

# 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

#### **MERCURY ASSET MANAGEMENT FUNDS INC**

CIK: **1062806** | State of Incorporation: **MD** | Fiscal Year End: **1231**  
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SEMI-ANNUAL REPORT  
MAY 31, 1999

[GRAPHIC OMITTED]

Mercury  
Global  
Balanced  
Fund

OF MERCURY ASSET  
MANAGEMENT FUNDS, INC.

-----  
M E R C U R Y  
A S S E T M A N A G E M E N T  
-----

MERCURY MASTER  
GLOBAL BALANCED PORTFOLIO

SECTOR REPRESENTATION OF EQUITIES AND  
FIXED-INCOME SECURITIES

-----  
As a Percentage of Net Assets as of May 31, 1999

A pie chart illustrating the following percentages

[GRAPHIC OMITTED]

Services	16.6%
Finance	11.0%
Consumer Goods	10.3%
Energy	4.8%
Capital Equipment	10.9%
Materials	0.8%
Government Obligations	36.8%
Cash Equivalent	8.8%

GEOGRAPHIC ASSET MIX

-----  
As a Percentage of Net Assets as of May 31, 1999

A pie chart illustrating the following percentages

[GRAPHIC OMITTED]

Pacific Basin/Asia	12.0%
Europe	34.2%
North America	53.8%

May 31, 1999    2    Mercury Global Balanced Fund

DEAR SHAREHOLDER

We are pleased to provide you with this first semi-annual report to shareholders for Mercury Global Balanced Fund. The Fund seeks a combination of long-term capital growth and current income primarily through investments in two segments--equities and bonds. The Fund will seek to achieve its objective by investing all of its assets in Mercury Master Global Balanced Portfolio of Mercury Asset Management Master Trust, which has the same investment objective as the Fund. The Portfolio invests in a mix of stocks and high-quality bonds located in the United States and other developed countries. The Portfolio's neutral position consists of approximately 60% of its portfolio in stocks and

40% in bonds, although the Portfolio may vary each of these percentages as much as 15% in either direction based on current economic or market conditions. The Fund's investment guidelines restrict investment to countries within the benchmark indexes, prohibiting investment in emerging markets. Currency exposure within the fixed-income component of the Fund is normally hedged back into US dollars in order to protect returns to US dollar-based investors. The Fund's investment experience will correspond to the investment experience of the Portfolio. In this and future reports to shareholders, we will provide information on the Fund's performance, discuss our investment strategies, and highlight some of the Portfolio's holdings. Complete performance information can be found on page 6 of this report to shareholders.

#### Market Review

In the United States, there was a wide divergence in the performance of the broad market indexes, with the Standard & Poor's 500 Index and the technology-weighted NASDAQ both down for the period, while the Dow Jones Industrial Average reached a new all-time high. There were early signs that inflationary pressures may be building up in the economy with the Consumer Price Index for April rising 0.7%, well above the consensus estimate of 0.4% and the previous month's figure of 0.2%. The Federal Reserve Board responded with suggestions that it might be inclined to tighten its monetary policy, which indeed occurred after the close of the reporting period.

Further signs of an improvement in the world economy have continued to strengthen US cyclical stocks, especially the industrial-sensitive chemical and paper industries where some degree of pricing power is returning. Merger and acquisition activity is expected to remain robust, especially in the telecommunications area where the fight for Internet business will be a driving force. However, continued expansion of price/earnings multiples, which has been the driving force of the strong performance of many growth stocks, is unlikely to occur in an uncertain interest rate environment.

Continued weakness in the Japanese yen has resulted from a weak economy, the Federal Reserve Board's shift to a tightening bias, and the recent widening of the US/Japan long-term bond yield spread. A modest tightening of monetary policy ensued as the Bank of Japan cut its injection of overnight liquidity into the banking system. The decline in the yen and in Japanese bond yields had previously eased overall monetary conditions so this action is unlikely to have much economic impact, in our opinion. Moreover, Japan did not want to see a much weaker yen heading into the Group of Seven summit meetings held in mid-June 1999.

Japanese equity prices fell during the Fund's first weeks of operation in reaction to earnings announcements and US stock market and monetary policy stances. The volume of

May 31, 1999 3 Mercury Global Balanced Fund

shares traded fell substantially as foreign investors became increasingly disappointed at Japanese economic policies and the performance of its equity market. Domestic pension buying activity was also subdued. There were no significant policy announcements from Prime Minister Obuchi, although an additional Parliament may be convened to debate measures such as employment.

The most prominent occurrence in Europe during May was the European Union's (EU) decision to allow Italy to relax its budget deficit target from 2% of gross domestic product (GDP) to 2.4% of GDP. This has raised concerns that the EU's stability and growth pact, a cornerstone of European economic and monetary union, may already be cracking. If other member countries followed Italy's example, the euro, which reached an all-time low against the dollar, would be further damaged. However, despite these near-term difficulties, we still remain confident regarding the outlook for the single currency zone.

#### Portfolio Activities

Since inception (April 30, 1999) we began steadily making investments and by May 31, 1999 Mercury Master Global Balanced Portfolio was fully invested. Given prevailing uncertainties in world financial markets, we adopted a neutral position relative to the Fund's benchmark (which is comprised of the unmanaged

Morgan Stanley Capital International World Index and the Salomon Smith Barney World Government Bond Index), in our balance between bonds and equities. This translates into a 60% allocation for equities and a 40% allocation for fixed-income securities as of May 31, 1999. Within the equity component of the Portfolio, we adopted a neutral stance toward Western markets and marginally underweighted Eastern markets. Approximately 32% of the Portfolio's assets were invested in North America, 20% in Europe, 6% in Japan and 1.5% in Asia Pacific.

Our investments in North America focused on high-quality industry leaders with a clear and differentiated competitive position and good earnings visibility. We established a position in Walgreen Co., a leading drug retailer with superior geographic location and a strong management record, which we expect to benefit from secular growth in pharmacy sales. General Electric Company was purchased as its management's long record of superior shareholder value creation and the company's world leadership in most of its businesses mean that it's well positioned to benefit from a pick up in global economic activity. We also purchased AT&T Corp. where new management has embarked on major restructuring, which has resulted in the company having leadership in the US cable industry and being at the forefront of delivering high bandwidth digital connectivity to the consumer.

The attractive secular long-term growth prospects of the European telecommunications industry, given the growing penetration of cellular use, led us to invest in companies such as Vodafone Group PLC, Mannesmann AG and Swisscom AG. Similarly, we made investments in the technology sector through positions in Nokia Oyj and Koninklijke (Royal) Philips Electronics NV, given the increasing application of cellular and other information systems.

The prospects for further corporate activity with the European financials sector led us to establish positions in Credit Suisse Group, Axa and Allianz AG. We also gained exposure to companies with an emphasis on restructuring and an increased focus on shareholder value such as Vivendi, Nestle SA and Siemens AG.

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Major purchases in Japan included Toyota Motor Corporation, Japan's largest vehicle manufacturer, which is well placed to benefit from the nascent recovery in Asian economies, and has demonstrated its commitment to enhancing efficiency. We also bought Murata Manufacturing Co., Ltd., an electronic components company and Nippon Telegraph and Telephone Corporation (NTT), the domestic national telecommunications company.

Within the bond component of the Portfolio, we have been nearly fully invested for the entire period. We established overweight duration positions in the dollar bloc markets of the United States and Australia as we believed markets were discounting too much bad news. Over a third of the Portfolio's bond exposure was in the US market with investments being structured in the anticipation of a flatter yield curve. Within Europe, we also adopted an overweight duration stance as we saw the growth prospects in core Europe remained poor. The Portfolio's holdings were primarily in Germany, France, the Netherlands and Denmark. We established a neutral position in the United Kingdom. We avoided the Japanese bond market as we felt the deteriorating fiscal position would lead to an increasing supply of Japanese government bonds which would be difficult to place at the low yield levels. The Portfolio's fixed-income investments were predominantly government instruments with the exception of a small position in US Government agencies.

#### Investment Outlook

As long as economic growth in Europe continues to lag the rest of the world, pressure from the United States to restructure will intensify. The problems which need to be addressed are structural not cyclical, particularly in Germany which has the worst growth performance in the Eurozone. Consolidation in Europe is continuing at an encouraging pace, with corporate transactions including Olivetti SpA's agreed acquisition of Telecom Italia SpA.

We continue to believe that demographics, technology and an increase in merger and acquisition activity will continue to drive equity market valuations around the world. Therefore, the Portfolio holds major equity investment positions in industries benefiting from these trends such as healthcare, financial services,

technology and a variety of potential European restructuring shares.

In Conclusion

We thank you for your investment in Mercury Global Balanced Fund, and we look forward to serving your investment needs in the months and years ahead.

Sincerely,

/s/ Jeffrey Peek

/s/ Gary Lowe

Jeffrey Peek  
President

Gary Lowe  
Portfolio Manager

July 16, 1999

May 31, 1999 5 Mercury Global Balanced Fund

FUND PERFORMANCE DATA

ABOUT FUND PERFORMANCE

The Fund offers four classes of shares, each with its own sales charge and expense structure allowing you to invest in the way that best suits your needs.

CLASS I SHARES incur a maximum initial sales charge of 5.25% and bear no ongoing distribution and account maintenance fees. Class I shares are available only to eligible investors.

CLASS A SHARES incur a maximum initial sales charge of 5.25% and an account maintenance fee of 0.25% (but no distribution fee).

CLASS B SHARES are subject to a maximum contingent deferred sales charge of 4% if redeemed during the first two years, decreasing to 3% for each of the next two years and decreasing 1% each year thereafter to 0% after the sixth year. In addition, Class B shares are subject to a distribution fee of 0.75% and an account maintenance fee of 0.25%. These shares automatically convert to Class A shares after approximately 8 years.

CLASS C SHARES are subject to a distribution fee of 0.75% and an account maintenance fee of 0.25%. In addition, Class C shares may be subject to a 1% contingent deferred sales charge if redeemed within one year after purchase.

None of the past results shown should be considered a representation of future performance. Figures shown in the "Recent Performance Results" table assume reinvestment of all dividends and capital gains distributions at net asset value on the ex-dividend date. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Dividends paid to each class of shares will vary because of the different levels of account maintenance, distribution and transfer agency fees applicable to each class, which are deducted from the income available to be paid to shareholders.

RECENT PERFORMANCE RESULTS\*

	Since Inception Total Return Without Sales Charge	Since Inception Total Return With Sales Charge
Class I	-3.70%	-8.76%
Class A	-3.80	-8.85
Class B	-3.80	-7.65
Class C	-3.80	-4.76

\* Sales charges to each class include maximum applicable sales charge as

detailed above in "About Fund Performance." Total investment returns are based on changes in the Fund's net asset values for the period shown, and assume reinvestment of all dividends and capital gains at net asset value on the ex-dividend date. The Fund's inception date is 4/30/99.

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STATEMENT OF ASSETS  
AND LIABILITIES

As of May 31, 1999

MERCURY GLOBAL BALANCED FUND

<TABLE>		
<S>		<C>
Assets:		
Investment in Mercury Master Global Balanced Portfolio, at value (identified cost--\$437,881,019) (Note 1a)		\$ 422,830,449
Prepaid registration fee and other assets (Note 1d)		268,000
		-----
Total assets		423,098,449
		-----
Liabilities:		
Payable to distributor (Note 2)		295,600
Payable to administrator (Note 2)		63,995
Accrued expenses		361,525
		-----
Total liabilities		721,120
		-----
Net Assets:		
Net assets		\$ 422,377,329
		=====
Net Assets Consist of:		
Class I Shares of Common Stock, \$0.0001 par value, 100,000,000 shares authorized		\$ 139
Class A Shares of Common Stock, \$0.0001 par value, 100,000,000 shares authorized		433
Class B Shares of Common Stock, \$0.0001 par value, 100,000,000 shares authorized		2,520
Class C Shares of Common Stock, \$0.0001 par value, 100,000,000 shares authorized		1,299
Paid-in capital in excess of par		438,586,646
Undistributed investment income--net		906,415
Undistributed realized capital losses on investments and foreign currency transactions from the Portfolio--net		(2,069,553)
Unrealized depreciation on investments and foreign currency transactions from the Portfolio--net		(15,050,570)
		-----
Net assets		\$ 422,377,329
		=====
Net Asset Value:		
Class I--Based on net assets of \$13,357,522 and 1,387,712 shares outstanding		\$ 9.63
		=====

Class A--Based on net assets of \$41,703,838 and 4,333,479 shares outstanding	\$ 9.62 =====
Class B--Based on net assets of \$242,369,109 and 25,199,994 shares outstanding	\$ 9.62 =====
Class C--Based on net assets of \$124,946,860 and 12,991,136 shares outstanding	\$ 9.62 =====

</TABLE>

See Notes to Financial Statements.

May 31, 1999 7 Mercury Global Balanced Fund

STATEMENT OF OPERATIONS

For the Period April 30, 1999+ to May 31, 1999

MERCURY GLOBAL BALANCED FUND

<TABLE>

<S>	<C>	<C>
Investment Income (Notes 1b & 1c):		
Investment income allocated from the Portfolio (net of \$75,330 foreign withholding tax)		\$ 1,592,438
Expenses allocated from the Portfolio		(230,674)
		-----
Net investment income from the Portfolio		1,361,764
		-----

Expenses:

Account maintenance and distribution fees--Class B (Note 2)	\$ 188,648	
Account maintenance and distribution fees--Class C (Note 2)	98,677	
Administration fee (Note 2)	66,224	
Transfer agent fees--Class B (Note 2)	29,777	
Registration fees (Note 1d)	27,559	
Transfer agent fees--Class C (Note 2)	15,779	
Account maintenance fees--Class A (Note 2)	8,275	
Transfer agent fees--Class A (Note 2)	4,787	
Organization expenses	4,603	
Printing and shareholder reports	4,521	
Professional fees	3,374	
Transfer agent fees--Class I (Note 2)	1,546	
Accounting services (Note 2)	567	
Other	1,012	
	-----	
Total expenses		455,349
		-----
Investment income--net		906,415
		-----

Realized & Unrealized Loss from the Portfolio--Net:

Realized loss from the Portfolio on:		
Investments--net	(1,202,719)	
Foreign currency transactions--net	(866,834)	(2,069,553)
	-----	
Unrealized depreciation on investments and foreign currency transactions from the Portfolio--net		(15,050,570)
		-----
Net realized and unrealized loss on investments and foreign currency transactions from the Portfolio		(17,120,123)

Net Decrease in Net Assets Resulting from Operations \$ (16,213,708)

</TABLE>

+ Commencement of operations.

See Notes to Financial Statements.

May 31, 1999 8 Mercury Global Balanced Fund

STATEMENT OF CHANGES  
IN NET ASSETS

For the Period April 30, 1999+ to May 31, 1999

MERCURY GLOBAL BALANCED FUND

Increase (Decrease) in Net Assets:

<TABLE>

<S> <C>

Operations:

Investment income--net	\$ 906,415
Realized loss on investments and foreign currency transactions from the Portfolio--net	(2,069,553)
Unrealized depreciation on investments and foreign currency transactions from the Portfolio--net	(15,050,570)
Net decrease in net assets resulting from operations	(16,213,708)

Capital Share Transactions (Note 4):

Net increase in net assets derived from capital share transactions	438,491,037
--	-------------

Net Assets:

Total increase in net assets	422,277,329
Beginning of period	100,000
End of period*	\$ 422,377,329

* Undistributed investment income--net	\$ 906,415
--	------------

</TABLE>

+ Commencement of operations.

See Notes to Financial Statements.

May 31, 1999 9 Mercury Global Balanced Fund

FINANCIAL HIGHLIGHTS

MERCURY GLOBAL BALANCED FUND



The following per share data and ratios have been derived from information provided in the financial statements.

<TABLE>  
<CAPTION>

For the Period April 30, 1999+ to May 31, 1999				
Increase (Decrease) in Net Asset Value:	Class I	Class A	Class B	Class C
<S>	<C>	<C>	<C>	<C>
Per Share Operating Performance:				
Net asset value, beginning of period	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Investment income--net	.03	.03	.02	.02
Realized and unrealized loss on investments and foreign currency transactions from the Portfolio--net	(.40)	(.41)	(.40)	(.40)
Total from investment operations	(.37)	(.38)	(.38)	(.38)
Net asset value, end of period	\$ 9.63	\$ 9.62	\$ 9.62	\$ 9.62
Total Investment Return:**				
Based on net asset value per share	(3.70%)+	(3.80%)+	(3.80%)+	(3.80%)+
Ratios to Average Net Assets:				
Expenses++	1.17%*	1.42%*	2.18%*	2.18%*
Investment income--net	3.64%*	3.40%*	2.63%*	2.63%*
Supplemental Data:				
Net assets, end of period (in thousands)	\$ 13,357	\$ 41,704	\$ 242,369	\$ 124,947

</TABLE>

\* Annualized.

\*\* Total investment returns exclude the effects of sales loads.

+ Commencement of operations.

++ Includes the Fund's share of the Portfolio's allocated expenses.

+++ Aggregate total investment return.

See Notes to Financial Statements.

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NOTES TO FINANCIAL STATEMENTS

MERCURY GLOBAL BALANCED FUND

1 Significant Accounting Policies:

Mercury Global Balanced Fund (the "Fund") is part of Mercury Asset Management Funds, Inc. (the "Corporation"). The Fund is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The Fund seeks to achieve its investment objective by

investing all of its assets in the Mercury Master Global Balanced Portfolio (the "Portfolio") of Mercury Asset Management Master Trust (the "Trust"), which has the same investment objective as the Fund. The value of the Fund's investment in the Portfolio reflects the Fund's proportionate interest in the net assets of the Portfolio. 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. Prior to commencement of operations on April 30, 1999, the Fund had no operations other than those relating to organizational matters and the issuance of 10,000 capital shares of the Fund on April 21, 1999 to Mercury Asset Management International Ltd. ("Mercury International") for \$100,000. The Fund's financial statements are prepared in accordance with generally accepted accounting principles which may require the use of management accruals and estimates. These unaudited financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. All such adjustments are of a normal recurring nature. The Fund offers four classes of shares. Class I and Class A Shares are sold with a front-end sales charge. Class B and Class C Shares may be subject to a contingent deferred sales charge. All classes of shares have identical voting, dividend, liquidation and other rights and the same terms and conditions, except that Class A, Class B and Class C Shares bear certain expenses related to the account maintenance of such shares, and Class B and Class C Shares also bear certain expenses related to the distribution of such shares. Each class has exclusive voting rights with respect to matters relating to its account maintenance and distribution expenditures (except that Class B Shares have certain voting rights with respect to Class A distribution expenditures). The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Valuation of securities is discussed in Note 1a of the Portfolio's Notes to Financial Statements, which are included elsewhere in this report.

(b) Income--The Fund's net investment income consists of the Fund's pro rata share of the net investment income of the Portfolio, less all actual and accrued expenses of the Fund determined in accordance with generally accepted accounting principles.

(c) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to shareholders. Therefore, no Federal income tax

May 31, 1999 11 Mercury Global Balanced Fund

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

provision is required. Under the applicable foreign tax law, withholding taxes may be imposed on interest, dividends and capital gains at various rates.

(d) Prepaid registration fees--Prepaid registration fees are charged to expense as the related shares are issued.

(e) Dividends and distributions--Dividends and distributions paid by the Fund are recorded on the ex-dividend dates.

(f) Investment transactions--Investment transactions are accounted for on a trade date basis.

2 Transactions with Affiliates:

The Corporation has entered into an Administration Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), a wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner. The Fund pays a monthly

fee at an annual rate of 0.20% of the Fund's average daily net assets for the performance of administrative services (other than investment advice and related portfolio activities) necessary for the operation of the Fund.

The Corporation has also entered into a Distribution Agreement and Distribution Plans with Mercury Funds Distributor ("MFD" or the "Distributor"), a division of Princeton Funds Distributor, Inc. ("PFD"), a wholly-owned subsidiary of Merrill Lynch Group, Inc. Pursuant to the Distribution Plans adopted by the Corporation in accordance with Rule 12b-1 under the Investment Company Act of 1940, the Fund pays the Distributor ongoing account maintenance and distribution fees. The fees are accrued daily and paid monthly at annual rates based upon the average daily net assets of the shares as follows:

	Account Maintenance Fee	Distribution Fee
Class A	0.25%	--
Class B	0.25%	0.75%
Class C	0.25%	0.75%

Pursuant to a sub-agreement with the Distributor, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a subsidiary of ML & Co., and selected dealers also provide account maintenance and distribution services to the Fund. The ongoing account maintenance fee compensates the Distributor, MLPF&S and selected dealers for providing account maintenance services to Class A, Class B and Class C shareholders. The ongoing distribution fee compensates the Distributor, MLPF&S and selected dealers for providing shareholder and distribution-related services to Class B and Class C shareholders.

May 31, 1999 12 Mercury Global Balanced Fund

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

For the period April 30, 1999 to May 31, 1999, MFD earned underwriting discounts and MLPF&S earned dealer concessions on sales of the Fund's Class A Shares as follows:

	MFD	MLPF&S
Class A	\$4,719	\$1,881,319

For the period April 30, 1999 to May 31, 1999, MLPF&S received contingent deferred sales charges of \$10,392 and \$1,361 relating to transactions in Class B and Class C Shares, respectively.

Financial Data Services, Inc. ("FDS"), an indirect wholly-owned subsidiary of ML & Co., is the Fund's transfer agent.

Accounting services are provided to the Fund by FAM at cost.

Certain officers and/or directors of the Corporation are officers and/or directors or trustees of the Trust, Mercury International, FAM, PSI, PFD, FDS, and/or ML & Co.

3 Investments:

Increases and decreases in the Fund's investment in the Portfolio for the period April 30, 1999 to May 31, 1999 were \$438,591,037 and \$2,229, respectively.

4 Capital Share Transactions:

Net increase in net assets derived from capital share transactions was

\$438,491,037 for the period April 30, 1999 to May 31, 1999.

Transactions in capital shares for each class were as follows:

Class I Shares for the Period April 30, 1999+ to May 31, 1999	Shares	Dollar Amount
Shares sold	1,459,394	\$14,570,689
Shares redeemed	(74,182)	(726,073)
Net increase	1,385,212	\$13,844,616

+ Prior to April 30, 1999 (commencement of operations), the Fund issued 2,500 shares to Mercury International for \$25,000.

May 31, 1999 13 Mercury Global Balanced Fund

NOTES TO FINANCIAL STATEMENTS  
(CONCLUDED)

Class A Shares for the Period April 30, 1999+ to May 31, 1999	Shares	Dollar Amount
Shares sold	4,407,278	\$44,032,639
Shares redeemed	(76,299)	(753,195)
Net increase	4,330,979	\$43,279,444

+ Prior to April 30, 1999 (commencement of operations), the Fund issued 2,500 shares to Mercury International for \$25,000.

Class B Shares for the Period April 30, 1999+ to May 31, 1999	Shares	Dollar Amount
Shares sold	25,510,649	\$254,687,176
Shares redeemed	(313,155)	(3,081,190)
Net increase	25,197,494	\$251,605,986

+ Prior to April 30, 1999 (commencement of operations), the Fund issued 2,500 shares to Mercury International for \$25,000.

Class C Shares for the Period April 30, 1999+ to May 31, 1999	Shares	Dollar Amount
Shares sold	13,145,967	\$131,313,819
Shares redeemed	(157,331)	(1,552,828)
Net increase	12,988,636	\$129,760,991

+ Prior to April 30, 1999 (commencement of operations), the Fund issued 2,500 shares to Mercury International for \$25,000.

May 31, 1999 14 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS

MERCURY MASTER GLOBAL BALANCED PORTFOLIO

<TABLE>  
<CAPTION>

		In US Dollars				
Industries	Shares Held/ Face Amount	Investments	Cost	Value (Note 1a)	Percent of Net Assets	
<b>EUROPE</b>						
=====						
Belgium						
<S>	<C>	<C>	<C>	<C>	<C>	
Insurance	24,704	Fortis AG 'B'	\$ 840,283	\$ 793,832	0.2%	
Utilities--	2,583	Electrabel SA	826,768	796,004	0.2	
Electric & Gas						
		Total Investments in Belgium	1,667,051	1,589,836	0.4	
-----						
Denmark						
Foreign	DKR47,600,000	Kingdom of Denmark, 6%				
Government		due 11/15/2009	7,811,178	7,485,399	1.8	
Obligations						
		Total Investments in Denmark	7,811,178	7,485,399	1.8	
-----						
Finland						
Electrical &	49,097	Nokia Oyj	3,792,148	3,499,094	0.8	
Electronics						
		Total Investments in Finland	3,792,148	3,499,094	0.8	
-----						
France						
Banking	9,998	Compagnie Financiere de				
		Paribas (CFP)	1,074,266	1,086,583	0.3	
	7,387	Credit Commercial de France	798,389	814,398	0.2	
	5,929	Societe Generale 'A'	1,072,028	1,079,309	0.2	
			2,944,683	2,980,290	0.7	
Business/	25,364	Vivendi	1,953,547	1,881,882	0.4	
Public	24,444	Vivendi (Rights) (a)	0	25,289	0.0	
Services			1,953,547	1,907,171	0.4	
Energy	2,965	Elf Aquitaine SA	466,628	430,061	0.1	
Sources	8,674	+Total SA 'B'	1,181,644	1,055,994	0.2	
			1,648,272	1,486,055	0.3	
Foreign	(euro)10,450,000	French Btan, 4.50%				
Government		due 7/12/2002	11,584,491	11,371,038	2.7	
Obligations	(euro) 6,800,000	French OAT, 5.25%	7,952,818	7,684,499	1.8	
		due 4/25/2008	19,537,309	19,055,537	4.5	
Insurance	13,285	Axa	1,724,762	1,534,052	0.4	
Leisure/	6,039	Accor SA	1,586,938	1,484,290	0.4	
Tourism						
Merchandising	9,881	Pinault-Printemps-Redoute SA	1,626,250	1,686,178	0.4	
		Total Investments in France	31,021,761	30,133,573	7.1	

</TABLE>

## SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

			In US Dollars		
Industries	Shares Held/ Face Amount	Investments	Cost	Value (Note 1a)	Percent of Net Assets
EUROPE (continued)					
<S>	<C>	<C>	<C>	<C>	<C>
Germany					
Automobiles	4,282	DaimlerChrysler AG	\$ 422,034	\$ 370,281	0.1%
	17,567	Volkswagen AG (Preferred)	742,844	624,156	0.1
			1,164,878	994,437	0.2
Banking	13,395	Deutsche Bank AG	776,168	699,889	0.2
	19,214	HypoVereinsbank	1,258,248	1,040,073	0.2
			2,034,416	1,739,962	0.4
Chemicals	10,101	Bayer AG	426,774	393,722	0.1
Electrical & Electronics	35,025	Siemens AG	2,603,342	2,360,773	0.6
For- eign Govern- ment Obliga- tions	(euro) 10,500,000	Bundesobligation, 5% due 8/20/2001	11,652,190	11,471,529	2.7
	(euro) 9,300,000	Bundesrepublik Deutschland: 6.75% due 7/15/2004	11,488,890	11,206,791	2.7
	(euro) 9,000,000	6.875% due 5/12/2005	11,304,982	11,011,280	2.6
	(euro) 5,800,000	6.50% due 7/04/2027	7,683,222	7,290,898	1.7
			42,129,284	40,980,498	9.7
Insurance	5,160	Allianz AG (Registered Shares)	1,645,158	1,412,756	0.3
Telecom- munications	15,800	Mannesmann AG	2,092,451	2,162,941	0.5
Transportation-- Airlines	36,342	Deutsche Lufthansa AG (Registered Shares)	845,293	782,334	0.2
		Total Investments in Germany	52,941,596	50,827,423	12.0
Italy Banking	274,162	Unicredito Italiano SpA	1,404,721	1,292,112	0.3
Broad- casting & Publishing	384,781	Seat Pagine Gialle SpA	518,447	524,735	0.1
Business/ Public Services	(euro) 753,948	Tecnost International NV, 0% due 6/23/2004 (b)	805,062	794,178	0.2
	155,989	Tecnost SpA	362,634	363,509	0.1
			1,167,696	1,157,687	0.3
Energy Sources	133,952	ENI SpA	881,054	838,479	0.2
Telecom- munications	214,433	Telecom Italia Mobile (TIM) SpA	1,302,665	1,263,825	0.3

Total Investments in Italy	5,274,583	5,076,838	1.2
----------------------------	-----------	-----------	-----

</TABLE>

May 31, 1999 16 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held/ Face Amount	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
EUROPE (continued)					
<S>	<C>	<C>	<C>	<C>	<C>
Netherlands					
Broadcasting	74,442	Elsevier NV	\$ 1,115,549	\$ 945,171	0.3%
& Publishing	22,115	Wolters Kluwer NV 'A'	972,591	890,897	0.2
			2,088,140	1,836,068	0.5
Chemicals	19,214	Akzo Nobel NV	884,369	799,129	0.2
Electrical & Electronics	18,775	+Koninklijke (Royal) Philips Electronics NV	1,643,669	1,613,735	0.4
Energy Sources	30,894	Royal Dutch Petroleum Company	1,805,073	1,723,978	0.4
Food & Household Products	27,449	Unilever NV 'A'	2,061,261	1,828,618	0.4
For- eign Government Obligations	(euro) 7,600,000	Netherlands Government Bonds, 3.75% due 7/15/2009	7,903,073	7,588,581	1.8
Insurance	34,257	ING Groep NV	2,085,872	1,834,676	0.4
		Total Investments in the Netherlands	18,471,457	17,224,785	4.1
Spain					
Banking	47,322	Banco Santander Central Hispano, SA	1,031,012	989,030	0.2
Telecom- munications	24,200	+Telefonica, SA	1,143,277	1,162,788	0.3
		Total Investments in Spain	2,174,289	2,151,818	0.5
Sweden					
Appliances & Household Durables	54,070	Electrolux AB 'B'	1,107,397	1,049,872	0.2
Electrical & Electronics	15,811	Telefonaktiebolaget LM Ericsson 'B'	420,374	423,163	0.1
		Total Investments in Sweden	1,527,771	1,473,035	0.3
Switzerland					

Banking	7,356	Credit Suisse Group (Registered Shares)	1,455,954	1,281,617	0.3
	5,490	UBS AG (Registered Shares)	1,867,372	1,595,385	0.4
			3,323,326	2,877,002	0.7
Business/ Public Services	1,958	Adecco SA (Registered Shares)	989,819	1,028,561	0.2

</TABLE>

May 31, 1999 17 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held/ Face Amount	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
EUROPE (continued)					
<S>	<C>	<C>	<C>	<C>	<C>
Switzerland (concluded)					
Food & Household Products	601	Nestle SA (Registered Shares)	\$ 1,116,745	\$ 1,084,645	0.3%
Health & Personal Care	864	Novartis AG (Registered Shares)	1,275,279	1,258,793	0.3
	114	Roche Holding AG	1,341,844	1,211,203	0.3
			2,617,123	2,469,996	0.6
Telecom- munications	3,572	Swisscom AG (Registered Shares)	1,293,645	1,291,650	0.3
		Total Investments in Switzerland	9,340,658	8,751,854	2.1
United Kingdom					
Aerospace & Military Technology	188,849	British Aerospace PLC	1,417,555	1,245,070	0.3
Banking	45,126	Barclays PLC	1,442,806	1,367,801	0.3
	11,528	HSBC Holdings PLC	431,535	384,863	0.1
	177,870	Lloyds TSB Group PLC	2,860,670	2,349,645	0.6
			4,735,011	4,102,309	1.0
Beverages & Tobacco	137,899	British American Tobacco PLC	1,199,493	1,253,062	0.3
	67,415	Diageo PLC	783,403	708,658	0.2
			1,982,896	1,961,720	0.5
Energy Sources	139,441	BP Amoco PLC	2,654,696	2,493,959	0.6
For- eign Government Obligations	(pound) 6,250,000	United Kingdom Gilt, 7.75% due 9/08/2006	11,891,862	11,583,761	2.7



Health & Personal Care	25,363 85,421 107,601	AstraZeneca Group PLC Glaxo Wellcome PLC SmithKline Beecham PLC	997,651 2,541,227 1,425,218	1,007,565 2,396,317 1,402,446	0.2 0.6 0.3
			4,964,096	4,806,328	1.1
Insurance	86,300 73,328	Allied Zurich PLC CGU PLC	1,196,269 1,164,306	1,099,941 1,070,805	0.3 0.2
			2,360,575	2,170,746	0.5
Merchandising	44,906 28,877	Dixons Group PLC Kingfisher PLC	957,800 431,898	806,038 362,736	0.2 0.1
			1,389,698	1,168,774	0.3

</TABLE>

May 31, 1999 18 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held/ Face Amount	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
EUROPE (concluded)					
<S>	<C>	<C>	<C>	<C>	<C>
United Kingdom (concluded)					
Telecom- munications	103,400 93,548 104,846	British Telecommunications PLC Cable & Wireless PLC Vodafone Group PLC	\$ 1,741,400 1,329,860 1,970,709	\$ 1,723,522 1,153,376 1,996,086	0.4% 0.3 0.5
			5,041,969	4,872,984	1.2
Transportation-- Shipping	115,835	The Peninsular and Oriental Steam Navigation Company	1,702,187	1,691,532	0.4
Utilities-- Electric & Gas	221,678 87,837	BG PLC National Grid Group PLC	1,263,053 616,074	1,218,369 596,333	0.3 0.1
			1,879,127	1,814,702	0.4
		Total Investments in the United Kingdom	40,019,672	37,911,885	9.0
		Total Investments in Europe	174,042,164	166,125,540	39.3
NORTH AMERICA					
Canada					
For- eign Government Obligations	C\$6,100,000	Canada Government Bond, 7% due 12/01/2006	4,693,146	4,540,881	1.1
		Total Investments in Canada	4,693,146	4,540,881	1.1
United States					

Aerospace & Military Technology	29,900 65,800	The Boeing Company United Technologies Corporation	1,336,804 4,927,405	1,263,275 4,083,713	0.3 1.0
			6,264,209	5,346,988	1.3
Automobiles	25,300 12,480	Ford Motor Company Safra Republic Holdings	1,651,913 834,706	1,443,681 826,800	0.3 0.2
			2,486,619	2,270,481	0.5
Banking	23,200 43,200 72,000 48,800	Bank One Corporation Fleet Financial Group, Inc. Mellon Bank Corporation U.S. Bancorp	1,402,158 1,898,904 2,704,252 1,810,534	1,312,250 1,776,600 2,569,500 1,586,000	0.3 0.4 0.6 0.4
			7,815,848	7,244,350	1.7
Beverages & Tobacco	64,900	PepsiCo, Inc.	2,405,129	2,324,231	0.5

</TABLE>

May 31, 1999 19 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
NORTH AMERICA (continued)					
<S>	<C>	<C>	<C>	<C>	<C>
United States (continued)					
Business/ Public Services	84,000	+Microsoft Corporation	\$ 6,984,479	\$ 6,777,750	1.6%
Data Processing & Reproduction	26,600 25,700 18,800 4,500	+Cisco Systems, Inc. +EMC Corporation International Business Machines Corporation +Yahoo! Inc.	3,028,225 2,833,045 1,995,811 795,496	2,897,738 2,560,363 2,186,675 665,438	0.7 0.6 0.5 0.2
			8,652,577	8,310,214	2.0
Electrical & Electronics	58,300	General Electric Company	6,357,683	5,928,381	1.4
Electronic Components/ Instruments	17,100 59,400 34,800 30,300 5,700	+America Online, Inc. +Dell Computer Corporation +Nextel Communications, Inc. (Class A) Texas Instruments Incorporated +Uniphase Corporation	2,480,784 2,507,765 1,345,093 3,196,313 785,348	2,041,313 2,041,875 1,281,075 3,314,063 765,581	0.5 0.5 0.3 0.8 0.1
			10,315,303	9,443,907	2.2
Energy Sources	48,100 43,700 29,800	Exxon Corporation Mobil Corporation Texaco Inc.	4,016,521 4,600,682 1,906,172	3,841,988 4,424,625 1,951,900	0.9 1.0 0.5
			10,523,375	10,218,513	2.4

Financial Services	27,500	American Express Company	3,674,793	3,332,656	0.8
	38,100	Citigroup Inc.	2,898,895	2,524,125	0.6
	5,900	+The Goldman Sachs Group, Inc.	408,043	400,831	0.1
	13,600	Providian Financial Corporation	1,737,069	1,304,750	0.3
			8,718,800	7,562,362	1.8
Food & Household Products	100,500	The Dial Corporation	3,473,042	3,140,625	0.8
	14,600	The Procter & Gamble Company	1,370,861	1,363,275	0.3
			4,843,903	4,503,900	1.1
Health & Personal Care	45,000	Bristol-Myers Squibb Company	2,890,076	3,088,125	0.7
	12,900	The Estee Lauder Companies Inc. (Class A)	1,223,131	1,177,125	0.3
	21,200	Johnson & Johnson	2,032,999	1,963,650	0.5
	34,400	Merck & Co., Inc.	2,442,991	2,322,000	0.6
	21,700	Pfizer Inc.	2,520,115	2,321,900	0.5
	9,500	Schering-Plough Corporation	460,052	428,094	0.1
	28,600	Tyco International Ltd.	2,368,913	2,498,925	0.6
			13,938,277	13,799,819	3.3

</TABLE>

May 31, 1999 20 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held/ Face Amount	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
NORTH AMERICA (concluded)					
<S>	<C>	<C>	<C>	<C>	<C>
United States (concluded)					
Insurance	33,300	The Allstate Corporation	\$ 1,234,301	\$ 1,213,369	0.3%
	31,900	American International Group, Inc.	3,766,673	3,646,569	0.8
			5,000,974	4,859,938	1.1
Machinery & Engineering	43,200	Case Corporation	1,534,608	2,030,400	0.5
Merchandising	33,000	The Home Depot, Inc.	1,983,375	1,876,875	0.4
	28,300	+Kohl's Corporation	1,914,922	1,929,706	0.5
	47,800	+The Kroger Co.	2,618,721	2,799,288	0.7
	29,000	Lowe's Companies, Inc.	1,551,195	1,506,188	0.3
	96,200	Wal-Mart Stores, Inc.	4,438,088	4,100,525	1.0
	171,900	Walgreen Co.	4,678,536	3,996,675	0.9
			17,184,837	16,209,257	3.8
Telecom- munications	49,900	AT&T Corp.	2,668,285	2,769,450	0.7
	27,000	+Airtouch Communications, Inc.	2,577,998	2,713,500	0.7
	32,500	Bell Atlantic Corporation	1,896,531	1,779,375	0.4
	40,100	+MCI WorldCom Inc.	3,380,043	3,461,131	0.8
	24,300	SBC Communications Inc.	1,368,247	1,242,338	0.3
	30,800	Sprint Corp. (FON Group)	3,225,710	3,472,700	0.8
	29,200	+Sprint Corp. (PCS Group)	1,282,332	1,314,000	0.3

			16,399,146	16,752,494	4.0
US Government Agency Obligations	US\$8,000,000	Federal National Mortgage Association, 5.25% due 1/15/2009	7,499,600	7,432,480	1.8
US Government Obligations	US\$5,900,000	US Treasury Bonds: 11.625% due 11/15/2004	7,681,062	7,493,944	1.8
	US\$6,100,000	10.75% due 8/15/2005	7,855,656	7,651,657	1.8
	US\$7,300,000	11.75% due 11/15/2014	10,855,328	10,513,168	2.5
	US\$8,100,000	8% due 11/15/2021	10,190,187	9,940,239	2.3
		US Treasury Notes:			
	US\$4,750,000	5% due 2/28/2001	4,747,773	4,718,080	1.1
	US\$8,400,000	5% due 4/30/2001	8,349,469	8,340,948	2.0
			49,679,475	48,658,036	11.5
		Total Investments in the United States	186,604,842	179,673,501	42.5
		Total Investments in North America	191,297,988	184,214,382	43.6

</TABLE>

May 31, 1999 21 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held/ Face Amount	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
PACIFIC BASIN/ASIA					
Australia					
Banking	89,000	Colonial Limited	\$ 334,509	\$ 318,484	0.1%
	34,000	Commonwealth Bank of Australia	605,364	547,840	0.1
			939,873	866,324	0.2
Beverages & Tobacco	113,000	Foster's Brewing Group Limited	329,042	320,833	0.1
Business/ Public Services	11,000	Brambles Industries Limited	312,358	294,109	0.1
Electrical & Electronics	119,000	Telstra Corporation Limited	640,546	590,102	0.1
For- Government Obligations	A\$10,400,000	Australian Government Bonds, 7.50% due 9/15/2009	7,965,084	7,553,990	1.8
Merchan- dising	44,000	Coles Myer Limited	233,900	230,653	0.1
Metals/ Non-Ferrous	31,000	Rio Tinto Limited	531,817	436,024	0.1

Recreation & Other Consumer Goods	29,000	TABCORP Holdings Limited	232,406	202,239	0.0
Total Investments in Australia			11,185,026	10,494,274	2.5
Hong Kong					
Industrial Components	74,000	Hutchison Whampoa Limited	680,379	615,553	0.2
Transportation--Airlines	309,000	Cathay Pacific Airways	512,618	470,235	0.1
Utilities--Electric & Gas	418,000	Hong Kong and China Gas Company Ltd.	612,028	592,984	0.1
Total Investments in Hong Kong			1,805,025	1,678,772	0.4

</TABLE>

May 31, 1999 22 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
PACIFIC BASIN/ASIA (continued)					
<S>	<C>	<C>	<C>	<C>	<C>
Japan					
Appliances & Household Durables	13,000	Sony Corporation	\$ 1,208,630	\$ 1,223,529	0.3%
Automobiles	52,000	Toyota Motor Corporation	1,525,577	1,421,707	0.3
Banking	59,000	The Bank of Tokyo-Mitsubishi, Ltd.	889,959	791,881	0.2
	77,000	The Sumitomo Bank, Ltd.	1,076,843	933,314	0.2
			1,966,802	1,725,195	0.4
Beverages & Tobacco	73	Japan Tobacco, Inc.	764,784	731,814	0.2
Chemicals	157,000	Asahi Chemical Industry Co., Ltd.	954,720	853,289	0.2
Data Processing & Reproduction	81,000	Fujitsu Limited	1,391,219	1,355,592	0.3
Electrical & Electronics	80	NTT Data Corporation	624,835	532,891	0.1
Electronic Components/ Instruments	19,000	Murata Manufacturing Co., Ltd.	1,114,025	1,049,959	0.3

Financial Services	80,000	The Nomura Securities Co., Ltd.	870,081	799,337	0.2
Food & Household Products	45,000	Kao Corporation	1,118,143	1,237,780	0.3
Health & Personal Care	29,000	Takeda Chemical Industries	1,303,838	1,290,224	0.3
Industrial Components	37,000	Bridgestone Corp.	988,604	971,748	0.2
Machinery & Engineering	31,000	Komori Corporation	563,229	530,365	0.1
	247,000	Sumitomo Heavy Industries, Ltd.	595,398	572,991	0.2
			1,158,627	1,103,356	0.3

</TABLE>

May 31, 1999 23 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

<TABLE>  
<CAPTION>

Industries	Shares Held	Investments	In US Dollars		
			Cost	Value (Note 1a)	Percent of Net Assets
PACIFIC BASIN/ASIA (concluded)					
<S> <C> <C> <C> <C> <C>					
Japan (concluded)					
Merchandising	18,000	Tokyo Electron Limited	\$ 1,008,491	\$ 994,698	0.2%
Metals--Steel	441,000	Nippon Steel Corporation	1,030,465	928,036	0.2
Real Estate	96,000	Mitsubishi Estate Company, Limited	1,002,907	914,664	0.2
Telecommunications	21	NTT Mobile Communication Network, Inc.	1,246,606	1,150,041	0.3
	176	Nippon Telegraph & Telephone Corporation (NTT)	1,903,589	1,720,630	0.4
			3,150,195	2,870,671	0.7
Textiles & Apparel	197,000	Toray Industries, Inc.	987,865	958,070	0.2
	9,300	World Co., Ltd.	531,143	564,780	0.2
			1,519,008	1,522,850	0.4
Utilities--Electric & Gas	35,000	Tokyo Electric Power	764,908	764,085	0.2
		Total Investments in Japan	23,465,859	22,291,425	5.3
Singapore					
Broadcasting & Publishing	28,000	Singapore Press Holdings Ltd.	406,033	383,184	0.1

Transportation--Airlines	29,000	Singapore Airlines Ltd. 'Foreign'	275,284	258,974	0.0
		Total Investments in Singapore	681,317	642,158	0.1
		Total Investments in the Pacific Basin/Asia	37,137,227	35,106,629	8.3

</TABLE>

May 31, 1999 24 Mercury Global Balanced Fund

SCHEDULE OF INVESTMENTS (CONCLUDED)

<TABLE>  
<CAPTION>

		In US Dollars			
	Face Amount	Short-Term Securities	Cost	Value (Note 1a)	Percent of Net Assets
<S>	<C>	<C>	<C>	<C>	<C>
Commercial Paper*	US\$10,000,000	General Electric Capital Corp., 4.93% due 6/01/1999	\$ 9,995,892	\$ 9,995,892	2.4%
	9,721,000	General Motors Acceptance Corp., 4.94% due 6/01/1999	9,716,998	9,716,998	2.3
		Total Investments in Commercial Paper	19,712,890	19,712,890	4.7
US Government Obligations*	4,243,000	US Treasury Bills: 4.37% due 6/10/1999	4,236,798	4,236,798	1.0
	1,920,000	4.41% due 6/24/1999	1,912,866	1,912,866	0.4
	1,260,000	4.255% due 7/01/1999	1,255,085	1,255,085	0.3
		Total Investments in US Government Obligations	7,404,749	7,404,749	1.7
		Total Investments in Short-Term Securities	27,117,639	27,117,639	6.4
		Total Investments	\$429,595,018	412,564,190	97.6
		Unrealized Appreciation on Forward Foreign Exchange Contracts**		2,012,835	0.5
		Other Assets Less Liabilities		8,253,520	1.9
		Net Assets		\$422,830,545	100.0%

</TABLE>

- (a) The rights may be exercised until 6/07/1999.  
(b) As of May 31, 1999, the coupon rate has not been determined.  
+ Non-income producing security.  
\* Commercial Paper and certain US Government Obligations are traded on a discount basis; the interest rates shown reflect the discount rates paid at the time of purchase by the Portfolio.  
\*\* Forward foreign exchange contracts as of May 31, 1999 were as follows:

Foreign Currency Purchased	Expiration Date	Unrealized Depreciation (Note 1b)
(euro) 848,000	July 1999	\$ (18,075)
(US\$ Commitment--\$907,614)		\$ (18,075)

Foreign Currency Sold	Expiration Date	Unrealized Appreciation (Note 1b)
A\$ 11,960,000	July 1999	\$ 63,029
C\$ 6,950,000	July 1999	53,606
Dkr 55,900,000	July 1999	163,309
(euro) 67,650,000	July 1999	1,553,582
(pound) 7,350,000	July 1999	197,384
(US\$ Commitment--\$105,196,684)		\$2,030,910

Total Unrealized Appreciation on  
Forward Foreign Exchange  
Contracts--Net \$2,012,835

See Notes to Financial Statements.

May 31, 1999 25 Mercury Global Balanced Fund

STATEMENT OF ASSETS  
AND LIABILITIES

As of May 31, 1999

<TABLE>  
<CAPTION>  
MERCURY MASTER GLOBAL BALANCED PORTFOLIO

<S>	<C>	<C>
Assets:		
Investments, at value (identified cost--\$429,595,018) (Note 1a)		\$412,564,190
Unrealized appreciation on forward foreign exchange contracts (Note 1b)		2,012,835
Foreign cash (Note 1c)		2,157,587
Receivables:		
Securities sold	\$ 5,555,537	
Interest	3,111,580	
Contributions	2,251,647	
Dividends	513,033	11,431,797
Prepaid expenses and other assets		10,007
Total assets		428,176,416
Liabilities:		
Payables:		
Securities purchased	4,831,043	
Withdrawals	303,167	
Investment adviser (Note 2)	192,084	5,326,294
Accrued expenses and other liabilities		19,577
Total liabilities		5,345,871



Net Assets:

Net assets	\$422,830,545
------------	---------------

Net Assets Consist of:

Partners' capital	\$437,881,119
Unrealized depreciation on investments and foreign currency transactions--net	(15,050,574)
Net assets	\$422,830,545

</TABLE>

See Notes to Financial Statements.

May 31, 1999 26 Mercury Global Balanced Fund

STATEMENT OF OPERATIONS

For the Period April 30, 1999+ to May 31, 1999

<TABLE>

<CAPTION>

MERCURY MASTER GLOBAL BALANCED PORTFOLIO

Investment Income (Notes 1d & 1e):

<S>	<C>	<C>
Interest and discount earned		\$ 1,023,914
Dividends (net of \$75,330 foreign withholding tax)		568,524
Total income		1,592,438

Expenses:

Investment advisory fees (Note 2)	\$ 198,774	
Custodian fees	18,916	
Accounting services (Note 2)	6,878	
Trustees' fees and expenses	3,013	
Pricing fees	946	
Organization expenses	796	
Other	1,351	
Total expenses		230,674
Investment income--net		1,361,764

Realized & Unrealized Gain (Loss) on Investments & Foreign Currency Transactions--Net (Notes 1b, 1c, 1e & 3):

Realized loss from:		
Investments--net	(1,202,719)	
Foreign currency transactions--net	(866,834)	(2,069,553)
Unrealized appreciation/depreciation on:		
Investments--net	(17,030,828)	
Foreign currency transactions--net	1,980,254	(15,050,574)

Net realized and unrealized loss on investments and foreign currency transactions	(17,120,127)
Net Decrease in Net Assets Resulting from Operations	\$ (15,758,363)

</TABLE>

+ Commencement of operations.

See Notes to Financial Statements.

May 31, 1999 27 Mercury Global Balanced Fund

STATEMENT OF CHANGES  
IN NET ASSETS

For the Period April 30, 1999+ to May 31, 1999

<TABLE>

<CAPTION>

MERCURY MASTER GLOBAL BALANCED PORTFOLIO

Increase (Decrease) in Net Assets

<S>	<C>
Operations:	
Investment income--net	\$ 1,361,764
Realized loss on investments and foreign currency transactions--net	(2,069,553)
Unrealized depreciation on investments and foreign currency transactions--net	(15,050,574)
Net decrease in net assets resulting from operations	(15,758,363)

Net Capital Contributions:

Increase in net assets derived from net capital contributions	438,488,808
---	-------------

Net Assets:

Total increase in net assets	422,730,445
Beginning of period	100,100
End of period	\$ 422,830,545

</TABLE>

+ Commencement of operations.

See Notes to Financial Statements.

May 31, 1999 28 Mercury Global Balanced Fund

FINANCIAL HIGHLIGHTS

MERCURY MASTER GLOBAL BALANCED PORTFOLIO

The following ratios have been derived from information provided in the  
financial statements.

For the Period  
April 30, 1999+

-----  
Ratios to Average Net Assets:

Expenses	.70%*
	=====
Investment income--net	4.11%*
	=====

-----  
Supplemental Data:

Net assets, end of period (in thousands)	\$ 422,831
	=====
Portfolio turnover	12.82%
	=====

\* Annualized.

+ Commencement of operations.

See Notes to Financial Statements.

May 31, 1999 29 Mercury Global Balanced Fund

## NOTES TO FINANCIAL STATEMENTS

MERCURY MASTER GLOBAL BALANCED PORTFOLIO  
=====

## 1 Significant Accounting Policies:

Mercury Master Global Balanced Portfolio (the "Portfolio") is part of Mercury Asset Management Master Trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940 and is organized as a Delaware business trust. The Portfolio's financial statements are prepared in accordance with generally accepted accounting principles which may require the use of management accruals and estimates. These unaudited financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. All such adjustments are of a normal recurring nature. The following is a summary of significant accounting policies followed by the Portfolio.

(a) Valuation of investments--Portfolio securities that are traded on stock exchanges are valued at the last sale price as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions and the last available ask price for short positions. Securities traded in the over-the-counter market are valued at the last available bid price prior to the time of valuation. Securities traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market. Short positions in securities traded in the over-the-counter market are valued at the last available ask price prior to the time of valuation. Options written or purchased are valued at the last sale price in the case of exchange-traded options. In the case of options traded in the over-the-counter market, valuation is the last asked price (options written) or the last bid price (options purchased). Short-term securities are valued at amortized cost, which approximates market value. Other investments, including futures contracts and related options, are stated at market value. Securities and assets for which market quotations are not readily available are valued at fair market value, as determined in good faith by or under the direction of the Trust's Board of Trustees.

(b) Derivative financial instruments--The Portfolio may engage in various portfolio investment strategies to seek to increase its return by hedging its holdings against adverse movements in the equity, debt and currency markets. Losses may arise due to changes in the value of the contract or

if the counterparty does not perform under the contract.

o Financial futures contracts--The Portfolio may purchase or sell financial futures contracts and options on such futures contracts for the purpose of hedging the market risk on existing securities or the intended purchase of securities. Upon entering into a

May 31, 1999 30 Mercury Global Balanced Fund

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

contract, the Portfolio deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Portfolio agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Portfolio as unrealized gains or losses. When the contract is closed, the Portfolio records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

o Options--The Portfolio is authorized to purchase and write call and put options. When the Portfolio writes an option, an amount equal to the premium received by the Portfolio is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked to market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Portfolio enters into a closing transaction), the Portfolio realizes a gain or loss on the option to the extent of the premiums received or paid (or a gain or loss to the extent that the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

o Forward foreign exchange contracts--The Portfolio is authorized to enter into forward foreign exchange contracts as a hedge against either specific transactions or portfolio positions. Such contracts are not entered on the Portfolios' records. However, the effect on operations is recorded from the date the Portfolio enters into such contracts.

o Foreign currency options and futures--The Portfolio may also purchase or sell listed or over-the-counter foreign currency options, foreign currency futures and related options on foreign currency futures as a short or long hedge against possible variations in foreign exchange rates. Such transactions may be effected with respect to hedges on non-US dollar-denominated securities owned by the Portfolio, sold by the Portfolio but not yet delivered, or committed or anticipated to be purchased by the Portfolio.

(c) Foreign currency transactions--Transactions denominated in foreign currencies are recorded at the exchange rate prevailing when recognized. Assets and liabilities denominated in foreign currencies are valued at the exchange rate at the end of the period. Foreign currency transactions are the result of settling (realized) or valuing (unrealized) assets or liabilities expressed in foreign currencies into US dollars. Realized and unrealized gains or losses from investments include the effects of foreign exchange rates on investments.

May 31, 1999 31 Mercury Global Balanced Fund

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

(d) Income taxes--The Portfolio is classified as a partnership for Federal

income tax purposes. As a partnership for Federal income tax purposes, the Portfolio will not incur Federal income tax liability. Items of partnership income, gain, loss and deduction will pass through to investors as partners in the Portfolio. Therefore, no Federal income tax provision is required. Under the applicable foreign tax law, withholding taxes may be imposed on interest, dividends, and capital gains at various rates.

(e) Security transactions and investment income--Security transactions are accounted for on the date the securities are purchased or sold (the trade dates). Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Portfolio has determined the ex-dividend date. Interest income (including amortization of discount) is recognized on the accrual basis. Realized gains and losses on security transactions are determined on the identified cost basis.

2 Investment Advisory Agreement and Transactions with Affiliates:

The Trust has entered into an Investment Advisory Agreement with Mercury Asset Management International Ltd. ("Mercury International"), an affiliate of Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

Mercury International is responsible for the management of the Funds' investments and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Portfolio. For such services, the Portfolio pays a monthly fee at an annual rate of 0.60% of the average daily value of the Portfolio's net assets. The Trust has entered into a Sub-Advisory Agreement with FAM with respect to the Portfolio, pursuant to which FAM provides investment advisory services with respect to the Portfolio's daily cash assets. Mercury International has agreed to pay FAM a fee in an amount to be determined from time to time by both parties but in no event in excess of the amount that Mercury International actually receives for providing services to the Trust pursuant to the Investment Advisory Agreement.

May 31, 1999 32 Mercury Global Balanced Fund

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

Accounting services are provided to the Portfolio by FAM at cost.

Certain officers and/or trustees of the Trust are officers and/or directors of Mercury Asset Management Funds, Inc., Mercury International, FAM, PSI, and/or ML & Co.

3 Investments:

Purchases and sales of investments, excluding short-term securities, for the period April 30, 1999 to May 31, 1999 were \$428,408,215 and \$24,703,913, respectively.

Net realized gains (losses) for the period April 30, 1999 to May 31, 1999 and net unrealized gains (losses) as of May 31, 1999 were as follows:

	Realized Gains (Losses)	Unrealized Gains (Losses)
Investments:		
Long-term	\$ (1,203,026)	\$ (17,030,828)
Short-term	307	--
Total investments	(1,202,719)	(17,030,828)

Currency transactions:

Forward foreign exchange contracts	--	2,012,835
Foreign currency transactions	(866,834)	(32,581)
	-----	-----
Total currency transactions	(866,834)	1,980,254
	-----	-----
Total	\$ (2,069,553)	\$ (15,050,574)
	=====	=====

-----

As of May 31, 1999, net unrealized depreciation for Federal income tax purposes aggregated \$17,030,828, of which \$2,486,510 related to appreciated securities and \$19,517,338 related to depreciated securities. At May 31, 1999, the aggregate cost of investments for Federal income tax purposes was \$429,595,018.

4 Commitments:

At May 31, 1999, the Portfolio had entered into foreign exchange contracts, in addition to the contracts listed in the Schedule of Investments, under which it had agreed to purchase various foreign currencies with approximate value of \$388,000.

May 31, 1999 33 Mercury Global Balanced Fund

PORTFOLIO INFORMATION

WORLDWIDE INVESTMENTS AS OF MAY 31, 1999

=====

Ten Largest Equity Holdings	Percent of Net Assets
-----	-----
Microsoft Corporation	1.6%
-----	-----
General Electric Company	1.4
-----	-----
Mobil Corporation	1.0
-----	-----
Wal-Mart Stores, Inc.	1.0
-----	-----
United Technologies Corporation	1.0
-----	-----
Walgreen Co.	0.9
-----	-----
Exxon Corporation	0.9
-----	-----
American International Group, Inc.	0.8
-----	-----
Nokia Oyj	0.8
-----	-----
Sprint Corp. (FON Group)	0.8
-----	-----

Ten Largest Fixed-Income Holdings	Percent of Net Assets
-----	-----
United Kingdom Gilt, 7.75% due 9/08/2006	2.7%
-----	-----
Bundesobligation, 5% due 8/20/2001	2.7
-----	-----
French Btan, 4.50% due 7/12/2002	2.7
-----	-----
Bundesrepublik Deutschland, 6.75% due 7/15/2004	2.7
-----	-----
Bundesrepublik Deutschland, 6.875% due 5/12/2005	2.6
-----	-----

US Treasury Bonds, 11.75% due 11/15/2014	2.5
US Treasury Bonds, 8% due 11/15/2021	2.3
US Treasury Notes, 5% due 4/30/2001	2.0
French OAT, 5.25% due 4/25/2008	1.8
US Treasury Bonds, 10.75% due 8/15/2005	1.8

Ten Largest Industries (Equity Investments)	Percent of Net Assets
Telecommunications	7.3%
Banking	5.6
Health & Personal Care	5.3
Merchandising	4.8
Energy Sources	3.9
Electrical & Electronics	3.5
Insurance	2.9
Electronic Components/Instruments	2.5
Business & Public Services	2.4
Data Processing & Reproduction	2.3

May 31, 1999 34 Mercury Global Balanced Fund

OFFICERS AND DIRECTORS

Jeffrey M. Peek, Director and President  
David O. Beim, Director  
James T. Flynn, Director  
W. Carl Kester, Director  
Karen P. Robards, Director  
Terry K. Glenn, Director and  
Executive Vice President  
Peter John Gibbs, Senior Vice President  
Donald C. Burke, Vice President  
and Treasurer  
Robert E. Putney, III, Secretary

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May 31, 1999 35 Mercury Global Balanced Fund

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Fund unless accompanied or preceded by the Fund's current prospectus. Past performance results shown in this report should not be considered a representation of future performance. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are as dated and are subject to change.

The Fund seeks long-term capital growth and current income. The Fund will seek to achieve its objective by investing all of its assets in Mercury Master Global Balanced Portfolio of Mercury Asset Management Master Trust, which has the same investment objective as the Fund. The Portfolio is managed in two segments, an equity segment and a bond segment. The Portfolio invests in a mix of stocks and high-quality bonds of issuers located in the United States and other developed countries. The Portfolio's neutral position consists of approximately 60% invested in stocks and 40% in bonds, although the Portfolio may vary each of these percentages up to 15% in either direction based on current economic and market conditions. The Fund's investment experience will correspond to the investment experience of the Portfolio.

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Mercury Asset Management Funds, Inc.  
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