

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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

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FILER

SERIES PORTFOLIO

CIK: **943180** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-09008** | Film No.: **1524055**

Mailing Address

*JP MORGAN
522 FIFTH AVENUE
NEW YORK NY 10036*

Business Address

*JP MORAN 522 FIFTH
AVENUE
NEW YORK NY 10036*

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 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>

2 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 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> | |

4 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. 5

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

| | <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 | FOR THE YEARS ENDED MAY 31 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%

6 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 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.

[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.
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Morgan Guaranty Trust Company
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Newark, Delaware 19713-2107

MAILING
INFORMATION

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