 06/20/01	99,788
50,000	4.10%, 06/07/01	49,966
50,000	4.21%, 06/01/01	50,000
125,000	Atlantis One Funding Corp., 4.22%, 07/27/01	124,179
10,763	Barton Capital Corp., 4.03%, 06/15/01	10,746
Bavaria Universal Funding Co.,		
100,000	4.16%, 06/08/01	99,919
20,000	4.45%, 06/01/01	20,000
19,249	4.99%, 06/08/01	19,230
35,000	BBL North American Funding Corp., 4.40%, 06/05/01	34,983
31,000	Blue Ridge Asset Funding Corp., 4.02%, 06/19/01	30,938
Brahms Funding Corp.,		
100,000	4.00%, 08/02/01	99,311

66,429	4.05%, 07/23/01	66,040
28,830	4.13%, 06/15/01	28,784
40,918	4.39%, 06/27/01	40,788
	CC USA, Inc., (Centauri Corp.),	
35,000	5.02%, 08/06/01	34,678
30,000	5.10%, 08/15/01	29,681
	Clipper Receivables Corp.,	
40,000	4.08%, 06/11/01	39,955
15,000	4.10%, 06/08/01	14,988
	Compass Securitization LLC,	
55,000	4.02%, 06/25/01	54,853
24,292	4.25%, 07/30/01	24,123
100,000	4.28%, 07/20/01	99,417
50,000	Corporate Asset Funding, 4.96%, 06/05/01	49,972
	Corporate Receivables Corp.,	
40,000	4.09%, 06/13/01	39,945
15,000	4.09%, 06/14/01	14,978
102,500	4.96%, 06/08/01	102,401
100,000	Dakota Certificate Program (Citibank Credit Card Master Trust I), 4.03%, 06/14/01	99,854
	Dorada Finance, Inc.,	
35,000	3.96%, 08/15/01	34,711
40,000	4.28%, 07/23/01	39,753
12,500	4.50%, 09/24/01	12,320
150,000	Edison Asset Securitization LLC, 4.95%, 06/05/01	149,917
	Enterprise Funding Corp.,	
34,478	4.18%, 06/07/01	34,454
9,646	4.23%, 06/04/01	9,643
11,714	4.23%, 07/27/01	11,637
34,315	4.30%, 07/20/01	34,114
50,000	Eureka Securitization, Inc., 4.27%, 07/11/01	49,763

</Table>

See notes to financial statements.

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<Page>

As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL

AMOUNT

(USD)

ISSUER

VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>
	Asset Backed Securities -- Continued	
	Falcon Asset Securitization Corp.,	
\$30,400	4.01%, 06/26/01	\$ 30,315
50,000	4.23%, 07/18/01	49,724
75,000	4.40%, 06/06/01	74,954
	Four Winds Funding Corp.,	
161,000	4.14%, 06/07/01	160,888
62,000	4.30%, 07/16/01	61,667
	Galaxy Funding, Inc.,	
50,000	4.10%, 06/13/01	49,932
29,500	5.03%, 08/10/01	29,211
50,000	5.04%, 07/30/01	49,587
	Giro Funding U.S. Corp.,	
60,364	4.01%, 06/19/01	60,243
75,929	4.01%, 06/26/01	75,718
65,000	4.02%, 06/22/01	64,848
60,000	4.92%, 06/13/01	59,902
	Grand Funding Corp.,	
23,536	4.11%, 06/05/01	23,525
18,000	4.11%, 06/06/01	17,990
100,000	Greenwich Funding Corp., 4.10%, 06/04/01	99,966
30,000	Greyhawk Funding LLC, 4.10%, 06/04/01	29,990
	Jupiter Securitization Corp.,	
100,000	4.01%, 07/05/01	99,621
115,000	4.02%, 06/19/01	114,769
8,949	4.24%, 07/27/01	8,890
23,029	4.78%, 06/18/01	22,977
	K2 (USA) LLC,	
40,000	4.43%, 10/05/01	39,380
24,000	4.44%, 09/24/01	23,660
38,000	5.02%, 08/10/01	37,629
50,000	Liberty Street Funding Corp., 4.95%, 06/12/01	49,924
	Links Finance LLC,	
25,000	4.85%, 06/05/01	24,987
100,000	5.10%, 08/21/01	98,854

30,000	Market Street Funding, 4.02%, 06/20/01	29,936
	Mont Blanc Capital Corp.,	
47,000	4.02%, 06/18/01	46,911
16,000	4.10%, 06/11/01	15,982
	Montauk Funding Corp.,	
20,000	4.01%, 06/27/01	19,942
50,000	4.09%, 06/14/01	49,926
	Monte Rosa Capital Corp.,	
30,610	4.02%, 06/12/01	30,572
33,052	4.02%, 06/19/01	32,986
24,000	4.18%, 06/11/01	23,972
60,000	Moriarty LLC, 5.08%, 08/13/01	59,382
	Ness Limited,	
20,000	4.77%, 06/20/01	19,950
16,130	4.77%, 06/25/01	16,079
30,000	4.79%, 06/15/01	29,944

</Table>

See notes to financial statements.

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<Page>

As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL
AMOUNT

(USD)	ISSUER	VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>
Asset Backed Securities -- Continued		
Newcastle Certificates Program (Discover Card		
Master Trust I),		
\$84,451	4.27%, 07/27/01	\$ 83,890
25,000	4.32%, 07/27/01	24,832
50,000	4.39%, 06/07/01	49,963
50,000	Old Line Funding Corp., 4.32%, 06/07/01	49,964
Parthenon Receivables Funding LLC,		
25,000	4.15%, 06/01/01	25,000
21,668	4.51%, 09/25/01	21,353
25,116	4.84%, 08/28/01	24,819
20,000	Pennine Funding LLC, 4.97%, 06/08/01	19,981
100,000	Quincy Capital Corp., 4.08%, 06/14/01	99,853
Receivables Capital Corp.,		
50,000	4.10%, 06/08/01	49,960
50,000	4.20%, 06/15/01	49,918
Sheffield Receivables Corp.,		
40,000	4.02%, 06/19/01	39,920
32,530	4.08%, 06/18/01	32,467
23,950	4.22%, 06/01/01	23,950
100,000	Sigma Finance Corp., (Channel Islands), 5.01%, 08/02/01	99,137
Silver Tower U.S. Funding LLC,		
70,000	4.30%, 07/20/01	69,590
40,000	4.30%, 07/27/01	39,732
25,000	4.50%, 09/04/01	24,703
50,000	Special Purpose Accounts Receivable Cooperative, 4.10%, 06/12/01	49,937
85,000	Surrey Funding Corp., 3.94%, 08/10/01	84,350
9,634	Sweetwater Capital Corp., 4.25%, 06/04/01	9,631
25,000	Thames Asset Global Securitization (TAGS), 4.67%, 07/06/01	24,886
Trident Capital Finance, Inc.,		
80,000	4.02%, 06/21/01	79,821
90,000	4.10%, 06/07/01	89,939
Variable Funding Capital Corp.,		
50,000	4.10%, 06/04/01	49,983
80,000	4.10%, 06/12/01	79,900

		5,636,902
Banking -- 8.5%		
Allied Irish Banks PLC (United Kingdom),		
28,000	4.27%, 07/17/01	27,847
30,000	4.68%, 07/02/01	29,879
15,000	Banco Santander Central Hispano SA (Spain), (Yankee), 5.00%, 08/22/01	14,829
40,000	Bank of America, N.A., 4.90%, 07/26/01	39,701
50,000	Bank of Scotland (United Kingdom), 4.28%, 07/11/01	49,762
60,000	Bank One, N.A., 4.27%, 07/19/01	59,658

</Table>

<Page>

As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL

AMOUNT

(USD)

ISSUER

VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>
	Banking -- Continued	
	Banque Generale du Luxembourg SA (Luxembourg),	
\$25,000	4.46%, 09/24/01	\$ 24,644
100,000	4.81%, 08/27/01	98,838
38,000	5.09%, 08/15/01	37,597
	Citibank,	
30,031	4.02%, 06/22/01	29,961
57,000	4.29%, 07/18/01	56,681
49,000	Commerzbank International, Europe (Germany),	
	4.25%, 07/23/01	48,699
	Commerzbank U.S. Finance, Inc.,	
160,000	4.25%, 07/20/01	159,075
92,450	4.34%, 10/11/01	90,979
	Credit Suisse First Boston International LTD	
	(Switzerland),	
17,500	4.67%, 07/19/01	17,391
58,000	4.95%, 06/08/01	57,944
40,000	Credit Suisse First Boston, Inc., 5.00%, 08/06/01	39,633
75,000	Den Danske Bank (Norway), 5.03%, 08/02/01	74,350
	Den Danske Corp.,	
47,000	4.21%, 07/25/01	46,703
6,000	4.47%, 09/28/01	5,911
80,000	5.07%, 08/20/01	79,100
65,000	Depfa Deutsche Pfandbrief Bank AG, 5.85%,	
	06/06/01	64,947
40,000	Deutsche Bank Financial, Inc., 4.94%, 06/05/01	39,978
	Dexia Delaware LLC,	
25,000	4.01%, 06/18/01	24,953
100,000	4.24%, 07/20/01	99,422
35,000	4.44%, 09/28/01	34,486
35,000	Halifax PLC (United Kingdom), 4.41%, 10/03/01	34,468
73,000	ING America Insurance Holdings, Inc. (Netherlands),	
	5.07%, 08/22/01	72,157
	Landesbank Schleswig Holstein (Germany),	
25,000	4.42%, 10/05/01	24,613
55,000	6.23%, 07/31/01	54,429
40,000	6.29%, 06/06/01	39,965
100,000	6.33%, 06/01/01	100,000
50,000	6.33%, 06/04/01	49,974
30,000	Rabobank Nederland NV (Netherlands), (Yankee),	
	4.41%, 10/04/01	29,541
68,000	Societe Generale (France), 4.95%, 06/01/01	68,000
16,500	Svenska Handelsbanken, Inc. (Sweden), 5.01%,	
	08/01/01	16,360
50,000	Swedbank (Sweden), 4.21%, 10/12/01	49,222
	UBS Finance (Delaware) LLC,	
50,000	4.34%, 10/11/01	49,205
111,000	4.42%, 10/12/01	109,187
85,000	5.01%, 08/01/01	84,278

		2,134,367

</Table>

See notes to financial statements.

<Page>

As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL

AMOUNT

(USD)

ISSUER

VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>

	Chemicals -- 0.2%	
\$53,000	BASF AG (Germany), 6.28%, 06/05/01	\$ 52,963
	Consumer Products -- 0.5%	
135,000	Unilever Capital Corp., 5.11%, 09/07/01	135,000
	Diversified -- 0.5%	
30,000	General Electric Capital Corp.,	
	4.35%, 10/02/01	29,554
100,000	5.00%, 07/11/01	99,445

		128,999
	Financial Services -- 5.6%	
	Alliance & Leicester PLC (United Kingdom),	
50,000	4.26%, 07/20/01	49,710
75,000	4.33%, 10/11/01	73,809
13,500	4.97%, 06/05/01	13,493
50,000	Aspen Funding Corp., 4.97%, 06/05/01	49,972
125,000	Citicorp, 4.03%, 06/22/01	124,707
	Fairway Finance Corp.,	
72,000	4.02%, 06/18/01	71,863
82,000	4.08%, 06/13/01	81,888
45,000	4.86%, 08/23/01	44,496
15,000	5.04%, 08/08/01	14,857
25,000	Govco, Inc., 4.70%, 07/05/01	24,889
79,092	HomeSide Lending, Inc., 4.02%, 06/21/01	78,915
50,000	Kitty Hawk Funding Corp., 5.05%, 08/15/01	49,474
	Nationwide Building Society (United Kingdom),	
50,000	4.22%, 07/19/01	49,719
75,000	4.34%, 10/09/01	73,825
15,000	4.37%, 10/05/01	14,771
55,798	Newport Funding Corp., 4.97%, 06/05/01	55,767
	Nordea North America (Sweden),	
96,000	4.32%, 10/10/01	94,491
25,000	4.43%, 10/05/01	24,612
25,000	4.52%, 10/02/01	24,614
	San Paolo U.S. Financial Co.,	
25,000	4.52%, 10/04/01	24,608
84,000	5.03%, 08/06/01	83,225
121,085	Swiss Re Financial Products Corp. (Switzerland),2	120,902
	4.54%, 06/13/01	
98,000	Unicredit Delaware, Inc., 4.49%, 09/27/01	96,556
50,000	Wells Fargo & Co., 4.96%, 06/01/01	50,000

		1,391,163
	Foreign Government Securities -- 1.0%	
	Government of Canada (Canada),	
100,000	4.42%, 09/17/01	98,674
35,000	4.42%, 09/21/01	34,519
65,000	6.30%, 06/07/01	64,932
50,000	Province of Quebec (Canada), 4.49%, 08/27/01	49,457
10,300	Swedish Export Credit (Sweden), 4.95%, 08/01/01	10,214

		257,796

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL
AMOUNT
(USD)

ISSUER

VALUE

Money Market Instruments-- Continued		
<S>	<C>	<C>
	Machinery & Engineering Equipment -- 0.2%	
\$40,000	Asea Brown Boveri LTD (India), 4.34%, 10/10/01	\$ 39,368
	Pharmaceuticals -- 0.4%	
100,000	Abbott Laboratories, FRN, #, 4.40%, 03/01/02	100,000
	Telecommunications -- 0.9%	
225,000	Verizon Global Funding, Inc., 4.85%, 03/20/02	224,868
	Utilities -- 0.2%	
45,000	National Rural Utilities Cooperative Finance Corp.,	
	6.21%, 07/19/01	44,627

	Total Commercial Paper	10,146,053
	(Cost \$10,146,053)	

	Certificates of Deposit -- 9.9%	

58,000	Bank of America, N.A., 4.98%, 06/08/01	58,000
70,000	Bank One, N.A., 5.13%, 07/17/01	70,000
40,000	Bayerische Hypo-und Vereinsbank AG (Germany), (Yankee), 5.00%, 06/11/01	40,000
145,000	Bayerische Landesbank Girozentrale, (Germany), (Yankee), 5.22%, 02/20/02	144,970
246,500	BNP Paribas (France), (Yankee), #, 4.56%, 09/19/01 Commerzbank AG (Germany), (Yankee), 4.24%, 05/22/02	246,500
50,000	4.25%, 05/22/02	50,000
361,000	Credit Agricole Indosuez SA (France), (Yankee), 4.02%, 07/06/01	360,999
37,000	4.54%, 10/11/01	37,000
45,000	4.59%, 09/24/01	45,000
338,000	5.23%, 02/20/02	338,000
101,000	Credit Suisse First Boston (Swiss Bank), (Yankee), 3.96%, 08/14/01	100,986
160,000	3.96%, 08/14/01	160,000
190,000	Deutsche Bank AG (Germany), (Yankee), 3.98%, 08/02/01	190,000
125,000	Dresdner Bank AG (Germany), (Yankee), 5.27%, 07/16/01	125,003
100,000	HSBC Bank PLC (United Kingdom), (Yankee), 4.45%, 01/10/02	100,000
	Landesbank Baden - Wuerttemberg (Germany), (Yankee), 4.47%, 10/12/01	50,002
50,000	4.57%, 09/27/01	50,002
80,000		80,003
160,000	Lloyds TSB Bank PLC (United Kingdom), 7.20%, 06/15/01	159,998
40,000	Svenska Handelsbanken, Inc. (Sweden), (Yankee), #, 5.12%, 08/02/01	39,999
75,000	Westdeutsche Landesbank Girozentrale (Germany), (Yankee), 4.56%, 09/20/01	75,000

	Total Certificates of Deposit	2,471,460
	(Cost \$2,471,460)	

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT (USD)	ISSUER	VALUE

Money Market Instruments -- Continued		
<S>	<C>	<C>
	Time Deposits -- 3.2%	

\$410,630	Firststar Bank, 4.31%, 06/01/01	\$ 410,630
400,000	National City Bank, 4.31%, 06/01/01	400,000

	Total Time Deposits	810,630
	(Cost \$810,630)	

	Repurchase Agreements -- 2.4%	

300,000	Lehman Brothers, Inc., Tri Party, 4.15%, due 06/01/01, dated 5/31/01, proceeds \$300,035, secured by U.S. Government Agency Obligations	300,000
300,000	Deutsche Bank Securities, Tri Party, 4.25%, due 06/01/01, dated 5/31/01, proceeds \$300,035, secured by U.S. Government Agency Obligations	300,000

	Total Repurchase Agreements	600,000
	(Cost \$600,000)	

	Total Investments -- 100.0%	\$25,033,834
	(Cost \$25,033,834) *	

</Table>

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THE TAX EXEMPT MONEY MARKET PORTFOLIO
PORTFOLIO OF INVESTMENTSAs of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE

<S>	<C>	<C>
	Municipal Securities -- 100.0%	
	Alabama -- 1.5%	
\$ 2,400	Birmingham, Alabama, Airport Authority, Municipal Securities Trust Receipts, Ser. SGA-47, Rev., FRDO, MBIA, 3.02%, 06/06/01	\$ 2,400
52,700	Birmingham, Alabama, Special Care Facilities Financing Authority, Ascension Health Credit, Ser. B, Rev., FRDO, 3.10%, 06/06/01	52,700
1,400	West Jefferson, Alabama, Industrial Development Board, PCR, Alabama Power Company Project, FRDO, 3.05%, 06/01/01	1,400

		56,500
	Alaska -- 1.1%	
26,100	Valdez, Alaska, Marine Terminal, Exxon Pipeline Company Project, Ser. A, Rev., FRDO, 3.05%, 06/01/01	26,100
16,300	Valdez, Alaska, Marine Terminal, Exxon Pipeline Company Project, Ser. C, Rev., FRDO, 3.05%, 06/01/01	16,300

		42,400
	Arizona -- 1.4%	
7,700	Apache County, Arizona, IDA, PCR, Tucson Electrical Power, Rev., FRDO, 3.05%, 06/06/01	7,700
17,005	Arizona Health Facilities Authority, Health Care Pooled Financing, Hospital System, Ser. A, Rev., 3.20%, 06/06/01	17,005
5,000	Phoenix, Arizona, Civic Improvement, 3.10%, 07/12/01	5,000
10,543	Salt River, Arizona, Agricultural Improvement & Power District, Electric Systems, Salt River Project, Floating Rate Certificates, Ser. 274, Rev., FRDO, 3.05%, 06/07/01	10,543
12,000	University of Arizona, Main Campus & Research, Ser. A, Rev., COP, FRDO, AMBAC, 2.95%, 06/06/01	12,000

		52,248
	California -- 0.3%	
50	California Statewide Communities Development Authority, Ser. N-6, Regulation D, Rev., FRDO, 3.30%, 06/06/01	50
12,535	Los Angeles County, California, Ser. A, GO, TRAN, 5.00%, 06/29/01	12,547

		12,597
	Colorado -- 2.3%	
6,000	Colorado Springs, Colorado, Utilities, Municipal Securities Trust Receipts, Ser. SGA-88, Rev., FRDO, 3.20%, 06/01/01	6,000
7,510	Colorado Springs, Colorado, Utilities, Ser. C, Rev., ^, 6.75%, 11/15/01	7,736
10,000	Colorado State, General Fund, Ser. B, GO, TRAN, 5.00%, 06/27/01	10,009

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE

<S>	<C>	<C>
Municipal Securities -- Continued		
Colorado -- Continued		
\$ 4,925	Colorado Water Resources & Power Development Authority, Drinking Water, FLOATS, Ser. PA-695, Rev., FRDO, 3.00%, 06/07/01	\$ 4,925
11,965	Denver, Colorado, City and County Airport, Floating Rate Certificates, Ser. A-16, Regulation D, Rev., FRDO, MBIA-IBC, 3.25%, 06/06/01	11,965
11,695	Denver, Colorado, City and County Airport, Municipal Securities Trust Receipts, Ser. SGA-18, Rev., FRDO, MBIA, 3.02%, 06/06/01	11,695
14,315	Denver, Colorado, City and County, FLOATS, Ser. PA-733, COP, AMBAC, 3.00%, 06/07/01	14,315
8,370	Platte River Power Authority, Electric, FLOATS, Ser. PA-729-R, Rev., FRDO, 3.00%, 06/07/01	8,370
10,950	Smith Creek, Colorado, Metropolitan District, Rev., FRDO, 3.05%, 06/07/01	10,950
	-----	85,965
District of Columbia -- 6.3%		
28,900	District of Columbia, American University, Rev., FRDO, AMBAC, 3.05%, 06/06/01	28,900
12,000	District of Columbia, American University, Ser. A, Rev., FRDO, AMBAC, 3.05%, 06/06/01	12,000
16,200	District of Columbia, General Fund Recovery, Ser. B-2, GO, FRDO, 3.35%, 06/01/01	16,200
12,500	District of Columbia, General Fund Recovery, Ser. B-3, GO, FRDO, 3.35%, 06/01/01	12,500
26,200	District of Columbia, General Fund Recovery, Ser. B-1, GO, FRDO, 3.35%, 06/01/01	26,200
41,335	District of Columbia, George Washington University, Ser. C, Rev., FRDO, MBIA, 3.05%, 06/06/01	41,335
7,690	District of Columbia, Multimodal Smithsonian, Ser. B, Rev., FRDO, 2.95%, 06/07/01	7,690
16,810	District of Columbia, Multimodal, Ser A, GO, FRDO, FSA, 3.15%, 06/06/01	16,810
64,555	District of Columbia, Multimodal, Ser. B, GO, FRDO, FSA, 3.15%, 06/06/01	64,555
5,970	District of Columbia, Water and Sewer Authority, Public Utility, FLOATS, Ser. PT-373, Rev., FRDO, FSA, 3.00%, 06/07/01	5,970
	-----	232,160
Florida -- 2.9%		
7,000	Florida State, Board of Education, Capital Outlay, FLOATS, Ser. PT-1223, GO, FRDO, 3.00%, 06/07/01	7,000
6,225	Florida State, Board of Education, Lottery, Ser. A, Rev., AMBAC, 4.25%, 07/01/02	6,314
100	Jacksonville, Florida, PCR, Florida Power & Light Co. Project, Rev., FRDO, 3.00%, 06/01/01	100
55,000	Miami-Dade County, Florida, School District, Rev., TAN, 5.00%, 06/28/01	55,029

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL	AMOUNT	ISSUER	VALUE

<S>	<C>	<C>	<C>
Municipal Securities -- Continued			
Florida -- Continued			
\$19,000	Orange County, Florida, Health Facilities Authority, Florida Hospital Association of Health, Ser. A, Rev., FRDO, 3.20%, 06/06/01	\$ 19,000	
3,000	St. Johns County, Florida, IDA, Health Care, Glenmoor St. Johns Project, Ser. C, FRDO, Rev., 2.90%, 06/06/01	3,000	
1,000	University Athletic Association, Inc., Florida Capital Improvement, Rev., FRDO, 3.30%, 06/01/01	1,000	

14,000	University Athletic Association, Inc., Florida Capital Improvement, University of Florida Stadium Project, Rev., FRDO, 3.30%, 06/01/01	1	14,000

			105,443
	Georgia -- 6.2%		
6,000	Atlanta, Georgia, FRDO, 3.05%, 06/07/01		6,000
24,445	Bartow County, Georgia, Development Authority, PCR, Georgia Power Co., Bowen Gray School Project, 1st Ser., Rev., FRDO, 3.05%, 06/01/01		24,445
30,200	Burke County, Georgia, Development Authority, PCR, Georgia Power Co., Plant Vogtle, 4th Ser., Rev., FRDO, 3.30%, 06/01/01		30,200
27,070	Burke County, Georgia, Development Authority, PCR, Georgia Power Co., Plant Vogtle, 5th Ser., Rev., FRDO, 3.10%, 06/01/01		27,070
66,403	Georgia Municipal Association Pooled Bond, COP, FRDO, MBIA, 3.05%, 06/07/01		66,403
8,015	Georgia State, Floating Rate Certificates, Ser. 213, GO, FRDO, 3.05%, 06/07/01		8,015
13,500	Georgia, Private Colleges & Universities Facilities Authority, Emory University, Ser. B, Rev., FRDO, 2.90%, 06/06/01		13,500
800	Heard County, Georgia, Development Authority, PCR, Georgia Power Co., Plant Wansley, FRDO, 3.05%, 06/01/01		800
10,000	Metropolitan Atlanta, Georgia, Rapid Transportation Authority, Georgia Sales Tax, Ser. B, Rev., FRDO, 2.90%, 06/06/01		10,000
4,500	Monroe County, Georgia, Development Authority, PCR, Georgia Power Co., Plant Scherer, 2nd Ser., Rev., FRDO, 3.30%, 06/01/01		4,500
25,200	Municipal Electric Authority of Georgia, 3.30%, 08/09/01		25,200
13,650	Municipal Electric Authority of Georgia, General Resolution Projects, Sub Ser. B, Rev., FRDO, MBIA, 2.95%, 06/06/01		13,650

			229,783
	Hawaii -- 0.5%		
19,790	Hawaii State, Highway, FLOATS, Ser. PT-1058, Rev., FRDO, 3.00%, 06/07/01		19,790

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE

<S>	<C>	<C>
	Municipal Securities -- Continued	
	Illinois -- 6.5%	
\$ 3,495	Chicago, Illinois, Midway Airport, Floating Rate Certificates, Ser. 440, Rev., FRDO, MBIA, 3.07%, 06/07/01	\$ 3,495
10,000	Chicago, Illinois, Tender Notes, Ser. A, GO, FRDO, 4.25%, 10/25/01	10,000
15,000	Chicago, Illinois, Municipal Securities Trust Receipts, Ser. SGA-99, GO, FRDO, FGIC, 3.02%, 06/06/01	15,000
18,000	Chicago, Illinois, O'Hare International Airport, Second Lien, Ser. A, Rev., FRDO, 2.65%, 06/06/01	18,000
3,970	Chicago, Illinois, O'Hare International Airport, Second Lien, Ser. B, Rev., FRDO, 2.65%, 06/06/01	3,970
8,000	Chicago, Illinois, Park District, Rev., TAW, 5.13%, 09/21/01	8,020
3,215	Cook County, Illinois, Floating Rate Certificates, Ser. 403, GO, FRDO, FGIC, 3.07%, 06/07/01	3,215
15,000	Cook County, Illinois, GO, AMBAC, ^, 6.75%, 11/01/01	15,541
17,900	Illinois Development Finance Authority, Chicago Symphony Orchestra, Ser. C, Rev., FRDO, 2.95%, 06/06/01	17,900
16,800	Illinois Development Finance Authority, Local Government Financing Program, Ser. A, Rev.,	

	FRDO, AMBAC, 3.20%, 06/06/01	16,800
8,000	Illinois Development Finance Authority, Local Government Financing Program, Ser. B, Rev., FRDO, AMBAC, 3.20%, 06/06/01	8,000
5,200	Illinois Development Finance Authority, PCR, Illinois Power Co. Project, Ser. B, Rev., FRDO, 2.90%, 06/06/01	5,200
14,795	Illinois Educational Facilities Authority, University Pooled Financing Program, Rev., FRDO, FGIC, 2.15%, 06/06/01	14,795
15,020	Illinois Health Facilities Authority, Swedish Covenant Hospital Project, Ser. A, Rev., FRDO, AMBAC, 2.95%, 06/06/01	15,020
10,000	Illinois Regional Transportation Authority, FLOATS, Ser. SG-82, FRDO, 3.00%, 06/07/01	10,000
3,000	Illinois State, Floating Rate Certificates, Ser. 257, GO, FRDO, 3.05%, 06/07/01	3,000
3,255	Illinois State, Sales Tax, Municipal Securities Trust Certificates, Ser. SG-9, Rev., 3.00%, 06/07/01	3,255
52,600	Illinois State, Toll Highway Authority, Ser. B, Rev., FRDO, MBIA, 2.90%, 06/06/01	52,600
12,600	Illinois State, Toll Highway Authority, Ser. B, Rev., FRDO, FSA, 2.95%, 06/07/01	12,600

		236,411
	Indiana -- 3.7%	
11,500	Indiana Health Facilities Financing Authority, Ascension Health Credit, Ser. B, Rev., FRDO, 3.10%, 06/06/01	11,500

</Table>

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As of May 31, 2001 (unaudited)
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<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE
<S>	<C>	<C>
	Municipal Securities -- Continued	
	Indiana -- Continued	
\$20,900	Indiana State, Highway Transportation Finance Authority, Municipal Securities Trust Receipts, Ser. SGA-113, Rev., FRDO, 3.20%, 06/01/01	\$ 20,900
77,900	Indiana State, Office Building Commission, 3.45%, 07/10/01	77,899
9,995	Indianapolis, Indiana, Local Public Improvement Bond Bank, FLOATS, Ser. PT-382, Rev., FRDO, 3.00%, 06/07/01	9,995
9,800	Purdue University, Indiana, 2.90%, 09/06/01	9,800
5,000	Purdue University, Indiana, Purdue System, Ser. B, Rev., COP, AMBAC, ^, 6.75%, 07/01/01	5,109

		135,203
	Kansas -- 2.8%	
35,000	Burlington, Kansas, PCR, Floating Trust Receipts, Ser. A-15, Regulation D, Rev., FRDO, MBIA, 3.20%, 06/06/01	35,000
19,700	Kansas State, Department of Highway Transportation, Ser. B-2, Rev., FRDO, 3.15%, 06/01/01	19,700
20,000	Kansas State, Department of Highway Transportation, Ser. C-1, Rev., FRDO, 2.95%, 06/01/01	20,000
15,000	Kansas State, Department of Highway Transportation, Ser. C-2, Rev., FRDO, 2.95%, 06/06/01	15,000
12,780	Overland Park, Kansas, Floating Rate Receipts, Ser. SG-155, Rev., FRDO, 3.00%, 06/07/01	12,780

		102,480
	Kentucky -- 3.0%	
34,300	Kentucky Asset Liability Commission, 3.15%, 07/16/01	34,300
20,000	Kentucky Asset Liability Commission, 3.30%, 07/16/01	20,000
15,000	Kentucky Asset Liability Commission, General	

	Fund, Ser. A, Rev., TRAN, 5.25%, 06/27/01	15,007
14,000	Kentucky Asset Liability Commission, Ser. B, Rev., TRAN, 5.00%, 06/27/01	14,007
24,000	Kentucky State, Turnpike Authority, Resource Recovery, Floating Rate Trust Receipts, Ser. 17, Rev., FSA, 3.20%, 06/06/01	24,000
5,060	Mayfield, Kentucky, League of Cities Funding, Rev., FRDO, 3.15%, 06/06/01	5,060

		112,374
	Louisiana -- 1.0%	
9,300	Calcasieu Parish, Louisiana, Industrial Development Board, Olin Corp. Project, Ser. B, Rev., FRDO, 3.05%, 06/01/01	9,300
20,000	Louisiana State University, Agriculture and Mechanical College, Rev., FRDO, FGIC, 3.00%, 06/06/01	20,000

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL	ISSUER	VALUE
AMOUNT		

<S>	<C>	<C>
	Municipal Securities -- Continued	
	Louisiana -- Continued	
\$ 8,700	Louisiana State, Offshore Terminal Authority, Deepwater Port, 1st Stage A-Loop, Inc., Rev., FRDO, 3.05%, 06/01/01	\$ 8,700

		38,000
	Maryland -- 2.3%	
10,000	Baltimore County, Maryland, 3.15%, 09/07/01	10,000
3,100	Baltimore County, Maryland, 3.20%, 06/13/01	3,100
11,000	Baltimore County, Maryland, 3.20%, 09/07/01	11,000
1,800	Baltimore County, Maryland, 3.20%, 09/07/01	1,800
11,500	Baltimore County, Maryland, 3.20%, 09/07/01	11,500
8,605	Howard County, Maryland, Multi-Family Housing, Sherwood Crossing LTD, Rev., FRDO, +, 4.85%, 12/01/01	8,605
10,700	Montgomery County, Maryland, 3.30%, 06/12/01	10,700
7,000	Montgomery County, Maryland, Consumer Public Improvement, GO, 4.00%, 02/01/02	7,037
3,495	Montgomery County, Maryland, FLOATS, Ser. PA-713, GO, FRDO, 3.00%, 06/07/01	3,495
16,800	Montgomery County, Maryland, Housing Opportunities Commission, MultiFamily, Grosvenor, Ser. A, Rev., FRDO, 2.80%, 06/06/01	16,800

		84,037
	Massachusetts -- 1.9%	
2,500	Boston, Massachusetts, Ser. A, GO, FGIC, 4.50%, 01/01/02	2,504
10,000	Massachusetts Greater New Bedford Regional Vocational Technical High School District, GO, BAN, 3.50%, 05/31/02	10,058
7,200	Massachusetts State, Health & Educational Facilities Authority, Capital Assets Program, Ser. D, Rev., FRDO, MBIA, 3.00%, 06/01/01	7,200
6,840	Massachusetts State, Turnpike Authority, Metropolitan Highway System, FLOATS, Ser. PA-672, Rev., FRDO, MBIA, 2.85%, 06/07/01	6,840
6,350	Massachusetts State, Water Resources Authority, Ser. A, Rev., ^, 6.50%, 12/01/01	6,542
10,445	New England Education Loan Marketing Corp., Massachusetts Student Loan, Issue A, Rev., FRDO, 5.80%, 03/01/02	10,646
14,700	Pittsfield, Massachusetts, GO, BAN, 4.87%, 07/12/01	14,710
5,000	Pittsfield, Massachusetts, GO, BAN, 5.00%, 10/12/01	5,026
6,970	Pittsfield, Massachusetts, GO, BAN, 5.00%, 11/22/01	7,019

		70,545
	Michigan -- 1.0%	
23,100	Holt, Michigan, Public Schools, Ser. B, GO, FRDO,	

	2.85%, 06/07/01	23,100
10,595	Michigan State Building Authority, Floating Rate Certificates, Ser. 307, Rev., ^, 3.05%, 06/07/02	10,595

</Table>

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE

<S>	<C>	<C>
	Municipal Securities -- Continued	
	Michigan -- Continued	
\$ 3,995	Rochester, Michigan, Community School District, FLOATS, Ser. PA-707, GO, FRDO, FGIC, 3.00%, 06/07/01	\$ 3,995

		37,690
	Minnesota -- 0.5%	
9,000	Minneapolis & St. Paul, Minnesota, Metropolitan Airports Commission, Municipal Securities Trust Receipts, Ser. SGA-127, Rev., FRDO, FGIC, 3.02%, 06/06/01	9,000
2,700	Minnesota Public Facilities Authority, Water, PCR, Ser. II-TR-1, Rev., FRDO, 3.05%, 06/07/01	2,700
5,000	Minnesota State, GO, 4.63%, 08/01/01	5,003

		16,703
	Mississippi -- 0.1%	
5,000	Mississippi State, Floating Rate Certificates, Ser. L-10, Regulation D, GO, FRDO, FSA, 3.00%, 06/04/01	5,000
	Missouri -- 0.1%	
1,400	Missouri State, Development Finance Board, Infrastructure Facilities, City Union Station, Ser. C, Rev., FRDO, 3.25%, 06/01/01	1,400
1,600	Missouri State, Environmental Improvement & Energy Resources Authority, Bayer Corp. Project, Rev., FRDO, 3.10%, 06/01/01	1,600

		3,000
	Montana -- 0.5%	
17,300	Forsythe, Montana, PCR, Pacificorp Project, Rev., FRDO, 3.35%, 06/01/01	17,300
	Multiple States -- 7.9%	
17,676	ABN AMRO Munitops, Certificates Trust, Ser. 1998-16, FRDO, MBIA, 3.05%, 06/06/01	17,676
6,650	ABN AMRO Munitops, Certificates Trust, Ser. 2000-10, FRDO, MBIA, 3.05%, 06/06/01	6,650
14,990	ABN AMRO Munitops, Certificates Trust, Ser. 2000-11, FRDO, 3.12%, 06/06/01	14,990
14,185	ABN AMRO Munitops, Certificates Trust, Ser. 2000-13, FRDO, 4.35%, 08/01/01	14,185
30,795	ABN AMRO Munitops, Certificates Trust, Ser. 2000-16, GO, FRDO, FGIC, 4.45%, 07/25/01	30,795
10,000	ABN AMRO Munitops, Certificates Trust, Ser. 2000-21, GO, FRDO, MBIA, 3.05%, 06/06/01	10,000
16,610	ABN AMRO Munitops, Certificates Trust, Ser. 2000-4, Rev., FRDO, FGIC, #, 3.05%, 06/06/01	16,610
5,000	ABN AMRO Munitops, Certificates Trust, Ser. 2001-10, GO, FRDO, MBIA, 3.05%, 06/06/01	5,000
9,850	ABN AMRO Munitops, Certificates Trust, Ser. 2001-10, GO, FRDO, MBIA, 3.50%, 02/27/02	9,850
31,495	ABN AMRO Munitops, Certificates Trust, Ser.1999-6, FRDO, #, 3.05%, 06/06/01	31,495

</Table>

See notes to financial statements.

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE

<S>	<C>	<C>
	Municipal Securities -- Continued	
	Multiple States -- Continued	
\$10,000	ABN AMRO Munitops, Certificates Trust, Ser.1999-9, FRDO, #, 3.05%, 06/06/01	\$ 10,000
66,470	Puttable Floating Option Tax Exempt Receipts, Ser. PL-9, FRDO, 3.20%, 06/07/01	66,470
34,100	Puttable Floating Option Tax Exempt Receipts, Ser. PL-10, FRDO, 3.15%, 06/07/01	34,100
14,850	Puttable Floating Tax Exempt Receipts, Ser. PPT-31, Class A, FRDO, 3.20%, 06/07/01	14,850
8,845	Puttable Floating Tax Exempt Receipts, Ser. SGP-12, FRDO, 3.20%, 06/07/01	8,845

		291,516
	Nevada -- 1.9%	
20,300	Clark County, Nevada, Airport Improvement, Ser. A, Rev., FRDO, MBIA, 2.85%, 06/06/01	20,300
5,060	Clark County, Nevada, Flood Control, GO, 4.50%, 11/01/01	5,090
8,770	Clark County, Nevada, School District, Ser. A, GO, FRDO, FSA, 3.00%, 06/01/01	8,770
12,100	Clark County, Nevada, Sub-Lien, Ser. B-2, Rev., FRDO, 2.90%, 06/06/01	12,100
15,000	Eagle Tax Exempt Trust, Weekly Option Mode, Clark County, Ser. 98-2801, FRDO, #, 3.05%, 06/07/01	15,000
9,000	Nevada State, FLOATS, Ser. SG-39, FRDO, 3.00%, 06/07/01	9,000

		70,260
	New Hampshire -- 0.5%	
4,000	New Hampshire State, Housing Finance Authority, Ser. A-70, Regulation D, Rev., FRDO, ^, 3.25%, 06/06/01	4,000
15,000	New Hampshire, State, GO, @, 3.20%, 07/11/01	15,000

		19,000
	New Jersey -- 0.4%	
6,200	New Jersey Economic Development Authority, Natural Gas Facilities, Ser. A, Rev., FRDO, AMBAC, 3.05%, 06/01/01	6,200
9,000	New Jersey State, Turnpike Authority, Ser. A, Rev., AMBAC, ^, 6.20%, 01/01/02	9,338

		15,538
	New Mexico -- 0.8%	
23,000	New Mexico State, Rev., TRAN, 5.00%, 06/29/01	23,011
7,755	New Mexico State, Ser. A, GO, 5.00%, 09/01/01	7,788

		30,799
	New York -- 9.7%	
20,500	Long Island Power Authority, New York, Electric Systems, Sub Ser. 3-B, Rev., FRDO, 3.00%, 06/01/01	20,500
7,300	New York City, New York, Municipal Water Finance Authority, Water & Sewer Systems, Municipal Securities Trust Receipts, Ser. SGB-27, Rev., FRDO, FSA, 2.90%, 06/07/01	7,300

</Table>

See notes to financial statements.

<Page>

As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE

<S>	<C>	<C>

Municipal Securities -- Continued

New York -- Continued		
\$ 3,150	New York City, New York, Municipal Water Finance Authority, Water & Sewer Systems, Ser. C, Rev., ^, 7.75%, 06/15/01	\$ 3,202
12,000	New York City, New York, Municipal Water Finance Authority, Water & Sewer Systems, Ser. F-1, Rev., FRDO, 3.00%, 06/01/01	12,000
9,500	New York City, New York, Ser. B, GO, FRDO, FGIC, 3.25%, 06/01/01	9,500
6,335	New York City, New York, Ser. F, GO, ^, 8.40%, 11/15/01	6,585
4,295	New York City, New York, Ser. F, GO, ^, 8.40%, 11/15/01	4,464
5,200	New York City, New York, Sub Ser. -h3, GO, FRDO, FSA, 3.00%, 06/01/01	5,200
10,730	New York City, New York, Transitional Finance Authority, Future Tax Secured, Ser. A-1, Rev., FRDO, 2.80%, 06/06/01	10,730
20,085	New York City, New York, Transitional Finance Authority, Future Tax Secured, Ser. A-1, Rev., FRDO, 2.80%, 06/06/01	20,085
5,100	New York City, New York, Transitional Finance Authority, Future Tax Secured, Ser. B, Rev., FRDO, 3.00%, 06/01/01	5,100
61,800	New York State, Ser. A, GO, FRDO, 3.20%, 02/07/02	61,800
13,090	Port Authority of New York & New Jersey, 3.35%, 06/05/01	13,090
1,400	St. Lawrence County, New York, IDA, PCR, Reynolds Metals, Rev., FRDO, 2.95%, 06/01/01	1,400
26,000	Triborough Bridge & Tunnel Authority, New York, Floating Rate Certificates, Ser. N-17, Regulation D, Rev., FRDO, 3.00%, 06/06/01	26,000
59,000	Triborough Bridge & Tunnel Authority, New York, Ser. A-1, Rev., BAN, 5.00%, 01/17/02	59,616
88,530	Tsasc, Inc., New York, FLOATS, Ser. PA-797, Rev., FRDO, 3.10%, 06/07/01	88,529

		355,101
North Carolina -- 2.1%		
1,700	Durham, North Carolina, Water and Sewer Utility Systems, Rev., FRDO, 3.10%, 06/06/01	1,700
20,000	Greensboro, North Carolina, Enterprise System, Ser. B, Rev., 3.10%, 06/06/01	20,000
7,000	North Carolina Educational Facilities Finance Agency, Bowman Gray School Project, Rev., FRDO, 2.85%, 06/06/01	7,000
9,995	North Carolina Educational Facilities Finance Agency, Ellon College, Rev., FRDO, 2.90%, 06/06/01	9,995
25,050	North Carolina State, Ser. 14, GO, FRDO, 3.05%, 06/07/01	25,050

</Table>

See notes to financial statements.

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE
<S>	<C>	<C>

Municipal Securities -- Continued		
North Carolina -- Continued		
\$13,350	University of North Carolina Hospital, Chapel Hill Foundation, Ser. A, Rev., COP, FRDO, 3.15%, 06/01/01	\$ 13,350

		77,095
Ohio -- 0.6%		
17,645	Ohio State, Air Quality Development Authority, PCR, Ohio Edison, Ser. C, Rev., FRDO, 3.10%, 06/01/01	17,645
6,000	University of Ohio State, 3.00%, 08/07/01	6,000

		23,645
10,000	Oregon -- 0.3% Multnomah County, Oregon, Ser. R-17, GO, FRDO, 3.05%, 06/07/01	10,000
15,800	Pennsylvania -- 1.9% Delaware Valley, Pennsylvania, Regional Finance Authority, Local Government, Ser. C, Rev., FRDO, 2.90%, 06/06/01	15,800
14,400	Delaware Valley, Pennsylvania, Regional Finance Authority, Local Government, Ser. D, Rev., FRDO, 2.90%, 06/06/01	14,400
5,400	Lehigh County, Pennsylvania, General Purpose Authority, Lehigh County Valley Health, Ser. B, Rev., FRDO, MBIA, 3.15%, 06/01/01	5,400
7,390	Pennsylvania Intergovernmental Cooperative Authority, Floating Rate Receipts, Ser. SG-16, FRDO, 2.95%, 06/07/01	7,390
6,000	Pittsburgh, Pennsylvania, Floating Rate Receipts, Ser. SG-71, FRDO, 2.95%, 06/07/01	6,000
14,900	South Fork, Pennsylvania, Hospital Authority, Conemaugh Health Systems, Ser. A, Rev., FRDO, MBIA, 3.15%, 06/01/01	14,900
6,235	Southeastern Pennsylvania, Transportation Authority, Special Ser. SG-28, FGIC, 2.95%, 06/07/01	6,235
		----- 70,125
10,000	Puerto Rico -- 0.6% Puerto Rico, 3.40%, 06/14/01	10,000
11,465	Puerto Rico Commonwealth, Infrastructure Financing Authority, Municipal Securities Trust Receipts, Ser. SGA-107, Special Obligation, FRDO, 3.10%, 06/01/01	11,465
		----- 21,465
31,365	Rhode Island -- 0.8% Rhode Island State & Providence Plantations, Consolidated Capital Development Loan, Ser. B, GO, FRDO, 2.90%, 06/06/01	31,365
2,500	South Carolina -- 3.1% Berkeley County, South Carolina, Bayer Corp. Project, Rev., FRDO, 3.10%, 06/01/01	2,500

</Table>

See notes to financial statements.

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL	ISSUER	VALUE
AMOUNT		

<S>	<C>	<C>
Municipal Securities -- Continued		
South Carolina -- Continued		
\$44,950	Piedmont Municipal Power Agency, South Carolina, Electric, Ser. B, Rev., FRDO, MBIA, 2.95%, 06/06/01	\$ 44,950
15,600	South Carolina State, Public Service Authority, Electric Systems, Rev., FRDO, FGIC, 3.20%, 06/06/01	15,600
17,900	South Carolina State, Public Service Authority, Electric Systems, Ser. B, Rev., ^, 7.10%, 07/01/01	18,297
9,300	South Carolina State, Ser. 7, GO, FRDO, 3.05%, 06/07/01	9,300
23,100	South Carolina Transportation Infrastructure Bank, Floating Rate Certificates, Ser. L-10, Regulation D, Rev., FRDO, AMBAC, 3.20%, 06/06/01	23,100
		----- 113,747
11,960	South Dakota -- 0.3% South Dakota Housing Development Authority, FLOATS, Ser. PT-73, Rev., FRDO, 3.00%, 06/07/01	11,960

	Tennessee -- 0.9%	
3,100	Bradley County, Tennessee, Industrial Development Board, Olin Corp. Project, Ser. C, Rev., FRDO, 3.05%, 06/01/01	3,100
5,000	Memphis, Tennessee, GO, 3.05%, 10/04/01	5,000
5,810	Metropolitan Government of Nashville & Davidson Counties, Tennessee, GO, 4.00%, 11/15/01	5,841
10,000	Shelby County, Tennessee, Health Facilities, 3.15%, 10/25/01	10,000
10,000	Tennessee State, Ser. B, GO, 5.50%, 05/01/02	10,242

		34,183
	Texas -- 13.7%	
6,350	Austin, Texas, Utility Systems, Floating Rate Certificates, Ser. 216, Rev., FRDO, FSA, 3.15%, 06/07/01	6,350
30,000	Brownsville, Texas, Utility Systems, Sub Lien, Ser. B, Rev., FRDO, MBIA, 2.95%, 06/06/01	30,000
11,150	Clear Creek, Texas, Independent School District, FLOATS, Ser. PA-687, GO, FRDO, 3.00%, 06/07/01	11,150
21,700	Gulf Coast Waste Disposal Authority, Texas, PCR, AMOCO Oil Co. Project, Rev., FRDO, 3.05%, 06/01/01	21,700
9,000	Harris County, Texas, Toll Road, Sub-Lien, GO, ^, 6.75%, 08/01/01	9,234
5,000	Hockley County, Texas, Industrial Development Corp., PCR, AMOCO Project, FRDO, 3.05%, 11/01/01	5,000
17,500	Houston, Texas, Airport Systems, Floating Rate Receipts, Ser. SG-149, Rev., FRDO, FSA, 3.00%, 06/07/01	17,500

</Table>

See notes to financial statements.

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE
<S>	<C>	<C>
	Municipal Securities -- Continued	
	Texas -- Continued	
\$20,000	Houston, Texas, Water and Sewer Systems, 2.95%, 09/06/01	\$ 20,000
28,600	Houston, Texas, Water and Sewer Systems, Municipal Securities Trust Receipts, Ser. SG-120, Rev., FRDO, 3.00%, 06/07/01	28,600
19,425	Lower Colorado River Authority, Texas, FLOATS, Ser. PA-590, Rev., FRDO, FSA, 3.00%, 06/07/01	19,425
5,455	Mansfield, Texas, Independent School District, Municipal Securities Trust Receipts, Ser. SGA-129, GO, FRDO, 3.02%, 06/06/01	5,455
17,050	New Caney, Texas, Independent School District, Floating Rate Certificates, Ser. SG-142, GO, FRDO, 3.00%, 06/07/01	17,050
20,000	North East Independent School District, Texas, Floating Rate Certificates, Ser. SG-143, GO, FRDO, 3.00%, 06/07/01	20,000
2,000	Plano, Texas, Independent School District, GO, 5.00%, 02/15/02	2,029
3,850	Richardson, Texas, Independent School District, GO, +, 4.00%, 02/15/02	3,877
10,475	Round Rock, Texas, FRDO, 3.05%, 06/07/01	10,475
3,000	San Antonio, Texas, Electric & Gas, Rev., 6.38%, 02/01/02	3,063
6,030	San Antonio, Texas, Water Revenue, Municipal Securities Trust Receipts, Ser. SGA-41, Rev., FRDO, MBIA, 3.02%, 06/06/01	6,030
5,000	San Antonio, Texas, Water Revenue, Municipal Securities Trust Receipts, Ser. SGA-42, Rev., FRDO, MBIA, 3.02%, 06/06/01	5,000
8,400	Schertz/Seguin Local Government Corp., Texas, Floating Rate Certificates, Ser. SG-151, Rev., FRDO, FSA, 3.25%, 06/01/01	8,400

6,370	Socorro, Texas, Independent School District, Ser. A, GO, 6.25%, 08/15/01	6,407
6,000	Spring, Texas, Independent School District, FLOATS, Ser. PA-714, GO, FRDO, 3.00%, 06/07/01	6,000
3,755	Texas Board of Water Development, FLOATS, Ser. PA-746, Rev., FRDO, 3.00%, 06/07/01	3,755
4,200	Texas State, Floating Rate Certificates, Ser. 290, GO, FRDO, ^, 3.05%, 06/07/01	4,200
93,200	Texas State, Rev., TRAN, 5.25%, 08/31/01	93,492
17,535	Texas State, Turnpike Authority, Ser. N-2, Regulation D, Rev., FRDO, 3.20%, 06/06/01	17,535
7,800	Texas State, Veterans Housing Assistance Fund-1, GO, FRDO, VA GTD, 2.85%, 06/06/01	7,800
15,600	University of Texas A&M, Rev., FRDO, 3.13%, 06/26/01	15,600
47,500	University of Texas, Permanent University Fund, 3.45%, 07/12/01	47,500
50,000	University of Texas, Permanent University Fund, 3.15%, 08/13/01	50,000

		502,627

</Table>

See notes to financial statements.

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE
<S>	<C>	<C>
	Municipal Securities -- Continued	
	Utah -- 1.9%	
\$ 5,100	Intermountain Power Agency, Utah, 3.20%, 06/13/01	\$ 5,100
11,800	Intermountain Power Agency, Utah, 3.20%, 07/30/01	11,800
6,550	Salt Lake City, Utah, Airport, Floating Rate Certificates, Ser. A-10, Regulation D, Rev., FRDO, FGIC, 3.20%, 06/06/01	6,550
5,500	Utah State, GO, 6.00%, 07/01/01	5,512
41,500	Utah State, Ser. C, GO, FRDO, 2.85%, 06/07/01	41,500

		70,462
	Vermont -- 0.1%	
5,300	Vermont Student Assistance Corp., Student Loan, Floating Rate Certificates, Rev., FRDO, 3.80%, 06/01/01	5,300
	Virginia -- 1.2%	
5,150	Fairfax County, Virginia, Ser. B, GO, ^, 5.00%, 06/01/01	5,253
2,900	Virginia Peninsula Ports Authority, Coal Terminal, Dominion Terminal Project, Ser. C, Rev., FRDO, 3.15%, 06/01/01	2,900
8,885	Virginia State, Public School Authority, FLOATS, Ser. PT-431, Rev., FRDO, 2.95%, 06/07/01	8,885
23,590	Virginia State, Transportation Board, Floating Rate Receipts, Ser. SG-137, Rev., FRDO, 3.00%, 06/07/01	23,590
3,000	Virginia State, Transportation Board, Ser. A-6, Regulation D, Rev., FRDO, 3.25%, 06/06/01	3,000

		43,628
	Washington -- 4.0%	
25,000	Clark County, Washington, Public Utility District No. 001, Rev., BAN, 4.00%, 03/26/02	25,153
1,500	Lewis County, Washington, Public Utility District No. 001, Cowlitz Falls Hydroelectric Project, Rev., ^, 7.00%, 10/01/01	1,542
32,140	Port of Seattle, Washington, Sub Lien, Ser. A, Rev., FRDO, 3.10%, 06/06/01	32,140
19,885	Seattle, Washington, Drain & Wastewater Utilities, Municipal Securities Trust Receipts, Ser. SG-135, Rev., FRDO, MBIA, 3.00%, 06/07/01	19,885
24,600	Seattle, Washington, Municipal Light & Power, Municipal Securities Trust Receipts, Ser. SGA-85,	

	Rev., FRDO, MBIA, 3.20%, 06/01/01	24,600
5,700	Seattle, Washington, Municipal Light & Power, Municipal Securities Trust Receipts, Ser. SGA-96, Rev., FRDO, MBIA, 3.20%, 06/01/01	5,700
6,915	Seattle, Washington, Municipality of Metropolitan Seattle, FLOATS, Ser. PA-731, Rev., FRDO, AMBAC, 3.00%, 06/07/01	6,915
9,900	Seattle, Washington, Water Systems, Rev., FRDO, 2.90%, 06/06/01	9,900

</Table>

See notes to financial statements.

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As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

PRINCIPAL AMOUNT	ISSUER	VALUE
<S>	<C>	<C>
Municipal Securities -- Continued		
Washington -- Continued		
\$ 5,000	Washington State, Public Power Supply System, Nuclear Project No. 1, Ser. A, Rev., ^, 6.88%, 07/01/01	\$ 5,110
17,235	Washington State, Public Power Supply System, Project No. 2, Ser. 2-A-1, Rev., FRDO, MBIA, 2.85%, 06/06/01	17,235

		148,180
West Virginia -- 0.2%		
6,700	Marshall County, West Virginia, Bayer Corp. Project, Rev., FRDO, 3.10%, 06/01/01	6,700
Wisconsin -- 0.2%		
400	La Crosse, Wisconsin, PCR, Dairyland Power Co-op, Ser. B, FRDO, AMBAC, 3.00%, 06/01/01	400
5,830	Wisconsin State, Clean Water, FLOATS, Ser. PA-718, Rev., FRDO, ^, 3.00%, 06/07/01	5,830

		6,230
Wyoming -- 1.0%		
11,570	Gillette, Wyoming, PCR, Rev., FRDO, 3.15%, 06/06/01	11,570
12,600	Uinta County, Wyoming, PCR, AMOCO Project, Rev., FRDO, 3.05%, 06/01/01	12,600
12,095	Uinta County, Wyoming, PCR, Chevron U.S.A., Inc. Project, Rev., FRDO, 3.05%, 06/01/01	12,095

		36,265
Total Investments -- 100.0%		\$3,690,820
(Cost \$3,690,820) *		

</Table>

* -- The cost of securities is substantially the same for federal income tax purposes.

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

^ -- Security is prerefunded or escrowed to maturity. The maturity date shown is the date of the prerefunded call.

+ -- When issued or delayed delivery security.

@ -- All or a portion of this security is segregated for when issued or delayed delivery securities.

BAN -- Bond Anticipation Notes.

COP -- Certificates of Participation.

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

Eagles -- Earnings of accrual generated on local exempt securities.

FLOATS -- Floating Auction Tax-Exempts.

FRDO -- Floating Rate Demand Obligation. The maturity date shown is the next interest reset date. The interest rate shown is the rate in effect at May 31, 2001.

FRN -- Floating Rate Note. The maturity date shown is the actual maturity date. The rate shown is the rate in effect at May 31, 2001.

GO -- General Obligation.

IDA -- Industrial Development Authority.

MTN -- Medium Term Note.

PCR -- Pollution Control Revenue.

Rev. -- Revenue Bond.

Ser. -- Series.

TAN -- Tax Anticipation Notes.

TRAN -- Tax & Revenue Anticipation Notes.

TAW -- Tax Anticipation Warrants.

AMBAC -- AMBAC Assurance Corp.

FGIC -- Financial Guaranty Insurance Co.

FSA -- Financial Security Assurance, Inc.

MBIA -- MBIA Insurance Corp.

See notes to financial statements.

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STATEMENT OF ASSETS AND LIABILITIES As of May 31, 2001 (unaudited)
(Amounts in Thousands)

<Table>

<Caption>

	THE PRIME MONEY MARKET PORTFOLIO	THE TAX EXEMPT MONEY MARKET PORTFOLIO
<S>	<C>	<C>
ASSETS:		
Investment Securities, at Value	\$25,033,834	\$3,690,820
Other Assets	7	46
Receivables:		
Interest	72,502	34,210
Total Assets	25,106,343	3,725,076
LIABILITIES:		
Payables:		
To Custodian	16	134
Investment Securities Purchased	-	38,184
Accrued Liabilities:		
Investment Advisory Fees	2,177	394
Administrative Services Fees	477	70
Administration Fees	20	2
Fund Services Fees	14	2
Other	174	28
Total Liabilities	2,878	38,814
NET ASSETS APPLICABLE TO INVESTORS' BENEFICIAL INTERESTS	\$25,103,465	\$3,686,262
Cost of investments	\$25,033,834	\$3,690,820

</Table>

See notes to financial statements.

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

<Table>
<Caption>

	THE PRIME MONEY MARKET PORTFOLIO	THE TAX EXEMPT MONEY MARKET PORTFOLIO
<S>	<C>	<C>
INTEREST INCOME:	\$649,951	\$59,142
EXPENSES:		
Investment advisory fees	11,922	2,133
Administrative services fees	2,640	379
Administration fees	59	8
Fund services fees	142	21
Custodian fees	1,132	171
Printing and postage	8	4
Professional fees	64	25
Trustees' fees	97	14
Other	14	3
Total Expenses	16,078	2,758
Net Investment Income	633,873	56,384
REALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investment transactions	(759)	92
Net increase in net assets from operations	\$633,114	\$56,476

</Table>

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J.P. MORGAN FUNDS
STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIODS INDICATED (UNAUDITED)
(Amounts in Thousands)

<Table>
<Caption>

	THE PRIME MONEY MARKET PORTFOLIO		THE TAX EXEMPT MONEY MARKET PORTFOLIO	
<S>	<C>	<C>	<C>	<C>
	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00	12/1/00 THROUGH 5/31/01	YEAR ENDED 11/30/00
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 633,873	\$ 1,127,997	\$ 56,384	\$ 99,099
Net realized gain (loss) on investments	(759)	552	92	(30)
Increase in net assets from operations	633,114	1,128,549	56,476	99,069
TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS:				
Contributions	125,965,156	140,319,396	7,795,112	12,072,051
Withdrawals	(122,086,168)	(136,282,292)	(7,234,065)	(11,168,959)
Net increase from transactions in investors' beneficial interests	3,878,988	4,037,104	561,047	903,092
Total increase in net assets	4,512,102	5,165,653	617,523	1,002,161
NET ASSETS:				
Beginning of period	20,591,363	15,425,710	3,068,739	2,066,578
End of period	\$ 25,103,465	\$ 20,591,363	\$ 3,686,262	\$ 3,068,739

</Table>

See notes to financial statements.

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Prime Money Market Portfolio ("PMMP") and the Tax Exempt Money Market Portfolio ("TEMMP") (collectively, the "Portfolios") are registered under the Investment Company Act of 1940, as amended, as diversified, open-end management investment companies. PMMP and TEMMP were each organized as a trust under the laws of the State of New York on November 4, 1992 and January 29, 1993, respectively. PMMP's investment objective is to maximize current income consistent with the preservation of capital and same-day liquidity. TEMMP's investment objective is to provide a high level of current income exempt from federal income tax and maintain a high level of liquidity. The Declaration of Trust for each Trust permits the Trustees to issue an unlimited number of 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. Actual amounts could differ from those estimates

- A. SECURITY VALUATIONS -- Investments are valued at amortized cost, which approximates market value. The amortized cost method of valuation values a security at its cost at the time of purchase and thereafter assumes a constant amortization to maturity of any discount or premiums, regardless of the impact of fluctuating interest rates on the market value of the instruments.
- 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 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

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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-- Interest income is recorded on the accrual basis and includes accretion of discounts and amortization of premiums.

E. 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 Portfolio's assets will be managed in such a way that an investor in the Portfolios will be able to satisfy the provisions of the Internal Revenue Code. The cost of securities is substantially the same for book and tax purposes.

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") and a wholly owned subsidiary of J.P. Morgan Chase & Co. Under the terms of the agreement, the Portfolios pay JPMIM at an annual rate of 0.20% of the Portfolios' average daily net assets up to \$1 billion and 0.10% on any excess over \$1 billion.
- 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 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 Portfolios 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.

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THE PRIME AND TAX EXEMPT MONEY MARKET PORTFOLIOS
NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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 0.10% of average daily net assets for complex wide money market fund assets up to \$100 billion and 0.05% on assets in excess of \$100 billion. Morgan, however, has contractually agreed to waive fees payable to them and to reimburse expenses so that the Funds' actual total operating expenses will remain the same for a period of three years.

- C. ADMINISTRATION -- Prior to May 1, 2001, the Portfolios retained FDI, a registered broker-dealer, to serve as the Co-Administrator and Distributor for the Portfolios. Under a Co-Administration Agreement between FDI and the Portfolios, FDI provided administrative services necessary for the operations of the Portfolios, 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 was determined by the proportionate share that their net assets bear to the net assets of the Trust 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 Portfolios' Sub-Administrator. FDI will no longer serve as the Portfolios' Co-Administrator. For its services as Sub-Administrator, BISYS receives 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.

- 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 of the Portfolios' affairs. The Trustees of the Portfolios represent all the existing shareholders of PGI.

In connection with the Reorganization Plan (see Note 5 in the Funds' Notes to Financial Statements), it is anticipated that the Portfolios will terminate their agreement with PGI.

- E. TRUSTEES -- Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Portfolios, the J.P. Morgan Funds, the J.P. Morgan Institutional Funds, the J.P. Morgan Series Trust and other registered investment companies in which they invest. The Trustees' Fees and Expenses shown in the financial statements represent the Portfolios' allocated portions of the total Trustees' Fees and Expenses. The Portfolios' Chairman and Chief

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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 PMMP and TEMMP were (in thousands) \$27 and \$4, respectively.

3. 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 will continue to serve as the Portfolios' Advisor.

4. SUBSEQUENT EVENTS

See Note 5 in the Funds' Notes to Financial Statements for a description of

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JPMORGAN MONEY MARKET FUNDS
SEMI-ANNUAL REPORT

INVESTMENT ADVISOR
J.P. Morgan Investment
Management, Inc.

ADMINISTRATOR AND SHAREHOLDER AND
FUND SERVICING AGENT
Morgan Guaranty Trust Company of
New York

CUSTODIAN
The Bank of New York

DISTRIBUTOR
J.P. Morgan Fund Distributors, Inc.

TRANSFER AGENT
DST Systems, Inc.

LEGAL COUNSEL
Sullivan & Cromwell

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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