

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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

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JP MORGAN FUNDS

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[front cover]

J.P. Morgan U.S. Small
Company Opportunities Fund

Semi-annual Report
November 30, 2000

LETTER TO THE SHAREHOLDERS

January 8, 2001

Dear Shareholder,

The volatility experienced by small capitalization technology stocks rippled through other equity sectors, and made the six months ended November 30, 2000 a rough time to be a small cap stock investor. For the period, the J.P. Morgan U.S. Small Company Opportunities Fund had a total return of -14.28%.

The Fund preserved capital to a greater degree than its benchmark, the Russell 2000 Growth Index, which had a total return of -18.46% for the six months ended November 30, 2000. The Fund's peer group, as measured by the Lipper Small-Cap Growth Funds Average, fared somewhat better and provided a total return of -9.40% for the same time period.

The Fund's net asset value on November 30, 2000 was \$13.63 per share, decreasing from \$15.90 per share at the start of the fiscal period, and the Fund's net assets were approximately \$483 million on November 30, 2000, while the total net assets of the J.P. Morgan U.S. Small Company Opportunities Portfolio in which the Fund invests, totaled \$484 million.

This report includes an interview with Marian U. Pardo, The U.S. Small Company Opportunities Portfolio's lead portfolio manager. Marian discusses the U.S. small cap equity market in detail, and explains the factors that influenced Fund performance during the fiscal period. Marian also provides insight in regard to positioning the Portfolio for the coming months.

As chairman and president of Asset Management Services, we thank you for investing with J.P. Morgan. Should you have any comments or questions, please telephone your Morgan representative, or J.P. Morgan Funds Services at 800-521-5411.

Sincerely yours,

/signature/

Ramon de Oliveira
Chairman of Asset Management Services
J.P. Morgan & Co. Incorporated

/signature/

Keith M. Schappert
President of Asset Management Services
J.P. Morgan & Co. Incorporated

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1

FUND PERFORMANCE

EXAMINING PERFORMANCE

One way is to review a fund's average annual total return. This calculation takes the Fund's actual return and shows what would have happened if the Fund had achieved that return by performing at a constant rate each year. Average annual total returns represent the average yearly change of a fund's value over various time periods, typically one, five, and ten years, (or since inception). Total returns for periods of less than one year are not annualized and provide a picture of how a fund has performed over the short-term.

PERFORMANCE

<TABLE>

<CAPTION>

	TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS	
	SIX MONTHS	ONE YEAR	THREE YEARS	SINCE INCEPTION*
<S>	<C>	<C>	<C>	<C>
AS OF NOVEMBER 30, 2000				
J.P. Morgan Small Company Opportunities Fund	(14.28)%	(17.04)%	7.20%	9.48%
Russell 2000 Growth Index**	(18.46)%	(14.02)%	1.94%	3.82%
Lipper Small-Cap Growth Funds Average***	(9.40)%	2.25%	11.14%	12.47%
AS OF SEPTEMBER 30, 2000				
J.P. Morgan Small Company Opportunities Fund	(6.11)%	47.60%	19.45%	24.29%
Russell 2000 Growth Index**	(11.05)%	29.66%	8.93%	13.55%
Lipper Small-Cap Growth Funds Average***	(4.66)%	56.57%	19.78%	23.97%

</TABLE>

* The Fund commenced operations on June 16, 1997, and has provided a total return of 10.24% from that date through November 30, 2000. For the purposes of comparison, the "since inception" returns are calculated from June 30, 1997, the first date when data for the Fund, its benchmark, and its Lipper category average were all available.

** The Russell 2000 is an unmanaged index used to measure the performance of U.S. small-cap stocks. It does not include fees or operating expenses and is not available for actual investment.

*** Describes the average total return for all funds in the indicated Lipper category, as defined by Lipper Inc., and does not take into account applicable sales charges. Lipper Analytical Services, Inc. is a leading source for mutual fund data.

Past performance is no guarantee of future results. Fund returns are net of fees, assume the reinvestment of distributions.

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PORTFOLIO MANAGER Q&A

[photo of Marian U. Pardo]

Following is an interview with MARIAN U. PARDO, managing director and lead portfolio manager for the The Small Company Opportunities Portfolio since its inception. Marian heads Morgan's small company investment team and also manages significant separate account assets for institutional clients. She has been a J.P. Morgan employee since 1968, and joined the Investment Management business in 1980. Marian's portfolio management experience is extensive, and includes: convertible funds, large-cap equity portfolios for individual clients, the Pierpont Equity Fund, and the Large Cap Equity Fund for institutional investors. Marian earned her B.A. from Barnard College. This interview was conducted on December 15, 2000, and reflects Marian's views on that date.

LOOKING BACK OVER THIS REPORTING PERIOD, WHAT WOULD YOU SAY IMPACTED U.S. SMALL COMPANY EQUITIES THE MOST?

The past six months were marked by incredible market volatility that impacted many companies, large and small, across almost every sector.

Earlier in this period, it appeared that volatility would be concentrated in sectors that had experienced the greatest upward price movements in late 1999 and early 2000: technology; telecommunications; pharmaceuticals; services and other growth-oriented sectors. Many stocks in these areas were seen as priced to perfection and, as such, were especially vulnerable to negative announcements about profitability and earnings. Investors had little tolerance for disappointments and reacted swiftly, which served to accelerate the tech correction that began in March.

As we moved through the period, however, market volatility expanded to encompass several sectors, even those that were less growth oriented. And small companies fell victim to negative earnings announcements by their larger

brethren, as investors found them guilty by association.

Beyond this, there was a decided change in investor sentiment during the period as the prospect of slower growth in the U.S. economy next year became more certain. Relatively stable and deeply undervalued old economy value names came back into favor, displacing many of the new economy growth stocks that had driven the market's meteoric rise in 1999 and early 2000.

ON THE ISSUE OF VOLATILITY, DO YOU THINK IT IS HERE TO STAY, AND, IF SO, HOW ARE YOU ADJUSTING IN REGARD TO MANAGING THE PORTFOLIO?

In our view volatility will likely persist for some time yet to come. However, there are some catalysts that could help rein it in. More certainty on the political front, as the new presidential administration takes office, and Federal Reserve easing in response to slowing economic growth may help stabilize markets.

It's best to keep in mind that volatility is not necessarily bad. When high quality names are beaten down unfairly, we are provided with opportunities to add to long-term positions at attractive prices. By the same token, very good stocks in the portfolio may be depressed from time to time by volatile price swings that are beyond anyone's ability to control.

We cope with volatility by maintaining our focus on finding the best companies in each sector. Volatility, after all, doesn't change the fact that some companies have sustainable competitive advantages, solid business models, and strong management teams that can execute them. If you can identify these high quality names, you will be rewarded with a well-constructed portfolio that will generate excess returns over time.

We haven't changed the strategy to specifically address the issue of volatility, and the main reason for this is that our diversified and disciplined approach to stock selection makes sense, regardless of the prevailing market environment.

IN TERMS OF STOCK SELECTION, WHICH EQUITIES WERE AMONG THE BEST PERFORMERS OVER THIS REPORTING PERIOD?

Human Genome Sciences Inc (HGSI) was one of the top performers for the period. This company is in the business of developing products that predict, prevent, detect, treat and cure disease based on gene science. It benefited from the favorable environment for drug development companies, at a time when its pipeline looks promising. The company has several drugs in Phase II clinical trials: Repifermin, a treatment for venous ulcers; MPIF, a drug that protects bone marrow from chemotherapy; and BlyS, an

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PORTFOLIO MANAGER Q&A

(Continued)

engineered protein that is the body's primary weapon against infection. During the period, HGSI also moved up on news that it would collaborate on key projects with two major drug companies, Schering-Plough and SmithKline Beecham.

IDEC Pharmaceuticals was another winner. IDEC is a drug company that develops treatments for cancer, and for auto-immune and inflammatory diseases. Pharmaceutical stocks as a group had a good year in 2000, and IDEC performed well based on the strength of its drug pipeline. One of the company's main drugs, Rituxan, is a treatment for non-Hodgkin's lymphoma. Sales of Rituxan have been strong and have grown steadily throughout the year. These strong sales led to positive financial results and broker upgrades, which compounded the company's success during the period.

Alteon Websystems (ATON) was one of the portfolio's best performers during the period. ATON is an Internet infrastructure company that provides networking products for web data centers. In July, the company announced that it would be acquired by Nortel Networks, a leading communications provider. The acquisition, which closed in October, provides Nortel with a way to enhance the web experience of its customers through the intelligent content networking capabilities provided by Alteon's switches, adapters and traffic management software.

WHICH SELECTIONS DETRACTED FROM PERFORMANCE?

Diamond Technology Partners (DTP) performed poorly. DTP is a management consulting firm that develops digital strategies which leverage the information technology of many corporations. Despite posting positive financial results, increasing its client base, and growing its business overseas, Diamond's stock was still down substantially over this reporting period. It fell victim to the broad sell-off of technology-related stocks and to its own inability to communicate its story to investors.

Wellman Inc.'s performance had a negative impact on the portfolio during the period. The company, which makes specialty chemicals and polyester products, suffered from increased raw material and energy prices. These twin forces, along with a more competitive textile environment and rising fiber costs, squeezed margins and were a drag on the company's share price.

Pri Automation was another detractor from performance during the six months ended November 30, 2000. This supplier of semiconductor factory automation systems and equipment announced that it would miss its fiscal fourth quarter earnings and sales forecast. This was due to manufacturing and supply problems with its TurboStocker product, a system that helps chipmakers transport wafers throughout a manufacturing plant. The market's reaction to earnings disappointment was swift. Shares plummeted despite reassurances from management that the demand for the company's products continues to be strong.

OF THE SMALL COMPANY SECTORS, WHICH ARE BEST POSITIONED TO PROSPER IN A SLOWER GROWTH ENVIRONMENT?

Looking ahead, should the Fed adjust rates downward, we would expect to see financials do well, as they tend to do in a favorable interest rate environment. Elsewhere, we look to sectors that produce "must have" products and services that will be bought regardless of the pace of the economy.

Premier among these is pharmaceuticals. Drugs that cure health problems will always be in demand, and if people have to make sacrifices elsewhere to purchase them, they usually will. With this in mind, we've been well positioned in pharmaceuticals for some time. We continue to think that there is a good deal of growth potential in the sector, both from established providers and from newer, bio-tech companies.

WHAT IS YOUR OUTLOOK GOING FORWARD, AND HOW ARE YOU POSITIONING THE FUND TO TAKE ADVANTAGE OF IT?

We look to the first quarter of 2001 as a time when, hopefully, we will have reached the bottom of the downward spiral that has plagued equity markets in recent months. If so, the market will be poised to rally, and we are positioning the portfolio accordingly.

One area where we feel opportunities exist is the badly bruised tech sector, or, as we have redefined it for our purposes, the hardware, software, and semi-conductor sectors. Each contains interesting stocks of high quality companies that we feel have been overly depressed by the slide in tech this year. As far as sector allocations are concerned, we are overweight the software, pharmaceutical and consumer services sectors, neutral in hardware, and slightly underweight in semi-conductors.

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FUND FACTS

INVESTMENT OBJECTIVE

J.P. Morgan U.S. Small Company Opportunities Fund seeks to provide long term capital appreciation from a portfolio of equity securities of small companies. The Fund seeks to outperform the Russell 2000 Growth Index. It is designed for investors who are willing to assume the somewhat higher risk of investing in small companies in order to seek a higher total return over time than might be expected from a portfolio of stocks of large companies.

Inception Date: 6/16/1997

Fund Net Assets as of 11/30/2000: \$483,623,024

more volatile than large company stocks.

CALL J.P. MORGAN FUNDS SERVICES AT (800) 521-5411 FOR A PROSPECTUS CONTAINING MORE COMPLETE INFORMATION ABOUT THE FUND, INCLUDING MANAGEMENT FEES AND OTHER EXPENSES. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

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J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

NOVEMBER 30, 2000

<TABLE>	<C>
<S>	
ASSETS	
Investment in The U.S. Small Company Opportunities Portfolio ("Portfolio"), at value	\$483,641,055
Receivable for Shares of Beneficial Interest Sold	682,512
Deferred Organization Expenses	2,610
Prepaid Trustees' Fees and Expenses	519
Prepaid Expenses and Other Assets	886
TOTAL ASSETS	484,327,582
LIABILITIES	
Payable for Shares of Beneficial Interest Redeemed	448,870
Shareholder Servicing Fee Payable	122,654
Administrative Services Fee Payable	11,638
Fund Services Fee Payable	416
Administration Fee Payable	198
Accrued Expenses and Other Liabilities	120,782
TOTAL LIABILITIES	704,558
NET ASSETS	
Applicable to 35,485,250 Shares of Beneficial Interest Outstanding (par value \$0.001, unlimited shares authorized)	\$483,623,024
Net Asset Value, Offering and Redemption Price Per Share	\$13.63
ANALYSIS OF NET ASSETS	
Paid-in Capital	\$503,412,039
Undistributed Net Investment Loss	(1,141,009)
Accumulated Net Realized Gain on Investment	39,043,159
Net Unrealized Depreciation on Investment	(57,691,165)
NET ASSETS	\$483,623,024

</TABLE>

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

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND
STATEMENT OF OPERATIONS (UNAUDITED)

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000

<TABLE>	<C>
<S>	
INVESTMENT LOSS	
INCOME	
Allocated Investment Income from Portfolio	\$ 2,094,253
Allocated Portfolio Expenses	(2,186,242)
Investment Income	(91,989)
FUND EXPENSES	
Shareholder Servicing Fee	827,717
Administrative Services Fee	79,368
Registration Fees	53,067
Transfer Agent Fees	33,839
Financial and Fund Accounting Services Fee	15,041

Custody Fee	11,119
Professional Fees	8,306
Printing Expenses	5,112
Fund Services Fee	4,661
Administration Fee	3,507
Trustees' Fees and Expenses	2,664
Amortization of Organization Expenses	851
Miscellaneous	3,768

Total Fund Expenses	1,049,020

NET INVESTMENT LOSS	(1,141,009)

REALIZED AND UNREALIZED GAIN (LOSS)	
NET REALIZED GAIN ON INVESTMENT ALLOCATED FROM PORTFOLIO	130,264

NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENT ALLOCATED FROM PORTFOLIO	(88,832,191)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (89,842,936)
	=====

</TABLE>

The Accompanying Notes are an Integral Part of the Financial Statements. 7

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND
STATEMENT OF CHANGES IN NET ASSETS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000 (UNAUDITED)
AND THE YEAR ENDED MAY 31, 2000

	NOVEMBER 30, 2000	MAY 31, 2000
<TABLE>		
<CAPTION>		
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
<S>	<C>	<C>
Net Investment Loss	\$ (1,141,009)	\$ (2,269,146)
Net Realized Gain on Investment Allocated from Portfolio	130,264	60,819,593
Net Change in Unrealized Appreciation on Investment Allocated from Portfolio	(88,832,191)	8,034,675
	-----	-----
Net Increase (Decrease) in Net Assets Resulting from Operations	(89,842,936)	66,585,122
	-----	-----
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST		
Proceeds from Shares of Beneficial Interest Sold	223,143,873	395,395,672
Reinvestment of Distributions	-	-
Cost of Shares of Beneficial Interest Redeemed	(178,355,930)	(219,384,956)
	-----	-----
Net Increase from Transactions in Shares of Beneficial Interest	44,787,943	176,010,716
	-----	-----
Total Increase (Decrease) in Net Assets	(45,054,993)	242,595,838
	-----	-----
NET ASSETS		
Beginning of Period	528,678,017	286,082,179
	-----	-----
End of Period	\$483,623,024	\$528,678,017
	=====	=====
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST		
Shares of Beneficial Interest Sold	11,821,088	22,069,929
Shares of Beneficial Interest Reinvested	-	-
Shares of Beneficial Interest Redeemed	(9,590,085)	(12,319,400)
	-----	-----
Net Increase in Shares of Beneficial Interest	2,231,003	9,750,529
	=====	=====

</TABLE>

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

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND
FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT

EACH PERIOD ARE AS FOLLOWS:

<TABLE>

<CAPTION>

	FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000 (UNAUDITED)	FOR THE YEARS ENDED MAY 31		FOR THE PERIOD JUNE 16, 1997 (COMMENCEMENT OF OPERATIONS) THROUGH MAY 31, 1998
		2000	1999	
<S>	<C>	<C>	<C>	<C>
NET ASSET VALUE PER SHARE, BEGINNING OF PERIOD	\$15.90	\$12.17	\$12.57	\$10.00
INCOME FROM INVESTMENT OPERATIONS				
Net Investment Loss	(0.03)	-	(0.01)	(0.02)
Net Realized and Unrealized Gain(Loss) on Investment	(2.24)	3.73	(0.08)	2.59
Total From Investment Operations	(2.27)	3.73	(0.09)	2.57
LESS DISTRIBUTIONS TO SHAREHOLDERS FROM Net Realized Gain	-	-	(0.31)	-
NET ASSET VALUE PER SHARE, END OF PERIOD	\$13.63	\$15.90	\$12.17	\$12.57
RATIOS AND SUPPLEMENTAL DATA				
Total Return	(14.28)%(a)	30.65%	(0.49)%	25.70%(a)
Net Assets, End of Period (in thousands)	\$483,623	\$528,678	\$286,082	\$188,932
Ratios to Average Net Assets				
Net Expenses	0.68%(b)	0.99%	1.07%	1.19%(b)
Net Investment Income	(0.35)%(b)	(0.47)%	(0.42)%	(0.37)%(b)
Expenses without Reimbursement	0.68%(b)	0.99%	1.07%	1.25%(b)

</TABLE>

(a) Not annualized

(b) Annualized

The Accompanying Notes are an Integral Part of the Financial Statements. 9

J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOVEMBER 30, 2000

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION--J.P. Morgan U.S. Small Company Opportunities Fund (the "Fund") is a separate series of J.P. Morgan Funds, a Massachusetts business trust (the "Trust") which was organized on November 4, 1992. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Fund commenced operations on June 16, 1997.

The Fund invests all of its investable assets in The J.P. Morgan U.S. Small Company Opportunities Portfolio (the "Portfolio"), a diversified open-end management investment company having the same investment objective as the Fund. The value of such investment included in the Statement of Assets and Liabilities reflects the Fund's proportionate interest in the net assets of the Portfolio (approximately 99.9% at November 30, 2000). The performance of the Fund is directly affected by the performance of the Portfolio. The financial statements of the Portfolio, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with the Fund's financial statements.

The preparation of financial statements in accordance with 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. The following is a summary of the significant accounting policies of the Fund:

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

INVESTMENT INCOME--The Fund earns income, net of expenses, daily on its investment in the Portfolio. All net investment income, realized and unrealized gains and losses of the Portfolio is allocated pro-rata among the Fund and other investors in the Portfolio at the time of such determination.

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

ORGANIZATION EXPENSES--The Fund incurred organization expenses in the amount of \$14,000 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.

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

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

2. TRANSACTIONS WITH AFFILIATES

ADMINISTRATIVE SERVICES--The Trust has an Administrative Services Agreement (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 Fund. Under the Services Agreement, the Fund has 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 Fund 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. The portion of this charge payable by the Fund is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which Morgan provides similar services.

ADMINISTRATION--The Trust has retained Funds Distributor, Inc. ("FDI"), a registered broker-dealer, to serve as the co-administrator and distributor for the Fund. Under a Co-Administration Agreement between FDI and the Trust, FDI provides administrative services necessary for the operations of the Fund, furnishes office space and facilities required for conducting the business of the Portfolio Fund and pays the compensation of the Fund's officers affiliated with FDI. The Fund has 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

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J.P. MORGAN U.S. SMALL COMPANY OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

2. TRANSACTIONS WITH AFFILIATES (CONTINUED)

expenses. The portion of this charge payable by the Fund is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which FDI provides similar services.

SHAREHOLDER SERVICING--The Trust has a Shareholder Servicing Agreement with Morgan under which Morgan provides account administration and personal account maintenance service to Fund shareholders. The agreement provides for the Fund to pay Morgan a fee for these services that is computed daily and paid monthly at

an annual rate of 0.25% of the average daily net assets of the Fund.

Morgan, Charles Schwab & Co. ("Schwab") and the Trust are parties to separate services and operating agreements (the "Schwab Agreements") whereby Schwab makes Fund shares available to customers of investment advisors and other financial intermediaries who are Schwab's clients. The Fund is not responsible for payments to Schwab under the Schwab Agreements; however, in the event the services agreement with Schwab is terminated for reasons other than a breach by Schwab and the relationship between the Trust and Morgan is terminated, the Fund would be responsible for the ongoing payments to Schwab with respect to pre-termination shares.

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

TRUSTEES--Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trust, the J.P. Morgan Funds, the J.P. Morgan Institutional Funds, and other registered investment companies in which they invest. The Trustees' Fees and Expenses shown in the financial statements represent the Fund's allocated portion of the total Trustees' fees and expenses. The Trust's Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. The allocated portion of such compensation and benefits included in the Fund Services Fee shown on the Statement of Operations was \$900.

3. BANK LOANS

The Fund may borrow money for temporary or emergency purposes, such as funding shareholder redemptions. Effective May 23, 2000, the Fund, along with certain other Funds managed by JPMIM, entered into a \$150,000,000 bank line of credit agreement with DeutscheBank. Borrowings under the agreement will bear interest at approximate market rates. A commitment fee is charged at an annual rate of 0.085% on the unused portion of the committed amount.

4. CONCENTRATIONS OF RISK

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

5. SUBSEQUENT EVENT

The merger of J.P. Morgan & Co. Incorporated, the former parent company of the Fund's adviser, J.P. Morgan Investment Management, Inc. ("JPMIM"), with and into The Chase Manhattan Corporation was consummated on December 31, 2000. J.P. Morgan Chase & Co. will be the new parent company of JPMIM, which will continue to serve as the Fund's adviser.

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
Semi-annual Report November 30, 2000

(The following pages should be read in conjunction with J.P. Morgan U.S. Small Company Opportunities Fund Semi-annual Financial Statements)

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)

NOVEMBER 30, 2000

<TABLE>

<CAPTION>

SHARES

VALUE

<C>	<S>	<C>
COMMON STOCKS - 92.1%		
CAPITAL MARKETS - 0.9%		
SECURITIES & ASSET MANAGEMENT - 0.9%		
	208,650 Espeed Inc.(+)	\$ 2,895,019
	72,390 Southwest Securities Group	1,452,324

		4,347,343

COMPUTER HARDWARE - 1.7%		
COMPUTER HARDWARE & BUSINESS MACHINES - 1.7%		
	288,225 Lexar Media Inc.(+)	1,531,195
	252,625 M-Systems Flash Disk Pioneers(+)	4,626,195
	78,725 Optimal Robotics Corp.(+)	2,086,213

		8,243,603

CONSUMER CYCLICAL - 3.2%		
APPAREL & TEXTILES - 1.9%		
	58,125 Coach, Inc.(+)	1,286,016
	51,050 Skechers U.S.A. Inc.(+)	628,553
	89,725 Vans, Inc.(+)	1,357,091
	467,550 Wellman Incorporated	6,078,149

		9,349,809

HOTELS - 1.1%		
	137,450 Anchor Gaming(+)	5,188,737

RESTAURANTS - 0.2%		
	24,900 California Pizza Kitchen Inc.(+)	756,338

		15,294,884

CONSUMER SERVICES - 1.3%		
ENTERTAINMENT - 0.6%		
	215,950 American Classic Voyages Co.(+)	2,834,343

LEISURE - 0.4%		
	118,725 WMS Industries Inc.(+)	2,085,108

MEDIA - 0.3%		
	120,825 Insight Communications Co., Inc.(+)	1,593,380

		6,512,831

CONSUMER STABLE - 2.3%		
ALCOHOL - 1.5%		
	146,075 Robert Mondavi Corp. Cl A(+)	7,239,842

FOOD & BEVERAGE - 0.8%		
	96,550 Keebler Foods Co.	3,976,653

		11,216,495

ENERGY - 6.8%		
ENERGY RESERVES & PRODUCTION - 2.4%		
	64,925 Devon Energy Corp.	3,197,556
	246,050 Spinnaker Exploration Co.(+)	6,397,300
	103,225 Westport Resources Corp.(+)	1,819,341

		11,414,197

SHARES		VALUE

OIL SERVICES - 4.4%		
	53,925 Cooper Cameron Corp.(+)	\$ 2,925,431
	230,150 Core Laboratories N.V.(+)	4,574,231
	269,725 Global Industries, Ltd.(+)	2,730,966
	139,000 Global Marine Inc.(+)	3,049,313
	46,075 Gulf Island Fabrication, Inc.(+)	731,441
	238,800 National-Oilwell, Inc.(+)	7,611,749

		21,623,131

		33,037,328
FINANCE - 4.0%		
BANKS - 1.1%		
	63,675 City National Corp.	2,105,255
	137,475 National Commerce Bancorporation	3,024,450
		5,129,705
FINANCIAL SERVICES - 2.9%		
	286,500 Allied Capital Corp.	5,855,343
	188,225 Financial Federal Corp.(+)	4,376,231
	156,500 Heller Financial, Inc.	4,137,469
		14,369,043
		19,498,748
HEALTH SERVICES & SYSTEMS - 4.0%		
MEDICAL PRODUCTS & SUPPLIES - 1.4%		
	20,500 Ciphergen Biosystems Inc.(+)	225,500
	152,025 Cyberonics, Inc.(+)	3,363,553
	52,180 Fresenius Medical Care AG ADR(i)(+)	865,862
	48,850 Physiometrix, Inc.(+)	787,706
	86,575 Staar Surgical Co.(+)	1,201,228
	21,575 Wilson Greatbatch Technologies Inc.(+)	516,452
		6,960,301
MEDICAL PROVIDERS & SERVICES - 2.6%		
	86,075 Accredo Health Inc.(+)	3,464,518
	112,600 Charles River Laboratories(+)	2,406,825
	97,735 Deltagen Inc.(+)	1,172,820
	213,650 Hooper Holmes, Inc.	2,134,364
	207,300 Omnicare, Inc.	3,394,538
		12,573,065
		19,533,366
INDUSTRIAL CYCLICAL - 12.6%		
CHEMICALS - 4.9%		
	228,075 Albemarle Corp.	5,031,905
	293,325 GenTek Inc.	4,289,878
	241,100 Georgia Gulf Corp.	2,998,681
	110,700 Minerals Technologies Inc.	3,736,125
	125,175 OMP Group, Inc.	5,742,403
	309,475 PolyOne Corp.	1,721,455
		23,520,447
ELECTRICAL EQUIPMENT - 6.8%		
	225,925 Advanced Fibre Communications, Inc.(+)	5,845,809
	92,124 Anaren Microwave, Inc.(+)	3,500,712
	155,250 August Technology Corp.(+)	1,785,375

</TABLE>

The Accompanying Notes are an Integral Part of the Financial Statements. 13

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

<TABLE>

<CAPTION>

SHARES		VALUE
<C>	<S>	<C>
	27,265 Bruker Daltronics Inc.(+)	\$ 494,178
	317,900 C-Cube Microsystems Inc.(+)	4,808,238
	42,875 Caliper Technologies Corp.(+)	1,899,898
	47,200 DDi Corp.(+)	1,038,400
	54,250 Ditech Communications Corp.(+)	851,047

143,300	Meade Corp. (+)		1,218,050
62,400	Molecular Devices Corp. (+)		3,049,800
80,450	Oplink Communications Inc. (+)		633,544
113,400	Polycom, Inc. (+)		3,834,338
67,650	Transgenomic, Inc. (+)		553,884
54,450	Ulticom Inc. (+)		1,721,981
158,775	Vvyo Inc. (+)		1,399,205

			32,634,459

ENVIRONMENTAL SERVICES - 0.1%			
19,175	Eden Bioscience Corp. (+)		668,728

HEAVY ELECTRICAL EQUIPMENT - 0.3%			
90,825	Active Power Inc. (+)		1,243,167

INDUSTRIAL PARTS - 0.2%			
56,700	Capstone Turbine Corp. (+)		1,048,950

INDUSTRIAL SERVICES - 0.3%			
43,675	Universal Compression Holdings Inc. (+)		1,435,816

			60,551,567

PHARMACEUTICALS - 18.3%			
DRUGS - 18.3%			
38,140	3 Dimensional Pharmaceutical, Inc. (+)		491,053
172,200	Abgenix, Inc. (+)		8,405,513
30,700	Adolar Corp. (+)		636,545
259,175	Akorn Inc. (+)		1,231,081
28,195	Arena Pharmaceuticals, Inc. (+)		549,803
135,200	Bindley Western Industries Inc.		4,258,800
52,400	COR Therapeutics, Inc. (+)		1,856,925
98,850	Corixa Corp. (+)		3,095,241
90,675	Diversa Corp. (+)		1,756,828
24,250	Durect Corp. (+)		327,375
124,650	Enzon, Inc. (+)		6,957,028
144,000	Gilead Sciences, Inc. (+)		11,726,999
164,900	Human Genome Sciences, Inc. (+)		10,254,718
48,275	IDEC Pharmaceuticals Corp. (+)		8,402,867
32,150	Immunogen Inc. (+)		809,778
38,600	Inhale Therapeutic Systems Inc. Inc. (+)		1,486,100
396,675	Ligand Pharmaceuticals Inc. Cl B (+)		4,983,230
23,150	Maxygen Inc. (+)		698,841
68,150	MediChem Life Sciences, Inc. (+)		340,750
128,700	Millennium Pharmaceuticals, Inc. (+)		6,249,994
103,625	Neurocrine Biosciences Inc. (+)		3,011,602
16,950	OSI Pharmaceuticals, Inc. (+)		951,319
54,475	POZEN Inc. (+)		796,697
159,900	Vertex Pharmaceuticals, Inc. (+)		8,934,412

			88,213,499

SHARES			VALUE

RETAIL - 3.2%			
CLOTHING STORES - 1.9%			
169,575	Abercrombie & Fitch Co. Cl A (+)	\$	3,539,878
267,825	Pacific Sunwear of California, Inc. (+)		5,959,106

			9,498,984

SPECIALTY STORES - 1.3%			
85,200	BJ's Wholesale Club Inc. (+)		2,859,525
123,050	Cost Plus, Inc. (+)		3,291,588

			6,151,113

			15,650,097

SEMICONDUCTORS - 5.1%			
SEMICONDUCTOR - 5.1%			
14,775	Alliance Fiber Optics Products Inc. (+)		84,956
79,900	AXT, Inc. (+)		2,401,994

225,800	Exar Corp.(+)	5,673,224
28,425	Genesis Microchip Inc.(+)	256,269
119,650	hi/fn, inc.(+)	3,926,016
112,100	Integrated Circuit Systems, Inc.(+)	1,779,588
69,025	JNI Corp.(+)	2,761,000
22,850	Lattice Semiconductor Corp.(+)	379,881
131,512	Microchip Technology Inc.(+)	3,074,093
3,925	Optical Communications Products, Inc.(+)	40,231
366,375	Silicon Image Inc.(+)	2,335,641
3,775	Silicon Laboratories Inc.(+)	72,905
65,525	Transwitch Corp.(+)	1,785,556

24,571,354

SOFTWARE & SERVICES - 27.3%

COMPUTER SOFTWARE - 13.8%

162,800	Agile Software Corp.(+)	7,511,694
98,475	Aspen Technology, Inc.(+)	2,369,555
240,875	CBT Group Public Ltd. Co. ADR(+)(i)	7,723,055
283,050	Certicom Corp.(+)	4,670,325
87,500	Dendrite International, Inc.(+)	1,482,031
106,025	Informatica Corp.(+)	7,408,497
117,400	Internet Security Systems(+)	8,672,924
90,900	Mercury Interactive Corp.(+)	6,118,706
109,925	Metasolv Software Inc.(+)	906,881
278,125	Peregrine Systems, Inc.(+)	4,519,531
21,000	Precise Software Solutions Ltd.(+)	588,000
137,175	Quest Software Inc.(+)	3,703,725
130,500	Retek Inc.(+)	2,724,188
90,700	SeeBeyond Technology Corp.	782,288
91,500	Synquest Inc.(+)	614,766
61,335	Telecommunication Systems Inc.(+)	509,847
50,800	U.S. Wireless Corp.(+)	260,350
170,500	Webtrends Corp.(+)	4,315,781
133,300	Witness Systems Inc.(+)	1,757,894

66,640,038

</TABLE>

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

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
SCHEDULE OF INVESTMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

<TABLE>

<CAPTION>

SHARES VALUE

<C>	<S>	<C>	
INFORMATION SERVICES - 7.0%			
232,075	Catalina Marketing Corp.(+)	\$	9,210,476
152,625	Corillian Corp.(+)		1,583,484
163,725	Diamond Technology Partners Inc.(+)		5,177,803
50,425	Exelixis Inc.(+)		731,163
167,600	Getty Images Inc.(+)		4,671,850
117,580	SBA Communications Corp.(+)		4,379,855
86,950	Symyx Technologies Inc.(+)		2,728,056
46,334	Valassis Communications, Inc.(+)		1,294,456
122,250	Wireless Facilities, Inc.(+)		3,904,359

33,681,502

INTERNET - 6.5%

357,925	Ameritrade Holding Corp. Cl A(+)	2,952,881
129,150	Apropos Technology, Inc.(+)	718,397
51,500	Clarent Corp.(+)	618,000
129,500	Digitalthink Inc.(+)	1,416,406
104,362	E.piphany, Inc.(+)	4,092,947
140,150	Goamerica Inc.(+)	718,269
30,014	Inet Technologies Inc.(+)	930,434
48,900	internet.com Corp.(+)	360,638
33,500	Interwoven Inc.(+)	1,844,594

161,475	Netegrity Inc.(+)	7,458,127
41,825	Nuance Communications(+)	1,278,277
215,475	Saba Software, Inc.(+)	2,935,847
76,275	SafeNet, Inc.(+)	2,874,614
216,810	Tumbleweed Communications Corp.(+)	3,225,049

31,424,480

131,746,020

TELECOMMUNICATIONS - 1.4%

TELEPHONE - 1.0%

29,300	Advanced Switching Communications, Inc.(+)	130,019
100,450	Dycom Industries, Inc.(+)	3,754,318
21,925	FLAG Telecom Holdings Ltd.(+)	175,400
145,425	Turnstone Systems Inc.(+)	877,095

4,936,832

WIRELESS TELECOMMUNICATIONS - 0.4%

19,400	Boston Communications Group, Inc.(+)	395,275
78,625	TeleCorp PCS, Inc. Cl A(+)	1,484,047

1,879,322

6,816,154

TOTAL COMMON STOCKS

445,233,289

(Cost \$503,040,526)

SHARES VALUE

SHORT-TERM INVESTMENTS - 7.9%

INVESTMENT COMPANIES - 7.9%

38,312,974	J.P. Morgan Institutional Prime Money Market(a)	\$ 38,312,974
------------	---	---------------

(Cost \$38,312,974)

TOTAL INVESTMENT SECURITIES - 100.0%

\$483,546,263

(Cost \$541,353,500)

</TABLE>

ADR - American Depositary Receipt

(a) Money Market mutual fund registered under the Investment Company Act of 1940, as amended, and advised by J.P. Morgan Investment Management, Inc.

(i) Foreign security

(+) Non-income producing security

The Accompanying Notes are an Integral Part of the Financial Statements. 15

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

NOVEMBER 30, 2000

<TABLE>

<S> <C>

ASSETS

Investments at Value (Cost \$541,353,500)	\$483,546,263
Receivable for Investments Sold	2,406,414
Dividend and Interest Receivable	305,488
Deferred Organization Expense	1,874
Prepaid Trustees' Fees and Expenses	516
Prepaid Expenses and Other Assets	489

TOTAL ASSETS

486,261,044

LIABILITIES

Payable for Investments Purchased	1,864,254
Advisory Fee Payable	294,715
Administrative Services Fee Payable	11,651
Administration Fee Payable	480

Fund Services Fee Payable	417
Accrued Expenses and Other Liabilities	48,112

TOTAL LIABILITIES	2,219,629

NET ASSETS	
Applicable to Investors' Beneficial Interests	\$484,041,415
	=====

</TABLE>

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

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
STATEMENT OF OPERATIONS (UNAUDITED)

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000

INVESTMENT INCOME

INCOME

<TABLE>

<S>	<C>	
Interest Income	\$	1,457,601
Dividend Income		594,267
Dividend Income from Affiliated Investments (Includes reimbursement of \$37,193 from affiliate)		42,708

Investment Income		2,094,576

EXPENSES		
Advisory Fee		1,987,465
Custodian Fees and Expenses		83,370
Administrative Services Fee		79,412
Professional Fee		22,381
Fund Services Fee		4,665
Printing Expenses		3,673
Trustees' Fees and Expenses		2,663
Administration Fee		2,013
Amortization of Organization Expenses		610
Insurance Expenses		309

Total Expenses		2,186,561

NET INVESTMENT LOSS		(91,985)

REALIZED AND UNREALIZED GAIN (LOSS)		
NET REALIZED GAIN ON INVESTMENT TRANSACTIONS		129,017

NET CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENTS		(88,948,263)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS		\$ (88,911,231)
		=====

</TABLE>

The Accompanying Notes are an Integral Part of the Financial Statements. 17

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000 (UNAUDITED)
AND THE YEAR ENDED MAY 31, 2000

<TABLE>

<S>	<C>	<C>
	NOVEMBER 30, 2000	MAY 31, 2000
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net Investment Loss	\$ (91,985)	\$ (683,853)
Net Realized Gain on Investment Transactions	129,017	60,819,593
Net Change in Unrealized Appreciation (Depreciation) on Investments	(88,948,263)	8,034,675
	-----	-----
Net Increase (Decrease) in Net Assets Resulting from Operations	(88,911,231)	68,170,415
	-----	-----

TRANSACTIONS IN INVESTORS' BENEFICIAL INTERESTS

Contributions	224,562,962	395,274,370
Withdrawals	(179,429,571)	(220,426,363)
Net Increase from Transactions in Investors' Beneficial Interests	45,133,391	174,848,007
Total Increase (Decrease) in Net Assets	(43,777,840)	243,018,422
NET ASSETS		
Beginning of Period	527,819,255	284,800,833
End of Period	\$484,041,415	\$527,819,255

</TABLE>

SUPPLEMENTARY DATA

<TABLE>

<CAPTION>

	FOR THE SIX MONTHS ENDED NOVEMBER 30, 2000 (UNAUDITED)	FOR THE YEARS ENDED MAY 31 2000	1999	FOR THE PERIOD JUNE 16, 1997 (COMMENCEMENT OF OPERATIONS) THROUGH MAY 31, 1998
<S>	<C>	<C>	<C>	<C>
RATIOS TO AVERAGE NET ASSETS				
Net Expenses	0.63% (a)	0.66%	0.71%	0.84% (a)
Net Investment Loss	(0.03)% (a)	(0.14)%	(0.07)%	(0.04)% (a)
Expenses without Reimbursement	0.63% (a)	0.66%	0.71%	0.84% (a) (c)
Portfolio Turnover	62% (b)	132%	116%	73%

</TABLE>

(a) Annualized

(b) Not annualized

(c) Reimbursement was less than 0.01%

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

THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOVEMBER 30, 2000

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION--The U.S. Small Company Opportunities Portfolio (the "Portfolio") is one of seven subtrusts (portfolios) comprising The Series Portfolio (the "Series Portfolio"). The Portfolio is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company which was organized as a trust under the laws of the State of New York on June 24, 1994. The Portfolio commenced operations on June 16, 1997. The Portfolio's investment objective is long term capital appreciation from a portfolio of equity securities of small companies. The Declaration of Trust permits the Trustees to issue an unlimited number of beneficial interests in the Portfolio.

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

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

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 tax purposes.

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

ORGANIZATION EXPENSES--The Portfolio incurred organization expenses in the amount of \$9,000 which have been deferred and are being amortized on a straight-line basis over a period not to exceed five years beginning with the commencement of operations of the Portfolio.

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

2. TRANSACTIONS WITH AFFILIATES

ADVISORY--The Portfolio has 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 & Co. Incorporated ("J.P. Morgan"). Under the terms of the agreement, the Portfolio pays JPMIM at an annual rate of 0.60% of the Portfolio's average daily net assets.

The Portfolio may invest in one or more affiliated money market funds: J.P. Morgan Institutional Prime Money Market Fund, J.P. Morgan Institutional Tax Exempt Money Market Fund, J.P. Morgan Institutional Federal Money Market Fund and J.P. Morgan Institutional Treasury Money Market Fund. The Advisor has agreed to reimburse its advisory fee from the Portfolio in an amount to offset any investment advisory, administrative fee and shareholder servicing fees related to a Portfolio investment in an affiliated money market fund. The amount listed on the Statement of Operations as Dividend Income from Affiliated Investment is the amount the Fund earned.

ADMINISTRATIVE SERVICES--The Portfolio has an Administrative Services Agreement (the "Services Agreement") with Morgan under which Morgan is responsible for certain aspects of the administration and operation of the Portfolio. Under the Services Agreement, the Portfolio has agreed to pay Morgan a fee equal to its allocable share of an annual complex-wide charge. This charge is calculated based on the aggregate average daily net assets of the Portfolio 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. The portion of this charge payable by the Portfolio is determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which Morgan provides similar services.

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THE U.S. SMALL COMPANY OPPORTUNITIES PORTFOLIO
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

NOVEMBER 30, 2000

2. TRANSACTIONS WITH AFFILIATES (CONTINUED)

ADMINISTRATION--The Portfolio has retained Funds Distributor, Inc. ("FDI"), a registered broker-dealer, to serve as the co-administrator and distributor for the Fund. Under a Co-Administration Agreement between FDI and the Portfolio, FDI provides administrative services necessary for the operations of the Portfolio, furnishes office space and facilities required for conducting the business of the Portfolio and pays the compensation of the Portfolio's officers affiliated with FDI. The Portfolio has 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 Portfolio is

determined by the proportionate share that its net assets bear to the net assets of the Trust and certain other investment companies for which FDI provides similar services.

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

TRUSTEES--Each Trustee receives an aggregate annual fee of \$75,000 for serving on the boards of the Trust, the J.P. Morgan Funds, the J.P. Morgan Institutional Funds, and other registered investment companies in which they invest. The Trustees' Fees and Expenses shown in the financial statements represent the Fund's allocated portion of the total Trustees' fees and expenses. The Trust's Chairman and Chief Executive Officer also serves as Chairman of PGI and receives compensation and employee benefits from PGI. The allocated portion of such compensation and benefits included in the Fund Services Fee shown on the Statement of Operations was \$900.

3. INVESTMENT TRANSACTIONS

During the year ended November 30, 2000, the Portfolio purchased \$413,928,411 of investment securities and sold \$365,751,157 of investment securities other than U.S. government securities and short-term investments. There were no purchases or sales of U.S. government securities.

4. CREDIT AGREEMENT

The Portfolio is party to a revolving line of credit agreement (the "Agreement") as discussed more fully in Note 3 of the Fund's Notes to the Financial Statements which are included elsewhere in this report.

5. SUBSEQUENT EVENT

The merger of J.P. Morgan & Co. Incorporated, the former parent company of the Fund's adviser, J.P. Morgan Investment Management, Inc. ("JPMIM"), with and into The Chase Manhattan Corporation was consummated on December 31, 2000. J.P. Morgan Chase & Co. will be the new parent company of JPMIM, which will continue to serve as the Fund's adviser.

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[back cover]

J.P. MORGAN FUNDS

Federal Money Market Fund

Prime Money Market Fund

Emerging Market Debt Fund

Tax Aware Enhanced Income Fund:
Select Shares

Tax Exempt Money Market Fund

Short Term Bond Fund

Bond Fund

Global Strategic Income Fund

Tax Exempt Bond Fund

California Bond Fund:
Select Shares

New York Tax Exempt Bond Fund

Diversified Fund

Disciplined Equity Fund

Tax Aware Small Company Opportunities Fund:
Select Shares

Tax Aware U.S. Equity Fund:
Select Shares

U.S. Equity Fund

U.S. Small Company Fund

U.S. Small Company Opportunities Fund

Emerging Markets Equity Fund

European Equity Fund

Global 50 Fund: Select Shares

Global Healthcare Fund:
Select Shares

International Equity Fund

International Opportunities Fund

For more information on the J.P. Morgan
Funds, call J.P. Morgan Funds
Services at (800) 521-5411.

Morgan Guaranty Trust Company
500 Stanton Christiana Road
Newark, Delaware 19713-2107

MAILING
INFORMATION

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