

SECURITIES AND EXCHANGE COMMISSION

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MORGAN
GRENFELL
INVESTMENT
TRUST

ANNUAL
REPORT

OCTOBER 31, 1996

Dear Fellow Shareholder:

On behalf of the Board of Trustees of the Morgan Grenfell Investment Trust, I would like to express our appreciation for your continued support of our mutual funds. Our goal, as always, remains to provide a broad range of funds, each with specialist management teams delivering strong investment results.

The performance for each of our funds for the twelve month period ended October 31, 1996 is described in the pages that follow. This period represented dramatic appreciation in the U.S. markets, with growth also experienced in the international markets. Our domestic and international funds performed well during this period, generally adding value to their relative benchmarks.

This period also saw the addition of another fund to our selection of funds -- the European Equity Fund, which commenced operations on September 3, 1996. Since this Fund has been in operation for less than six months, a further discussion in the Management Discussion and Analysis will be forthcoming in the Trust's Semi-Annual review in April 1997.

As of October 31, 1996, total assets amounted to more than \$1.5 billion for the thirteen funds now available. We continue to search for ways to further enhance our shareholders' value by offering new funds to provide greater flexibility and diversification. Again, thank you for your support and trust.

Sincerely,

/S/ SIGNATURE

James E. Minnick
President,
Morgan Grenfell Investment Trust

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

MUNICIPAL BOND FUND

Since the Morgan Grenfell Municipal Bond Fund's inception in December 1991, we have sought to provide shareholders with a high level of current tax exempt income without investing exclusively in long term bonds in order to obtain this high level of income. We have focused on purchasing issues with intermediate maturities and early retirement features, such as sinking funds and prepayment bond calls. Credit quality is restricted to investment grade equivalent securities and approximately 40% of the portfolio has the highest quality rating of AAA.

Interest rates rose slightly during the fiscal year ended October 31, 1996, as evidenced by the modest rise in the yield on the five year AAA General Obligation from 4.43% to 4.60%. Nonetheless, the Fund's net asset value rose from \$10.86 to \$10.99 during this period. Adding this increase in principal value to the income received, a total return of 6.90% was generated by the Fund for the period. For comparison, the Lehman Brothers Seven Year General Obligations Index posted a return of 4.75% over the same time period.

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MUNICIPAL BOND FUND

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AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized 3 Year Return	Annualized Inception to Date
Municipal Bond Fund	6.90%	5.79%	8.93%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL MUNICIPAL BOND FUND, VERSUS THE LEHMAN BROTHERS 7-YEAR G.O. INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Municipal Bond Fund from December 31, 1991 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Lehman Brothers 7 Year General Obligation Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Municipal Bond Fund	Growth of \$250,000 Invested in the Lehman Brothers 7 Year G.O. Index
12/31/91	\$250,000	\$250,000
10/31/92	\$271,838	\$263,748
10/31/93	\$311,771	\$295,108
10/31/94	\$311,366	\$289,146
10/31/95	\$345,305	\$325,839
10/31/96	\$369,131	\$341,316

*COMMENCED OPERATIONS ON DECEMBER 13, 1991. PERFORMANCE BEGINS ON DECEMBER 31, 1991 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

FIXED INCOME FUND

Since the Morgan Grenfell Fixed Income Fund's inception in September 1992, we have sought to provide shareholders with a high level of current income consistent with reasonable safety of principal. U.S. Treasury, corporate, mortgage-backed, taxable municipal and tax exempt municipal bonds are all analyzed for possible inclusion in the portfolio. Relative value assessments are based on relating creditworthiness and cash flow structure to price. Industry and sector weightings are subordinated to the evaluation of individual bonds.

For the fiscal year ended October 31, 1996, the Fixed Income Fund provided a total return of 6.27%. For comparison, the Lehman Brothers Aggregate Bond Index posted a return of 5.83%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

over the same period. During this period, interest rates rose modestly as the U.S. economy grew more quickly following a period of slow growth. Yields of Five-Year U.S. Treasury Notes rose from 5.8% to 6.1%, causing bond prices to decline.

The credit quality of the portfolio was strong with 64% of the portfolio rated AAA. We continue to exercise caution in the corporate and mortgage-backed sectors, being concerned about a lack of supply causing the yield spreads over U.S. Treasury bonds to be too narrow.

FIXED INCOME FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized 3 Year Return	Annualized Inception to Date
Fixed Income Fund	6.27%	5.85%	8.29%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL FIXED INCOME FUND, VERSUS THE LEHMAN BROTHERS AGGREGATE BOND INDEX.

FIXED INCOME FUND

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Fixed Income Fund from September 30, 1992 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Lehman Brothers Aggregate Bond Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Fixed Income Fund	Growth of \$250,000 Invested in Lehman Brothers Aggregate Bond Index
9/30/92	\$250,000	\$250,000
10/31/92	\$247,600	\$246,675
10/31/93	\$290,385	\$275,955
10/31/94	\$282,922	\$265,828
10/31/95	\$324,031	\$307,430
10/31/96	\$344,348	\$325,353

*COMMENCED OPERATIONS ON SEPTEMBER 18, 1992. PERFORMANCE BEGINS ON SEPTEMBER 30, 1992 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

SHORT-TERM MUNICIPAL BOND FUND

The Morgan Grenfell Short-Term Municipal Bond Fund commenced operations on March 6, 1995. Since that time, we have acquired a diversified portfolio of short-term municipal bonds with a very short duration. For the fiscal year ended October 31, 1996, the Fund generated a total return of 5.90%. This compares favorably with the IBC/Donoghue Total Tax-Free Average's return of 3.05% for the same period. The Fund's return has been achieved by investing in bonds providing a high level of tax-free income, with limited price volatility due to their short maturities.

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SHORT-TERM MUNICIPAL BOND FUND
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AVERAGE ANNUAL TOTAL RETURN
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                1 Year      Annualized
                Return      Inception to Date
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Short-Term Municipal Bond Fund    5.90%          6.24%
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COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL SHORT-TERM MUNICIPAL BOND FUND, VERSUS THE IBC/DONOGHUE TOTAL TAX-FREE AVERAGE.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Short-Term Municipal Bond Fund from March 31, 1995 through October 31, 1996 as compared with the growth of a \$250,000 investment in the IBC/Donoghue Total Tax-Free Average. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Short-Term Municipal Bond Fund	Growth of \$250,000 Invested in IBC/Donoghue Total Tax-Free Average
3/31/95	\$250,000	\$250,000
10/31/95	\$259,083	\$254,967
10/31/96	\$274,369	\$262,743

*COMMENCED OPERATIONS ON MARCH 6, 1995. PERFORMANCE BEGINS ON MARCH 31, 1995 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

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SHORT-TERM FIXED INCOME FUND

The Morgan Grenfell Short-Term Fixed Income Fund commenced operations on March 13, 1995. In the brief period the Fund has been publicly offering its shares, we have been purchasing short-term investment grade securities. For the

fiscal year ended October 31, 1996, the Fund generated a total return of 6.09%. This compares with the Merrill Lynch 182-Day Treasury Bill Index's return of 5.50% for the same period. The Fund's return has been achieved by investing in short-term bonds providing a high level of income, with limited price volatility due to their short maturities.

SHORT-TERM FIXED INCOME FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
Short-Term Fixed Income Fund	6.09%	6.09%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL SHORT-TERM FIXED INCOME FUND, VERSUS THE MERRILL LYNCH 182-DAY TREASURY BILL INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Short-Term Fixed Income Fund from March 31, 1995 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Merrill Lynch 182-Day Treasury Bill Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Short-Term Fixed Income Fund	Growth of \$250,000 Invested in Merrill Lynch 182-Day Treasury Bill Index
3/31/95	\$250,000	\$250,000
10/31/95	\$258,882	\$259,062
10/31/96	\$274,648	\$273,311

*COMMENCED OPERATIONS ON MARCH 13, 1995. PERFORMANCE BEGINS ON MARCH 31, 1995 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

SMALLER COMPANIES FUND

The Morgan Grenfell Smaller Companies Fund commenced operations on June 30, 1995. For the fiscal year ended October 31, 1996, the Fund appreciated 24.58% versus the S&P 600 Small Cap Index which gained 20.44% over the same period.

Small-cap companies outperformed large-cap companies in the early part of the fiscal year. Through the remaining part of the fiscal year ended October 31, 1996, however, small-cap stocks underperformed large-cap stocks, and the S&P Small Cap 600 Index gained 20.44% versus the S&P 500 Index which gained 24.10%. For the last three years, small-cap companies have underperformed large-cap companies. We continue to strongly believe that small-cap stocks remain attractive relative to large-cap stocks.

As of October 31, 1996, the Fund had assets of \$4.1 million. The Advisor's SmallCap management team currently has total assets under management in both the MicroCap and SmallCap sectors in excess of \$670 million. The investment objective of the Fund is to maximize capital appreciation by investing in equity securities of small capitalization companies domiciled primarily in the United States. Small companies are defined as those companies ranked according to market capitalization in the bottom 20 percent of the Wilshire 5000 Index. This encompasses approximately 6,000 companies with market values ranging from \$10 million to \$1.8 billion.

The Fund utilizes a team approach with three co-portfolio managers researching the universe of U.S. small-cap equities for the best investment ideas. This process allows for expertise across all economic sectors thus providing diversification of investments and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

minimization of risk. Along with research and portfolio management capabilities, the team includes a specialized small company trading expert to optimize its execution strategy.

The structure of the U.S. economy, with its high level of entrepreneurial activity and venture capital backing, is expected to continue to provide

investors with many attractive investment opportunities as early stage private companies transition into public ownership.

The Fund's closing NAV on October 31, 1996 was \$13.10.

SMALLER COMPANIES FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
Smaller Companies Fund	24.58%	22.69%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL SMALLER COMPANIES FUND, VERSUS THE S&P 600 SMALL CAP INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Smaller Companies Fund from June 30, 1995 through October 31, 1996 as compared with the growth of a \$250,000 investment in the S&P 600 Small Cap Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Smaller Companies Fund	Growth of \$250,000 Invested in S&P 600 Small Cap Index
6/30/95	\$250,000	\$250,000
10/31/95	\$263,748	\$267,996
10/31/96	\$328,577	\$322,774

*COMMENCED OPERATIONS ON JUNE 30, 1995. PERFORMANCE BEGINS ON JUNE 30, 1995 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

INTERNATIONAL EQUITY FUND

The Morgan Grenfell International Equity Fund commenced operations on May 15, 1995. As of October 31, 1996, the Fund had assets of \$3.4 million. For the fiscal year then ended, the Fund provided a total return of 12.70% versus a 10.48% return for the MSCI EAFE Index, the Fund's benchmark.

The index suggests a year of solid if unspectacular progress, but closer inspection reveals spectacular performance differentials, even within geographic regions. The most notable negative performer has been the Japanese market where modest local gains have been negated by a steadily weakening Yen. Within the portfolio, Yen positions have been unhedged for much of the year. While there are signs that the Japanese economy is improving, domestic investors remain uncommitted despite extremely low short-term interest rates.

In other areas of the Far East, the Fund's returns have been strong, most notably in Hong Kong and Malaysia, buoyed in part by the sustained strength of U.S. capital markets, by continued growth and little expectation of political instability. Among the smaller markets, the Thai and Korean markets continue to suffer from internal economic woes. The resource driven markets of Australia (and Canada) have enjoyed strong runs. The Fund remains heavily overweight in the Pacific ex-Japan, with positions in Japan below the index weighting.

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In Continental Europe, peripheral markets have been strongest whereas the core markets of Germany and France have lagged, reflecting no real pick-up in business activity. In the UK, low inflation and strong growth tended to dominate over political concerns, and combined with a robust currency have provided dollar investors, such as the Fund, with a return of over 20%. Currency considerations and a looser monetary policy lead us to favor Continental Europe going forward.

The global economy in 1996 can be characterized by modest and arguably sustainable growth in an environment of low inflation. In that environment, the Fund will continue to focus on growth opportunities world-wide.

INTERNATIONAL EQUITY FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
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International Equity Fund	12.70%	15.46%
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COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL INTERNATIONAL EQUITY FUND, VERSUS THE MORGAN STANLEY EAFE INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell International Equity Fund from May 31, 1995 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Morgan Stanley EAFE Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell International Equity Fund	Growth of \$250,000 Invested in Morgan Stanley EAFE Index
5/31/95	\$250,000	\$250,000
10/31/95	\$271,599	\$248,971
10/31/96	\$306,092	\$275,063

*COMMENCED OPERATIONS ON MAY 15, 1995. PERFORMANCE BEGINS ON MAY 31, 1995 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

INTERNATIONAL SMALL CAP EQUITY FUND

The Morgan Grenfell International Small Cap Equity Fund commenced operations on January 3, 1994 and had assets of \$106.7 million as of October 31, 1996.

The investment objective of the Fund is to maximize capital appreciation by investing primarily in equity securities of small capitalization companies located in countries other than the United States. Small capitalization companies are defined as those issuers ranked according to market capitalization in the bottom 25% of the companies listed on a stock exchange, and any stock listed on a secondary market.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

For the fiscal year ended October 31, 1996, the Fund provided a total return of 6.43% versus a 10.85% return for the NatWest Markets Euro/Pacific Small Cap Index, the Fund's benchmark. Stock selection, country allocation and cash/liquidity management produced negative results compared to the benchmark, while currency management provided positive returns.

International small cap equities in general underperformed in the first two months of the fiscal year under review. In the first six months of 1996, however, sentiment improved and small cap stocks outperformed larger cap stocks by just over 5% (the Natwest Markets Euro/Pacific Small Cap Index rose 9.8% while the MSCI EAFE large cap index rose only 4.7%). Relative performance during this period was boosted by reductions in interest rates which increased expectations for growth, especially in Continental Europe, where economic performance has been weak. The Japanese economy was also expected to recover and this helped investment sentiment in relation to Japanese markets. Small capitalization stocks, which are highly sensitive to changes in expectations of economic growth rates, performed accordingly and there seemed to be signs that investors were reassessing the prospects for the asset class during this period.

In the last four months of the period, however, small cap stocks underperformed as worries over the future level of U.S. interest rates worried investors world-wide. Doubts over both the timing and the strength of recovery in Japan and, to a lesser extent, Continental Europe combined to impact negatively on small cap stocks in these two regions. Small cap stocks underperformed large cap stocks by 4.6% in this period, falling 5.2% in value.

For the fiscal year ended October 31, 1996, stock selection was strong for the Fund in the United Kingdom and the smaller Far Eastern markets but weak in Continental Europe and Japan. Our currency hedging strategy out of the Yen and into U.S. Dollars also contributed significantly to return as the Yen weakened over the period. We maintained a hedge on 30% of the Fund's Yen assets until February when the hedge was halved to 15% where it remained until the end of April. In May the hedge was removed since we took the view that the risks of further Yen weakness against the U.S. Dollar had diminished. This has proved not to be the case with some further Yen weakness since May (Yen/U.S. \$ rate has weakened from about 108 Yen at the end of May to 114 Yen at the end of October), causing weak local currency returns in that market.

INTERNATIONAL SMALL CAP
EQUITY FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
International Small Cap Equity Fund	6.43%	0.99%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN
GRENFELL INTERNATIONAL SMALL CAP EQUITY FUND, VERSUS THE NATWEST MARKETS
EURO/PACIFIC SMALL CAP INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell International Small Cap Equity Fund from January 31, 1994 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Natwest Markets Euro/Pacific Small Cap Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell International Small Cap Equity Fund	Growth of \$250,000 Invested in Natwest Markets Euro/Pacific Small Cap Index
1/31/94	\$250,000	\$250,000
10/31/94	\$248,781	\$268,522
10/31/95	\$232,188	\$246,368
10/31/96	\$247,117	\$273,149

*COMMENCED OPERATIONS ON JANUARY 3, 1994. PERFORMANCE BEGINS ON JANUARY 31, 1994 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

EUROPEAN SMALL CAP
EQUITY FUND

The Morgan Grenfell European Small Cap Equity Fund commenced operations on November 1, 1994 and had assets of \$9.9 million as of October 31, 1996.

The objective of the Fund is to maximize capital appreciation by investing primarily in equity securities of small capitalization companies located in Europe. Small capitalization companies are defined as those issuers, ranked according to market capitalization in the bottom 25% of the companies listed on a European stock exchange, or any stock listed on a secondary market.

For the fiscal year ended October 31, 1996, the Fund provided a total return of 10.06% versus a 15.98% return for the Natwest Markets European Small Cap Index, the Fund's benchmark.

The Fund's performance in the UK was very strong but weak in Continental Europe. Performance suffered, particularly in the last four months of the year as technology stocks, to which the Fund is heavily exposed, suffered from negative investor sentiment. Several stock-specific disappointments also impacted returns.

The last two months of 1995 were dull ones for small cap stocks but in the first half of 1996 there was some strong outperformance from small caps relative to their large cap counterparts as investors recognized their attractive relative growth rates and valuations. Relative performance was also boosted by reductions in interest rates which increased expectations for growth, especially in Continental Europe. Small capitalization stocks, which are highly sensitive to changes in expectations of economic growth rates, performed well against this background. During the first half of 1996, small cap stocks (Natwest Markets European Small Cap Index) outperformed large cap stocks (MSCI Europe Index) by 4.8%, rising by 11.4%.

In the four months since June, doubts over the future level of interest rates and economic growth in the U.S. reversed sentiment towards small cap stocks throughout Europe. In this later period, European small cap stocks underperformed large cap stocks by 4.6%, rising only 1.7%.

Given the positive economic outlook for 1997, we believe that the risk of investing in the small cap sector remains low. We believe that European small cap valuations are still very attractive, particularly in Continental Europe

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

where they trade at a 14% discount to largecap stocks. For 1997, we expect underlying earnings growth for small cap stocks to be 5% above large caps. In addition, we believe that the markets remain inefficient, especially in Continental Europe, with plenty of opportunities to purchase high growth companies where the growth rate is not fully reflected in the share price.

As of October 31, 1996, the Fund's closing NAV was \$12.54.

EUROPEAN SMALL CAP
EQUITY FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
European Small Cap Equity Fund	10.06%	12.85%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL EUROPEAN SMALL CAP EQUITY FUND, VERSUS THE NATWEST MARKETS EUROPEAN SMALL CAP INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell European Small Cap Equity Fund from November 30, 1994 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Natwest Markets European Small Cap Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell European Small Cap Equity Fund	Growth of \$250,000 Invested in Natwest Markets European Small Cap Index
11/30/94	\$250,000	\$250,000
10/31/95	\$296,258	\$275,368
10/31/96	\$326,061	\$319,372

*COMMENCED OPERATIONS ON NOVEMBER 1, 1994. PERFORMANCE BEGINS ON NOVEMBER 30, 1994 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

EMERGING MARKETS
EQUITY FUND

The Morgan Grenfell Emerging Markets Equity Fund commenced operations on February 2, 1994 and had assets of \$88.3 million as of October 31, 1996.

The investment objective of the Fund is to maximize capital appreciation by investing primarily in equity securities of issuers located in countries which have yet to reach the level of maturity associated with developed markets.

The twelve month period ended October 31, 1996 was somewhat disappointing for emerging markets, with the Morgan Stanley MSCI Emerging Markets Free Index returning 4.31%. The Fund in the same period returned 10.02%.

The volatility of individual emerging markets remained very high during the year. Within the Far Eastern region, for instance, Malaysian stocks returned 26.48%, while Thai stocks declined 29.45%. Generally, Asian returns were less than expected due to a downturn in the electronics cycle, a stronger U.S. dollar that adversely affected export competitiveness, and disappointing political developments in the Indian sub-continent.

In Latin America, there was a significant bounce back from very oversold levels as governments maintained their commitment to a tight monetary policy. The main markets of Brazil, Mexico and Argentina rose by 33.03%, 24.38% and 33.21%, respectively.

South Africa declined 8.27% over the period, and was badly affected by the devaluation of its currency. Emerging Europe generated mixed returns, with strength in some of the Central European markets, particularly Poland which returned 42.06%.

We believe that the outlook for the emerging equity markets remains strong, based on the higher economic growth rates that are being delivered. The Fund continues to be broadly diversified at the country level, and continues to add value mainly through successful stock selection.

The closing NAV of the Fund on October 31, 1996 was \$8.80.

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EMERGING MARKETS EQUITY FUND

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AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
Emerging Markets Equity Fund	10.02%	-1.62%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL EMERGING MARKETS EQUITY FUND, VERSUS THE MORGAN STANLEY MSCI EMERGING MARKETS FREE INDEX, AND THE ING BARINGS EMERGING MARKETS INDEX.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Emerging Markets Equity Fund from February 28, 1994 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Morgan Stanley MSCI Emerging Markets Free Index and the ING Barings Emerging Markets Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Emerging Markets Equity Fund	Growth of \$250,000 Invested in Morgan Stanley MSCI Emerging Markets Free Index	Growth of \$250,000 Invested in ING Barings Emerging Markets Index
2/28/94	\$250,000	\$250,000	\$250,000
10/31/94	\$275,274	\$262,694	\$277,024
10/31/95	\$217,467	\$207,922	\$216,162
10/31/96	\$239,257	\$216,884	\$243,399

*COMMENCED OPERATIONS ON FEBRUARY 2, 1994. PERFORMANCE BEGINS ON FEBRUARY 28, 1994 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

Effective November 1, 1995, the Fund changed its benchmark index from the ING Barings Emerging Markets Index to the Morgan Stanley MSCI Emerging Markets Free Index. The Fund made this change because the new benchmark reflects a broader range of emerging markets that is more reflective of the Fund's investment universe. For this reason, the Fund's management believes that the new benchmark is a more meaningful reference for shareholders.

GLOBAL FIXED INCOME FUND

The Morgan Grenfell Global Fixed Income Fund commenced operations on January 3, 1994 and had assets of \$149.9 million as of October 31, 1996. The investment objective of the Fund is to maximize total return, emphasizing current income while providing opportunities for capital growth consistent with reasonable risk. The Fund invests primarily in high grade debt obligations of the U.S. and foreign governments and their agencies, obligations of international and supranational entities, and high grade fixed income obligations of U.S. and foreign corporate issuers. The Fund uses currency hedging techniques as a means of protecting the U.S. dollar value of foreign assets.

For the fiscal year ended October 31, 1996, the Fund provided a total return of 6.60% versus a 5.38% return for the Salomon World Government Bond Index, (unhedged), the Fund's benchmark.

Global bond markets posted more moderate gains during the twelve month period ended October 31, 1996, following a very strong year for global markets in 1995. The overall returns were held back by the performance of the U.S. market, which disappointed because of the twin factors of nervousness over possible signs of inflationary economic growth and pre-election uncertainties. Outside the U.S., however, a general background of economic weakness and continued easy monetary policy enabled bond markets to post strong positive gains.

Through most of the period, the Fund has been significantly underweight the U.S. market, both because of possible downside risk related to the possibility of the Fed tightening and because of our perception of greater opportunity elsewhere, particularly in the higher yielding European markets. During 1996, yields

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

in Southern European and Scandinavian bond markets significantly converged with yields in the "core" markets of Germany and France. At the end of October, the Fund's overweight position in European markets continued to be focused in Italy, Spain, Sweden and Denmark, with an additional overweight position in the UK gilt market, the only high yielding European market not to have benefited so far from the convergence theme. The Fund has also taken a 9% weighting in Canada, in the expectation that the market will continue its strong performance on the back of the Bank of Canada's easy monetary policy and sustained currency strength.

Over the last twelve months, the U.S. dollar has risen against most major currencies, which has reduced the value of overseas bond holdings in dollar terms. However, throughout the period the Fund has had a hedging strategy such that the Fund had more dollar currency exposure than the benchmark, and was therefore less disadvantaged by the dollar's rise. This pro-dollar strategy was still in place on the Fund at fiscal year end.

The closing NAV of the Fund on October 31, 1996 was \$11.26.

GLOBAL FIXED INCOME FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
Global Fixed Income Fund	6.60%	6.54%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL GLOBAL FIXED INCOME FUND, VERSUS THE SALOMON WORLD GOVERNMENT BOND INDEX (UNHEDGED).

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Global Fixed Income Fund from January 31, 1994 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Salomon World Government Bond Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Global Fixed Income Fund	Growth of \$250,000 Invested in Salomon World Government Bond Index
1/31/94	\$250,000	\$250,000
10/31/94	\$244,334	\$256,622
10/31/95	\$278,247	\$295,629
10/31/96	\$296,612	\$311,534

*COMMENCED OPERATIONS ON JANUARY 3, 1994. PERFORMANCE BEGINS ON JANUARY 31, 1994 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

INTERNATIONAL
FIXED INCOME FUND

The Morgan Grenfell International Fixed Income Fund commenced operations on March 15, 1994 and had assets of \$21.2 million as of October 31, 1996.

The Fund's objective is identical to that of the Global Fixed Income Fund with the exception being that the International Fixed Income Fund does not invest in U.S. dollar denominated bonds as a means of achieving its objective. The Fund uses currency hedging techniques as a means of protecting the U.S. dollar value of its foreign assets.

The Fund returned 6.82% for the year ended October 31, 1996, compared with 5.47% for the Salomon World Government Bond Index, non-U.S. Unhedged.

Throughout the period, most overseas economies continued to exhibit signs of weak economic growth, and bond markets posted reasonable returns. With the exception of a period of caution in late summer in anticipation of the

resolution of domestic budgetary negotiations, the Fund followed a strategy of moving money from the core European markets of Germany and France into the higher yielding markets of Scandinavia and Southern Europe, where central banks have been cutting interest rates. The market's central scenario of European monetary union going ahead has led to a significant convergence of yield spreads across much of Europe. Exposure to the German market has been reduced from around 37% of portfolio value earlier in the year to 14% at the end of October, and the Fund has benefited from its holdings in more peripheral European markets. In the fourth quarter of 1996, the Fund started to build a significant position in the Canadian market, with an 11% holding at the end of October. The Bank of Canada has been cutting interest rates in response to tight fiscal policy, and, backed by a strong currency, we expect further outperformance by the Canadian market.

The Fund's investments have been made exclusively in foreign markets, therefore the rise in the dollar in the fiscal year reduced their value in dollar terms. Some of the Fund's international bond holdings were hedged back in to the U.S. dollar which protected their value and contributed to the underperformance of the unhedged index. At the end of the fiscal year, 13% of the Fund's holdings were hedged back to the U.S. dollar.

The closing NAV of the Fund on October 31, 1996 was \$11.30.

INTERNATIONAL FIXED INCOME FUND

AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
International Fixed Income Fund	6.82%	7.77%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL INTERNATIONAL FIXED INCOME FUND, VERSUS THE SALOMON WORLD GOVERNMENT BOND INDEX, NON-U.S., HEDGED AND UNHEDGED.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell International Fixed Income Fund from March 31, 1994 through October 31, 1996 as compared with the growth of a \$250,000 investment in the Salomon World Government Bond Index, Non-U.S. and the Salomon World Government Bond Index, Non-U.S., Hedged. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Fixed Income Fund	Growth of \$250,000 Invested in Salomon World Government Bond Index, Non-U.S.	Growth of \$250,000 Invested in Salomon World Government Bond Index, Non-U.S., Hedged
3/31/94	\$250,000	\$250,000	\$250,000
10/31/94	\$246,785	\$265,103	\$244,931
10/31/95	\$282,963	\$305,372	\$284,487
10/31/96	\$302,261	\$322,076	\$320,845

*COMMENCED OPERATIONS ON MARCH 15, 1994. PERFORMANCE BEGINS ON MARCH 31, 1994 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

Effective January 1, 1996, the Fund adopted the Salomon World Government Bond Index, non-U.S. Unhedged as its benchmark. Before this, the Fund had been managed against both the Hedged and Unhedged versions of the Salomon World Government Bond non-U.S. Index. Concentrating on the unhedged index enables shareholders to benefit most fully from the diversification benefits of overseas bonds, while the benchmark is the industry standard for many investment funds similar to the Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUND PERFORMANCE

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

EMERGING MARKETS
DEBT FUND

The Morgan Grenfell Emerging Markets Debt Fund commenced operations on August 4, 1994 and had assets of \$102.4 million as of October 31, 1996.

For the fiscal year ended October 31, 1996, the Fund provided a total

return of 38.42% versus a 44.49% return for the JP Morgan Emerging Market Bond Index Plus, the Fund's benchmark.

Despite continuing weakness in the U.S. Treasury market, emerging debt markets registered strong returns in 1996. Over the past six months, economic growth has continued to accelerate throughout Latin America, facilitating attempts at structural economic and social reform. The strongest Latin American market has been Venezuela, where attempts to float the currency and reduce the budget deficit have proved successful. The Fund remains overweight in Venezuelan assets. The Fund's largest underweight position in Latin America is in Mexico, where the positive news associated with the restructuring of debt obligations to international creditors has now been priced into Mexican Brady's.

Russian loans have been the best performing emerging debt market over the six month period ended October 31, 1996, benefiting from President Yeltsin's re-election and continuing economic reform along IMF guidelines. The Fund had a 5% position in Russian loans.

Over the next six months we expect to see emerging markets sovereign spreads contract as economic reform continues, growth strengthens and Brady countries pursue a policy of restructuring their outstanding debt obligations.

The closing NAV of the Fund on October 31, 1996 was \$13.36.

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EMERGING MARKETS DEBT FUND

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AVERAGE ANNUAL TOTAL RETURN

	1 Year Return	Annualized Inception to Date
Emerging Markets Debt Fund	38.42%	19.08%

COMPARISON OF CHANGE IN THE VALUE OF A \$250,000 INVESTMENT IN THE MORGAN GRENFELL EMERGING MARKETS DEBT FUND, VERSUS THE J.P. MORGAN EMERGING MARKETS BOND INDEX, AND THE J.P. MORGAN EMERGING MARKETS BOND INDEX PLUS.

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$250,000 in the Morgan Grenfell Emerging Markets Debt Fund from August 31, 1994 through October 31, 1996 as compared with the growth of a \$250,000 investment in the J.P. Morgan Emerging Markets Bond Index and in the J.P. Morgan Emerging Markets Bond Plus Index. The plot points used to draw the line graph were as follows:

Period Ended	Growth of \$250,000 Invested in Morgan Grenfell Emerging Markets Debt Fund	Growth of \$250,000 Invested in J.P. Morgan Emerging Markets Bond Index	Growth of \$250,000 Invested in J.P.Morgan Emerging Markets Bond Plus Index
8/31/94	\$250,000	\$250,000	\$250,000
10/31/94	\$249,510	\$245,306	\$249,581
10/31/95	\$261,611	\$264,955	\$268,225
10/31/96	\$362,122	\$370,645	\$387,558

*COMMENCED OPERATIONS ON AUGUST 4, 1994. PERFORMANCE BEGINS ON AUGUST 31, 1994 FOR COMPARATIVE DATA.

NOTE: PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT PREDICTIVE OF FUTURE PERFORMANCE. ACTUAL RETURN AND PRINCIPAL VALUE WILL FLUCTUATE, AND SHARES WHEN REDEEMED MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

Effective December 31, 1995, the Fund changed its benchmark index from the JP Morgan Markets Bond Index to the JP Morgan Emerging Markets Bond Index Plus. The Fund made this change because the new benchmark reflects more emerging market debt instruments (such as Brady bonds and non-performing loans) and includes more countries than the old benchmark. For these reasons, the Fund's management believes that the new benchmark is a more meaningful reference for shareholders.

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

MUNICIPAL BOND FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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MUNICIPAL BONDS -- 98.2%

ALABAMA -- 3.5%

Birmingham, Medical Clinic
Board, RB, ETM

8.300%, 07/01/08 \$ 317 \$ 358

Mobile, Certificate of Participation,			
Affordable Housing			
6.000%,	02/01/98	275	274
6.200%,	02/01/99	350	349
6.300%,	02/01/00	400	398
6.750%,	02/01/04	4,950	4,907
State Housing Finance Authority,			
Multi-Family Housing, Club			
Apartments, Series 1, RB			
5.650%,	06/01/08	2,500	2,522

8,808

ARKANSAS -- 3.2%

Drew County, Public Facilities			
Board, Single Family Mortgage,			
Series A-2, RB, FNMA			
7.900%,	08/01/11	415	446
Fayetteville, Public Facilities			
Board, Single Family			
Mortgage, RB			
7.250%,	04/01/11	1,335	1,484
Little Rock, Capital Improvement,			
Series 1995A, RB			
5.950%,	02/01/12	375	380
Lonoke County, Residential Housing,			
Single Family Mortgage,			
Series 1993 B, RB			
7.375%,	04/01/11	297	307
Mississippi County, Public Facilities			
Board, Mortgage, Series 1, RB			
7.200%,	07/15/10	1,000	1,103
North Little Rock, Residential			
Housing Facilities,			
Series 1991-1, RB			
0.00%,	12/01/10 (A)	7,765	3,116
Saline County, Residential			
Housing Facilities, Single			
Family Mortgage, RB			
7.875%,	03/01/11	865	922
State Housing Development			
Agency, RB, ETM			
8.375%,	07/01/10	60	72
Stuttgart, Public Facilities Board,			
Single Family Mortgage,			
Series B, RB			
7.750%,	09/01/11	292	306

8,136

DESCRIPTION	FACE AMOUNT	MARKET VALUE
	(000)	(000)

CALIFORNIA -- 5.5%

Los Angeles, Community			
Redevelopment Agency,			
Angelus Plaza Project,			
Series A, RB, FNMA			
7.400%,	06/15/10	\$1,000	\$ 1,095
Los Angeles, Community			
Redevelopment Agency,			
Monterey Hills Project B, RB			
8.650%,	12/01/22	330	368
Los Angeles, Multi-Family			
Housing, Earthquake			
Rehabilitation Projects,			
Series B, RB, FNMA, AMT			
5.850%,	12/01/07 (B)	4,650	4,726
Napa, Housing Facility, Napa Park			
Apartments, Series A, RB, GNMA			
3.049%,	06/20/00	472	478
Pleasant Hill, Multi-Family Housing,			
Ellinwood Apartments Project,			
Series A, RB, FNMA			
5.300%,	10/01/05 (B)	3,165	3,201
Santa Clara County, Housing			
Authority, RB, GNMA			
3.410%,	06/20/00	574	575
Vista, California Multi-Family			
Housing Authority, Pepperwood			
Apartment Project, Series 1995A,			
RB, FNMA			
5.700%,	06/01/05 (B)	3,255	3,332

13,775

COLORADO -- 1.9%

Boulder County, Boulder Community Hospital RB, ETM 7.000%, 07/01/09	35	38
Commerce City, Single Family Mortgage, Series A, RB 6.875%, 03/01/12	620	646
State Housing Finance Authority, AMT, RB 5.750%, 11/01/04	175	175
State Student Loan, Series C, AMT, RB 7.150%, 09/01/06	990	1,069
Vail, Single Family Mortgage, Series 1992 A, RB 8.125%, 06/01/10	470	493
Westminster, Multi-Family Housing, Semper Village Apartments, RB, AXA 5.950%, 09/01/06 (B)	2,225	2,289

		4,710

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

Delaware -- 2.0%		
New Castle County, Single Family Mortgage, RB 10.250%, 11/01/05	\$ 295	\$ 309
Seaford, Economic Development Authority, Seaford Association Project, RB 6.375%, 01/01/04	2,800	2,762
State Economic Development Authority, Wilmington Friends School Project, RB 6.300%, 07/01/00	50	51
6.300%, 07/01/01	55	56
6.300%, 07/01/02	60	61
6.300%, 07/01/03	60	61
6.300%, 07/01/04	65	66
6.300%, 07/01/05	70	72
6.300%, 07/01/06	75	76
6.300%, 07/01/07	80	81
6.300%, 07/01/08	85	86
6.300%, 07/01/09	90	91
6.300%, 07/01/10	95	97
6.300%, 07/01/11	100	101
6.300%, 07/01/12	110	111
6.300%, 07/01/13	115	116
State Housing Authority, Single Family Mortgage, RB 8.750%, 06/01/17	830	840

		5,037

FLORIDA -- 3.9%

Altamonte Springs, Health Facility Authority, RB, ETM 8.750%, 10/01/09	190	232
Dade County, Certificate of Participation, Government Leasing Corporation, Series B 8.500%, 04/01/07	45	44
Dade County, Certificate of Participation, Government Leasing Corporation, Series C 9.000%, 04/01/20	300	293
Dunedin, Health Facility Authority, Mease Hospital Incorporated, RB, ETM 7.600%, 10/01/08	380	423
Fernando Apartments, Elderly Housing, Section 8 Assistance, RB 9.750%, 10/01/11	767	815

Miami Beach, Housing Authority,
 Elderly Housing,
 Section 8 1995, RB
 6.625%, 01/15/09 1,200 1,247

 DESCRIPTION FACE AMOUNT MARKET VALUE
 (000) (000)

Miramar, Water Improvement
 Assessment, RB, FGIC
 5.125%, 10/01/20 \$5,675 \$ 5,661
 Orange County, Housing Finance
 Authority, Series B , AMT, RB, GNMA
 8.100%, 11/01/21 950 1,015

 9,730

GEORGIA -- 3.8%

Atlanta, Housing Development
 Corporation, Bedford Tower
 Section 8-A, RB, HUD, FHA
 6.350%, 01/01/23 1,295 1,321
 Augusta, Housing Rehabilitation
 Agency, Bon Air Project,
 Series C, RB
 7.000%, 09/01/05 1,000 1,076
 Dekalb County, Housing Authority,
 Macon Apartments, RB
 6.400%, 05/01/05 785 805
 Fulton County, Housing Authority,
 Single Family Mortgage, RB,
 GNMA, AMT
 6.200%, 03/01/13 2,180 2,224
 Marietta, Housing Authority,
 Multi-Family, Ridge Pointe
 Apartments, Series A, RB, FNMA
 5.700%, 06/01/05 (B) 1,475 1,516
 Marietta, Housing Authority,
 Multi-Family, Series A, RB, New
 England Mutual Life Guaranty
 6.000%, 06/01/01 (B) 1,000 1,024
 Saint Mary's, Housing Authority,
 Multi-Family, Cumberland Oaks
 Apartments, Series A, RB FNMA
 7.250%, 09/01/05 650 687
 Saint Mary's, Housing Authority,
 Multi-Family, Pines Apartments,
 Series C, RB, FNMA
 7.250%, 10/01/05 285 300
 State Residential Finance Housing,
 Series A, RB, AMT
 6.750%, 06/01/16 640 654

 9,607

HAWAII -- 0.2%

Honolulu, Housing Authority,
 Multi-Family, Waipahu Towers
 Project, Series A, RB, GNMA, AMT
 6.900%, 06/20/05 395 412

IDAHO -- 0.4%

State Housing Agency, Single Family
 Mortgage, Series F, RB, AMT
 5.800%, 07/01/07 1,000 1,016

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STATEMENT OF NET ASSETS

 MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

DESCRIPTION FACE AMOUNT MARKET VALUE
 (000) (000)

ILLINOIS -- 12.3%

Alton, Hospital Facilities, Alton
 Memorial Hospital Project, RB, ETM
 7.000%, 07/01/05 \$ 405 \$ 433
 Bolingbrook, Hospital Authority,
 Hinsdale Sanitarium Hospital
 Project, RB, ETM
 7.250%, 08/01/08 1,035 1,133
 Bolingbrook, Mortgage, Capital

Appreciation Series 1, RB 0.000%, 01/01/11 (A)	9,670	3,590
City of Fairfield, Economic Development, Wayne County Center Project, RB 6.000%, 12/15/05	545	551
Des Plaines, Hospital Facilities, Holy Family Hospital Project, RB, ETM, FGIC 7.000%, 01/01/07	155	161
7.000%, 01/01/07	220	237
Des Plaines, Hospital Facilities, Holy Family Hospital Project, RB, ETM, MBIA 7.000%, 01/01/07	110	115
Development Finance Authority, Catholic Health, Series A, RB, Connie Lee Insured 5.150%, 02/15/06	1,010	996
Development Finance Authority, Debt Restructure, East Saint Louis, RB, Moral Obligation 6.050%, 11/15/99	325	332
6.875%, 11/15/05	875	923
Development Finance Authority, Fund For Child Care Facilities Project, Series A, RB 7.400%, 09/01/04	2,600	2,844
Development Finance Authority, Industrial Development, Orleans Place Project, Series A, RB, Asset Guaranty, AMT 5.000%, 11/01/00	3,800	3,767
Greater Peoria, Airport Authority, GO, AMBAC, AMT 6.500%, 12/01/05	100	108
6.700%, 12/01/07	250	270
6.600%, 12/01/06	575	621
Health Facilities Authority, Lutheran Social Services, RB 6.125%, 08/15/10	1,100	1,024
6.125%, 08/15/20	3,500	3,146
Health Facilities Authority, Mercy Health Center, RB, ETM 7.100%, 06/01/09	725	806
7.500%, 09/01/09	300	357

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

Health Facilities Authority, Mercy Hospital & Medical Center, RB, ETM 10.000%, 01/01/15	\$2,150	\$ 2,900
Health Facilities Authority, Sydney R. Forkosh Memorial Hospital, Pre-refunded @ 100, RB 7.000%, 07/01/02 (E)	195	209
Quincy, Single Family Mortgage, RB 6.875%, 03/01/10	695	724
Rockford-Concord Commons, Housing Finance Authority, Series A, RB, FHA 5.550%, 11/01/06	595	604
6.150%, 11/01/22	1,845	1,845
Village of Buffalo Grove, Economic Development Project, Country Line Partners, RB 5.450%, 08/15/02	1,665	1,671
Village of Graylake, Multi-Family Housing, Country Squire Village Apartments, Series A, RB, FHA 6.000%, 06/01/05	1,365	1,394
Western Illinois University, RB, ETM 7.400%, 04/01/09	125	137

		30,898

INDIANA -- 1.5%		
Indianapolis, Economic Development, Knob in the Woods Project, RB, FNMA, AMT 6.375%, 10/01/04 (B)	3,500	3,728

IOWA -- 0.8%		
Davenport, Home Ownership		

Mortgages, Series 1994 RB		
4.000%, 03/01/03	295	291
Davenport, Hospital Facility, RB, ETM		
7.200%, 07/01/09	100	110
State Finance Authority, Small		
Business Development, Terrance		
Center Association, L.P. Project,		
RB, Guaranty Agreement with		
Central Life Assurance Company		
7.500%, 03/01/22	1,550	1,721

2,122

KANSAS -- 0.6%

Johnson County, Single Family		
Mortgage, RB		
5.625%, 05/01/02	30	31
Labette and Cowley Counties,		
Single Family Mortgage,		
Series A, RB		
9.500%, 04/01/13	135	144

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Reno County, Single Family		
Mortgage Revenue Refunding		
Bond, Series B		
8.700%, 09/01/11	\$ 405	\$ 434
Saline County, Single Family		
Mortgage, Series A, RB		
9.500%, 10/01/11	290	307
Wichita, Hospital, RB, ETM		
7.000%, 03/01/06	325	348
Wichita, Single Family Mortgage,		
Series A, RB		
7.100%, 09/01/09	330	345

1,609

KENTUCKY -- 1.0%

Greater Kentucky Housing		
Assistance Corporation, Section 8		
Assisted, Project A, RB, MBIA, FHA		
7.625%, 01/01/25	425	443
Nelson County, Kentucky Industrial		
Development, RB, AMT (LOC)		
6.500%, 04/01/05	2,000	2,133
State Turnpike Authority, RB, ETM		
7.100%, 07/01/02	10	11
6.625%, 07/01/08	25	27

2,614

LOUISIANA -- 6.0%

Housing Finance Authority, Single		
Family Housing, RB, GNMA, AMT		
8.050%, 11/01/14	420	434
Iberia, Single Family Mortgage, RB		
7.375%, 01/01/11	1,015	1,101
Public Facilities Authority, Hospital,		
Southern Baptist Hospital, RB, ETM		
8.000%, 05/15/12	610	705
Public Facilities Authority, Multi-		
Family Housing, Beau Terre		
Project, RB, FNMA		
5.800%, 06/01/05 (B)	750	759
Public Facilities Authority, Multi-		
Family Housing, Carlyle		
Apartments, RB, AXA		
5.950%, 06/15/05 (B)	1,440	1,499
Public Facilities Authority, Multi-		
Family Housing, Edgewood		
Apartments, RB, FNMA		
5.800%, 06/01/05 (B)	7,155	7,244
Public Facilities Authority, Multi-		
Family Housing, Oakleigh		
Apartment Project, RB, AXA		
5.750%, 03/15/03	295	306

5.850%, 03/15/04	315	326
5.950%, 03/15/05	330	342

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Public Facilities Authority, Multi-Family Housing, River View, RB, CGLIC 6.000%, 07/01/97 (B)	\$ 940	\$ 942
Public Facilities Authority, Single Family Mortgage, Series A, RB 7.375%, 10/01/12	650	657
Public Facilities Authority, Single Family Mortgage, Series C, RB 8.450%, 12/01/12	817	869
		----- 15,184 -----
MAINE -- 0.1%		
State Housing Authority, Series B, RB, AMT 8.400%, 11/15/07	280	288

MARYLAND -- 1.6%		
Cecil County, Economic Development, Northeast Plaza Association, Series A, RB 6.875%, 01/15/08	1,760	1,912
Cecil County, Economic Development, Northeast Plaza Association, Series B, RB 6.875%, 01/15/10	525	570
Frederick County, Economic Development, Mortgage Revenue Refunding Bond, Series A, RB, FHA 5.900%, 02/01/05	365	369
Prince George's County, Multi-Family Mortgage, Emerson House Project, Series A, RB 6.400%, 10/15/05	1,200	1,247
		----- 4,098 -----
MICHIGAN -- 0.8%		
Detroit, Water Supply Systems, RB, ETM 8.875%, 01/01/05	400	465
Petoskey, Hospital Finance Authority, RB, ETM 6.700%, 03/01/07	345	366
Saginaw, Hospital Finance Authority, St Lukes Hospital, RB, ETM 7.500%, 11/01/10	250	286
State Hospital Finance Authority, St. Joseph Mercy Hospital Project, RB, ETM 7.000%, 07/01/05	265	284
State Hospital Finance Authority, St. Lawrence Hospital Project, RB, ETM 7.500%, 05/01/07	625	691
		----- 2,092 -----

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
MINNESOTA -- 1.0%		
Cambridge, Mortgage Revenue, Health Care Center, Series A, RB, GNMA 5.400%, 11/20/05	\$ 685	\$ 694
City of Fridley, Community Development, RB (LOC) 5.375%, 09/01/01 (B)	1,225	1,231
Dakota County, Housing & Redevelopment Authority, Single Family Mortgage, RB, FNMA, GNMA, AMT 5.550%, 10/01/02	130	131

Dakota County, Housing & Redevelopment Authority, Single Family Mortgage, RB, FNMA, GNMA, AMT		
5.750%, 10/01/04	150	151
Rochester, St. Mary's Hospital, RB, ETM		
5.750%, 10/01/07	300	308

		2,515

MISSISSIPPI -- 0.8%

Mississippi Home Corporation, Single Family, Mortgage Access Program, Series 1994 A, RB, GNMA, AMT		
5.000%, 06/01/04	730	734
State Business Finance, Industrial Development, RB, AMT (LOC)		
5.450%, 09/01/01	285	286
5.600%, 09/01/02	305	307
5.800%, 09/01/04	340	342
5.900%, 09/01/05	360	362

		2,031

MISSOURI -- 1.4%

Kansas City, Industrial Development Authority, Multi-Family Housing, Coves North Duplexes, RB, FNMA		
5.600%, 09/01/05 (B)	2,780	2,822
Saint Louis County, Convention and Sports Center, Series B, RB		
6.500%, 08/15/01	775	824

		3,646

MONTANA -- 0.2%

Missoula County Community Hospital, RB ETM, AMBAC		
7.125%, 06/01/07	475	516

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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NEBRASKA -- 0.9%

Hall County, Hospital Authority, RB, ETM		
8.000%, 01/01/07	\$ 210	\$ 238
Investment Finance Authority, Multi-Family Housing, Old Cheney Apartments, Series A, RB, FNMA		
5.500%, 12/01/05 (B)	2,000	2,013

		2,251

NEVADA -- 1.2%

Single Family Housing Authority, Series B, RB, AMT		
6.450%, 10/01/07	910	959
State Housing Division, RB, AMT, FNMA		
5.900%, 04/01/06	1,020	1,024
5.700%, 10/01/06	1,090	1,079

		3,062

NEW JERSEY -- 1.1%

Church Street Corporation, Elderly Housing Section 8 Assistance 1994, RB, HUD Section 8		
5.000%, 03/01/01	265	262
Deptford Township, Fire District Number 1, GO		
5.850%, 10/15/07	200	210
Economic Development Authority, Economic Growth, Series H-2, RB, National Westminster, AMT (LOC)		
5.000%, 10/01/05	775	764
Education Facilities Authority, Caldwell College, Series A, RB,		
7.250%, 07/01/25	1,200	1,206

Mansfield Township, Board of Education Certificate of Participation, MBIA 5.500%, 03/01/07	185	191
State Highway Authority, Garden State Parkway, RB, ETM 6.500%, 01/01/11	105	113
		----- 2,746 -----

NEW MEXICO -- 1.2%		
Albuquerque, Class B-2, FGIC 0.00%, 05/15/11 (A)	3,539	1,212
Bernalillo County, Multi-Family Housing, Sunchase Apartments, Series A, RB, AXA 5.800%, 11/01/06 (B)	1,500	1,539

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

MUNICIPAL BOND FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Roswell, Airport, RB, AMT 8.500%, 11/01/98	\$ 130	\$ 130
Santa Fe, Single Family Mortgage Authority, Series 1991, RB 8.450%, 12/01/11	189	201
		----- 3,082 -----

NEW YORK -- 2.2%		
NewYork State Dormitory Authority, Long Island University, RB, Asset Guaranty 6.000%, 09/01/08	3,450	3,597
UFA Development Corporation, Mortgage, Loretto Utica Project, RB, FHA 5.150%, 07/01/03	2,000	2,005
		----- 5,602 -----

NORTH CAROLINA -- 0.3%		
Vance County, Industrial Facilities Authority RB, Optional Put 09/01/97, AMT (LOC) 4.700%, 09/01/00	720	722

OHIO -- 1.6%		
Cuyahoga County, Deaconess Hospital Project, RB, ETM 6.750%, 11/01/09	224	240
Housing Finance Authority, Single Family Mortgage, Series A, RB, GNMA, AMT 8.400%, 02/01/20	705	738
Lucas-Palmer, Housing Development Corporation, Palmer Gardens Section 8, RB, MBIA, FHA 5.900%, 07/01/07	295	293
Marion County, Community Hospital of Springfield, RB 5.000%, 05/15/98	1,400	1,405
Ohio Capital Corporation for Housing Mortgage, Section 8 Assistance, Project E, RB, MBIA, FHA 5.700%, 01/01/05	480	487
State Mortgage, RB, FHA 5.600%, 08/01/06	505	503
State Water Development Authority, RB, ETM 9.375%, 12/01/10	205	253
		----- 3,919 -----

FACE AMOUNT MARKET VALUE

DESCRIPTION	(000)	(000)
OKLAHOMA -- 1.5%		
Bryan County, Single Family Mortgage, Series A, RB 8.600%, 07/01/10	\$ 510	\$ 534
Cleveland County, Home Loan Authority, Single Family Mortgage, Series 1992, RB 8.375%, 08/01/12	1,160	1,215
Housing Finance Authority, RB, GNMA, AMT 7.997%, 08/01/18	215	221
McAlester, Public Works Authority, RB, FSA 8.250%, 12/01/04	125	149
8.250%, 12/01/05	750	895
8.250%, 12/01/06	185	228
Payne County, Housing Finance Authority, Single Family Mortgage, Series A, RB 8.625%, 03/01/11	465	487
		----- 3,729 -----
PENNSYLVANIA -- 15.2%		
Allegheny County, Hospital Development Authority, St. Margaret Memorial Hospital, Project A, RB 9.800%, 07/01/10	1,000	1,007
Allegheny County, Industrial Development Authority, RB Integra Bank of Pittsburgh, AMT (LOC) 6.000%, 10/01/04	1,000	1,003
Allegheny County, Residential Finance Authority, Mortgage, RB, GNMA 6.500%, 11/01/14	625	641
Allentown, Hospital Authority, Sacred Heart Hospital of Allentown, Series A, RB 6.200%, 11/15/03	700	723
6.500%, 11/15/08	2,200	2,261
Bucks County, Industrial Development Authority, Women's Humane Society, RB 7.100%, 12/01/09	600	601
Chester County, Health & Education Authority, Series 1996 B, RB (LOC) 4.900%, 08/01/99 (B)	590	590
Dauphin County, General Authority, WW15 Term, RB 6.850%, 06/01/09 (C)	700	746

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Delaware County, Mercy Health Care, Series B, RB 6.000%, 11/15/07	\$3,500	\$ 3,478
Falls Township, Hospital Authority, Delaware Valley Medical Center, RB, FHA 6.900%, 08/01/11	4,060	4,405
Fayette County, Hospital Authority, Uniontown Hospital, RB, Connie Lee Insured 5.200%, 06/15/04	280	279
5.400%, 06/15/06	1,120	1,117
5.450%, 06/15/07	600	596
5.550%, 06/15/08	1,420	1,411
5.650%, 06/15/09	1,505	1,496
Horizon Health System Authority, Horizon Hospital, Series 1996 RB 6.350%, 05/15/26	2,700	2,646
Lehigh County, General Purpose, Muhlenberg Continuing Care, RB, (LOC) 7.800%, 03/15/02 (B)	2,320	2,474
Montgomery County, Higher		

Education & Health Authority, Northwestern Corporation, RB, 6.250%, 06/01/99	525	536
Montgomery County, Industrial Development Authority, BMHR Associate Project, RB, (LOC) 6.750%, 11/15/04	250	259
Montgomery County, Industrial Development Authority, Emergency Care Research Institute Project, RB 6.400%, 06/01/03	605	622
Philadelphia, Hospital & Higher Education Authority, Northwestern Corporation, RB 6.250%, 06/01/99	590	602
Philadelphia, Hospital & Higher Education Facility Authority, Pennsylvania Hospital Medical Center, Series 1996, RB 6.350%, 07/01/07	4,325	4,428
Philadelphia, Industrial Development Authority, Jeanes Physician's Office, Series A, RB 9.375%, 07/01/10	965	979
Philadelphia, Industrial Development Authority, National Board of Medical Examiners Project, RB 6.750%, 05/01/12	550	591
Philadelphia, St. Agnes Hospital, RB, ETM 6.750%, 08/15/01	55	60

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Pittsburgh, GO, Partial Pre- refunded 03/01/97 @ 102, FGIC 7.000%, 03/01/01	\$ 370	\$ 380
Pottsville, Hospital Authority, Pottsville Hospital & Warner Clinic, RB 7.250%, 07/01/24	605	625
State Highway, GO 5.500%, 10/01/97	1,645	1,661
State Housing Authority, Single Family Mortgage, RB, AMT 7.000%, 10/01/05	230	244
State, GO 5.500%, 10/01/97	1,610	1,625
Upper Gwynedd-Towamencin, Municipal Authority, Water & Sewer, RB, ETM, MBIA 5.700%, 10/15/97	20	20
Wayne & Pike, Joint School Authority, RB, ETM, MBIA 6.000%, 12/01/07	240	244
		----- 38,350 -----

RHODE ISLAND -- 0.2%

State Industrial Facilities, Crystal Thermoplastics Project, Series A, RB, IRBA, AMT 6.900%, 08/01/14	380	391

SOUTH CAROLINA -- 1.7%

State Housing Finance Authority, Multi-Family Housing, RB 5.700%, 06/01/05 (B)	3,050	3,191
State Housing Finance & Development Authority, Multi- Family Housing, Runaway Bay Apartments Project, RB 5.500%, 12/01/05	1,000	1,010
		----- 4,201 -----

SOUTH DAKOTA -- 0.4%

Student Loan Assistance, Series A, RB, GTD, AMT 7.700%, 08/01/07	500	531
7.600%, 08/01/04	510	542
		----- 1,073 -----

TENNESSEE -- 0.7%		
Greeneville, Health & Education Facility Board, Southern Advent Hospital, RB, ETM		
8.700%, 10/01/09	350	421
Shelby County, Health & Housing Board, RB, Asset Guaranty		
6.500%, 10/01/07	1,325	1,386

		1,807

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

MUNICIPAL BOND FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

TEXAS -- 6.6%		
Bexar County, Housing Finance Corporation Residual Bond, Capital Appreciation		
0.00%, 03/01/15 (A)	\$1,765	\$ 532
Brazos, Higher Education Authority, RB, GTD, AMT		
6.500%, 06/01/04	500	525
Bryon, Higher Education Authority, Allen Academy, Series A, RB		
7.300%, 12/01/16	1,750	1,754
Collin County, Housing Finance Corporation, Multi-Family Mortgage, Preston Bend Apartments Project, RB, AXA		
6.500%, 09/01/03 (B)	1,000	1,038
Denison, Hospital Authority, Texoma Medical Center, RB, ETM		
7.125%, 07/01/08	125	139
Duncanville, Hospital Development Authority, Methodist Hospital Project, RB, ETM		
9.000%, 01/01/10	665	800
Grand Prairie, Multi-Family Mortgage, Project A, Sugar Creek Apartments, RB		
6.000%, 02/01/05	715	719
Gregg County, Housing Finance Corporation, Multi-Family Housing, Summer Lake Project, Series A, RB, AXA		
6.400%, 03/01/06 (B)	500	516
Harris County, Housing Finance Corporation, Multi-Family Housing, Colonial House Apartments Project, RB, (LOC)		
5.600%, 09/01/99 (B)	235	239
Harris County, Housing Finance, RB, Series 1996, AMT, FSA		
5.700%, 06/01/06	280	280
Houston, Housing Finance Corporation, 1996-A2, RB,		
0.000%, 06/01/14 (A)	1,830	504
Northeast Hospital Authority, RB, ETM		
8.000%, 07/01/08	425	486
Odessa, Housing Authority, Multi-Family Mortgage, Section 8 Assist Project, Series A, RB		
5.875%, 10/01/03	810	799
Odessa, Housing Authority, Multi-Family Mortgage, Section 8 Assist Project, Series B, RB		
6.375%, 10/01/11	2,735	2,626

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

Odessa, Housing Authority, Multi-Family Mortgage, Section 8 Assist Project, Series B, RB, HUD Section 8		
5.875%, 10/01/03	\$1,575	\$ 1,553

Odessa, Single Family Mortgage, Series A, RB, FNMA 8.450%, 11/01/11	328	343
Panhandle, Housing Finance Corporation, Single Family Mortgage, Series A, RB, AMT, GNMA 7.500%, 05/01/24	440	463
South Plains, Regional Housing Authority, Section 8 Assistance Project, Series A, RB, HUD 6.000%, 08/01/00	65	66
6.500%, 08/01/05	325	330
6.900%, 08/01/09	500	510
Southeast Hospital Financing Agency, Memorial Hospital System Project, RB, ETM 8.500%, 12/01/08	335	395
7.500%, 12/01/09	890	991
Thomason, Health Facilities Development Corporation, El Paso County Hospital District, GO, MBIA 7.200%, 08/15/98	25	25
Travis County, Housing Finance, Series 1996, RB, AMT, FSA 5.700%, 06/01/06	955	956

16,589

UTAH -- 1.8%

Brigham City, Special Assessment Bond, District Number 22 9.000%, 08/01/04	270	285
Hilldale, Electric Bonds, GO, AMT 7.500%, 12/15/03	500	540
Salt Lake City, Industrial Development, Hermes Association Project, RB, (LOC) 5.900%, 09/01/97	295	299
5.900%, 09/01/99	200	206
State Finance Agency, Single Family Mortgage, Issue F-1, RB, AMBAC 5.850%, 07/01/07	1,000	1,030
State Housing Finance Agency, Single Family Mortgage, Series B-2, RB, FHA, AMT 7.600%, 01/01/22	290	305
State Municipal Finance Corporation, Local Government, RB 7.300%, 12/01/03	500	521

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

Weber County, Municipal Building Authority, Series 1994, RB, Asset Guaranty 6.750%, 12/15/04	\$1,275	\$ 1,380

		4,566

VIRGINIA -- 3.8%

Alexandria, Redevelopment & Housing Authority, Multi-Family Housing, United Dominion- Parkwood Court, RB, AMT 6.625%, 05/01/06 (B)	2,990	3,095
Loudon County, Industrial Development Authority, RB, AMT 6.000%, 01/01/04	1,000	999
Newport News, Industrial Development Authority, Mennonwood Communities, Series 1996, RB, GNMA 7.250%, 08/01/16	1,185	1,258
Portsmouth, Redevelopment & Housing Authority, Series 1996A, RB, FNMA 6.200%, 09/01/16	1,255	1,244
6.300%, 09/01/26	2,940	2,911

9,507

WASHINGTON -- 3.2%			
King County, Housing Authority, Elderly Housing, Section 8 Assisted, RB			
7.000%, 08/01/03	225		236
King County, Housing Authority, Multi-Family Mortgage, Section 8 Assisted Housing, Series A, RB			
7.000%, 08/01/03	750		804
Seattle, Low Income Housing Assistance Authority, Kin On Project, Series A, RB, GNMA			
7.400%, 11/20/36	1,500		1,618
State Housing Finance Commission, Series A, RB, FNMA			
7.000%, 07/01/99	185		188
State Housing Finance Commission, Series B, RB, GNMA, FNMA			
6.900%, 07/01/16	5,015		5,247

			8,093

WEST VIRGINIA -- 1.4%			
Harrison County, Single Family Mortgage, Series B, AMBAC			
0.000%, 10/20/10 (A)	2,822		1,058

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Marshall County, Capital Appreciation, RB, MBIA			
0.000%, 05/01/14 (A)	\$3,000		\$ 814
Mason County, First Mortgage, Point Pleasant Haven, RB (LOC)			
6.200%, 12/01/05	850		872
Raleigh Fayette & Nicholas Counties, Single Family Mortgage, Series B, AMBAC			
0.000%, 06/20/10 (A)	2,167		772

			3,516

WISCONSIN -- 0.3%			
Prairie Farm, Public School District, Barron & Dunn Counties, GO			
7.000%, 04/01/11	215		222
7.000%, 04/01/12	210		216
Whitewater, Waterworks System, RB			
7.500%, 07/01/16	250		283

			721

WYOMING -- 0.4%			
City of Cheyenne, Federal Mineral Royalty, Second Lien, RB			
6.200%, 06/01/09	1,000		1,030

Total Municipal Bonds (Cost \$242,720)			247,529

Tax-Exempt Asset-Backed Securities -- 0.9%			
FHA Insured Trust, Series 1996-1, Class A-2, Private Placement			
6.750%, 02/01/13	606		605
7.000%, 07/01/22	1,713		1,709

Total Tax-Exempt Asset-Backed Securities (Cost \$2,320)			2,314

CASH EQUIVALENT -- 0.0%			
SEI Institutional Tax Free Portfolio			
	5		5

Total Cash Equivalent (Cost \$5)			5

Total Investments -- 99.1%			
(Cost \$245,045)			249,848

STATEMENT OF NET ASSETS

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

MUNICIPAL BOND FUND

DESCRIPTION	MARKET VALUE (000)
Other Assets and Liabilities -- 0.9%	
Interest receivable	\$ 4,241
Investment advisory fees payable	(57)
Administration fees payable	(22)
Other assets and liabilities	(1,858)
Total Other Assets and Liabilities, Net	2,304
NET ASSETS:	
Capital shares (unlimited authorization -- \$0.001 par value) based on 22,948,463 outstanding shares of beneficial interest	245,144
Undistributed net investment income	19
Accumulated net realized gain on investments	2,186
Net unrealized appreciation on investments	4,803
Total Net Assets -- 100.0%	\$252,152
Net Asset Value, Offering and Redemption Price Per Share	\$ 10.99

- (A) ZERO COUPON BOND.
 (B) MANDATORY PUT SECURITY. THE MANDATORY PUT DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
 (C) MANDATORY TENDER SECURITY. THE MANDATORY TENDER DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
 (D) VARIABLE RATE SECURITY. THE RATE REPORTED ON THE STATEMENT OF NET ASSETS IS THE RATE IN EFFECT AS OF OCTOBER 31, 1996.
 (E) PRE-REFUNDED SECURITY. THE PRE-REFUNDED DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- AMT INCOME FROM SECURITY MAY BE SUBJECT TO ALTERNATIVE MINIMUM TAX.
 ETM ESCROWED TO MATURITY
 GO GENERAL OBLIGATION
 LOC SECURITIES ARE HELD IN CONNECTION WITH A LETTER OF CREDIT ISSUED BY A MAJOR COMMERCIAL BANK. RB REVENUE BOND THE FOLLOWING ORGANIZATIONS HAVE PROVIDED UNDERLYING CREDIT SUPPORT FOR THE SECURITIES AS DEFINED IN THE STATEMENT OF NET ASSETS.
- AMBAC AMERICAN MUNICIPAL BOND ASSURANCE COMPANY
 ASSET GUARANTY ASSET GUARANTY
 AXA AXA REINSURANCE
 BIGI BOND INVESTORS GUARANTY INSURANCE CORPORATION
 CGLIC CONNECTICUT GENERAL LIFE INSURANCE COMPANY
 FGIC FEDERAL GUARANTY INSURANCE CORPORATION
 FHA FEDERAL HOUSING AUTHORITY
 FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION
 FSA FINANCIAL SECURITY ASSISTANCE
 GEMIC GENERAL ELECTRIC MORTGAGE INSURANCE COMPANY
 GNMA GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
 GTD GUARANTEED STUDENT LOANS

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
HUD HOUSING & URBAN DEVELOPMENT		
INTEL INTEL GUARANTY		
IRBA IRBA GUARANTY		
MBIA MUNICIPAL BOND INVESTORS ASSURANCE		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

FIXED INCOME FUND

CORPORATE OBLIGATIONS -- 19.0%

American United Life Insurance, 144A 7.750%, 03/30/26	\$ 9,050	\$ 8,620
Associated Estates Realty 8.375%, 04/15/00	19,880	20,650
Equitable Life Assurance Society 6.950%, 12/01/05	7,090	7,019
Fairfax Financial Holdings		

8.250%, 10/01/15	5,100	5,253
Goldman Sachs, 144A		
6.750%, 02/15/06	13,750	13,362
Legg Mason		
6.500%, 02/15/06	1,000	954
Lehman Brothers		
7.500%, 08/01/03 (B)	8,665	8,914
Lehman Brothers, MTN		
6.710%, 10/12/99	4,750	4,786
8.750%, 03/15/05	5,800	6,344
11.625%, 05/15/05	4,735	6,031
Nationsbank		
7.500%, 09/15/06	12,365	12,782
Paine Webber		
6.750%, 02/01/06	10,400	10,010
Prudential Funding		
6.750%, 09/15/23	2,000	1,755
Security Benefit, 144A		
8.750%, 05/15/16	4,000	4,253
Security Pacific Trust, MTN		
7.300%, 10/15/05	5,000	5,025
7.375%, 10/15/06	2,455	2,476
Union Central Life Insurance, 144A		
8.200%, 11/01/26	10,790	10,734
United Dominion Realty Trust, MTN		
7.950%, 07/12/06	6,500	6,793
Vesta Insurance Group		
8.750%, 07/15/25	7,960	8,388

Total Corporate Obligations (Cost \$140,655)		144,149

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

ASSET-BACKED SECURITIES -- 0.5%		
Ford Credit Auto Lease Trust, Series 1995-1 A2		
6.350%, 10/15/98	\$ 2,039	\$ 2,051
Navistar Financial Trust, Series 1995-B, Class A2		
5.940%, 10/15/98	527	530
Structured Asset Securities, Series 1996-CFL, Class A1C		
5.944%, 02/25/28	1,100	1,080

Total Asset-Backed Securities (Cost \$3,639)		3,661

MORTGAGE-BACKED OBLIGATIONS -- 17.3%		
Access Financial Manufacturing Housing Contract Trust, Series 1995-1, Class A3		
7.100%, 05/15/21	260	261
Associates Manufactured Housing, Series 1996-1, Class A5		
7.600%, 03/15/27	4,200	4,326
BankAmerica Manufactured Housing Contract, Series 1996-1, Class A4		
7.300%, 10/10/26	14,068	14,494
Chase Mortgage Finance, Series 1994 B Class A1		
6.750%, 02/25/25	340	337
Chase Mortgage Finance, Series 1994-G, Class A3		
6.750%, 04/25/25	8,796	8,841
Countrywide Mortgage Backed Securities, Series 1994-C, Class A8		
6.500%, 03/25/24	1,265	1,061
Equitable, 1996-1, Class C1, 144A		
7.520%, 05/15/06	5,000	5,102
First Boston Mortgage Securities, REMIC, Series 1992-4, Class A4		
7.500%, 10/25/22	2,400	2,427
General Electric Capital Mortgage Services, Series 1993-14, Class A7		

6.500%, 11/25/23	1,275	1,115
General Electric Capital Mortgage Services, Series 1994-18, Class A2		
7.000%, 08/25/24	798	798
Green Tree Finance Series 1996-2, Class A4		
7.200%, 04/15/27	7,000	7,033
Green Tree Finance Series 1996-2, Class B1		
7.550%, 04/15/27	7,100	7,191
Green Tree Financial, Series 1994-6, Class A5		
8.250%, 01/15/20	5,000	5,355

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Green Tree Financial, Series 1996-4, Class A6		
7.400%, 06/15/27	\$ 3,150	\$ 3,217
Green Tree Financial, Series 1996-8, Class A6		
7.600%, 09/25/26	2,500	2,547
Housing Securities Incorporated, Series 1994-1, Class A5		
5.500%, 08/25/03	3,073	3,056
J.P. Morgan Commercial Mortgage Finance, Series 1996 C2 Class A		
6.470%, 11/25/27	271	270
Merrill Lynch Mortgage Investors, Series 1991-1, Class A		
7.650%, 01/15/12	2,034	2,080
Merrill Lynch Mortgage Investors, Series 1995-C1, Class A, 144A, ERISA Adjustable, Rate (A)		
7.152%, 05/25/15 (D)	8,227	8,372
Merrill Lynch Mortgage Investors, Series 1996 C1, Class A1		
7.150%, 04/25/28	9,809	10,003
Midland Realty Acceptance, Series 1996-C1, Class A1		
7.315%, 04/25/03	6,719	6,875
Oakwood Mortgage Investors, Series 1996-B, Class A3		
7.100%, 10/15/26	3,350	3,408
Oakwood Mortgage Investors, Series 1996-B, Class A4		
7.350%, 10/15/26	5,000	5,105
Prudential Home Mortgage, Series 1993-1, Class A1		
7.500%, 02/25/23	5,702	5,728
Prudential Home Mortgage, Series 1993-61, Class A1		
6.500%, 12/25/08	2,320	2,321
Prudential Home Mortgage, Series 1994-12, Class A7		
6.050%, 04/25/24	3,999	3,241
Prudential Home Mortgage, Series 1994-17, Class A5		
6.250%, 04/25/24	5,700	4,888
Vanderbilt Mortgage Finance, Series 1994-A, Class A1		
7.000%, 07/10/19	1,803	1,813
Vendee Mortgage Trust, Series 1995-3, Class 1B		
7.250%, 10/15/10	10,000	10,112

Total Mortgage-Backed Obligations (Cost \$129,018)		131,377
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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996
FIXED INCOME FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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U.S. GOVERNMENT AGENCY OBLIGATIONS -- 16.1%		
Drexel Burnham Lambert Trust, Series T, Class 3		
8.450%, 01/20/19	\$ 2,639	\$ 2,717

Federal Home Loan Mortgage Corporation, REMIC, Pool #1462, Class PT 7.500%, 01/15/03	5,000	5,114
Federal Home Loan Mortgage Corporation, REMIC, Pool# 1650, Class D 5.400%, 04/15/24	2,000	1,981
Federal Home Loan Mortgage Corporation, REMIC, Series 1275, Class VB 7.000%, 05/15/99	850	859
Federal Home Loan Mortgage Corporation, REMIC, Series 1324, Class VD 7.000%, 06/15/05	825	846
Federal Home Loan Mortgage Corporation, REMIC, Series 1360, Class PK 10.000%, 12/15/20	2,200	2,450
Federal Home Loan Mortgage Corporation, REMIC, Series 1513, Class AA 6.500%, 11/15/00	4,824	4,828
Federal Home Loan Mortgage Corporation, REMIC, Series 1528, Class A 6.500%, 12/15/00	7,557	7,552
Federal Home Loan Mortgage Corporation, REMIC, Series 1577, Class PG 5.500%, 03/15/21	1,900	1,819
Federal Home Loan Mortgage Corporation, REMIC, Series 1622, Class G 6.250%, 11/15/22	10,000	8,855
Federal Home Loan Mortgage Corporation, REMIC, Series 1625, Class BA 5.000%, 11/15/00	44	44
Federal Home Loan Mortgage Corporation, REMIC, Series 1640, Class V 6.500%, 12/15/98	808	807
Federal Home Loan Mortgage Corporation, REMIC, Series 1667, Class PC 5.500%, 06/15/04	3,000	2,966

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Federal Home Loan Mortgage Corporation, REMIC, Series 1712, Class PC 5.500%, 02/15/03	\$ 2,735	\$ 2,724
Federal Home Loan Mortgage Corporation, REMIC, Series 1803, Class A 6.000%, 12/15/08	5,500	5,042
Federal Home Loan Mortgage Corporation, REMIC, Series 33, Class C 8.000%, 09/15/18	2,507	2,514
Federal Home Loan Mortgage Corporation, REMIC, Series 70, Class C 9.000%, 09/15/20	772	823
Federal Home Loan Mortgage Corporation, Series 1604 Class G 5.750%, 01/15/08	500	483
Federal Home Loan Mortgage Corporation, Series 1661, Class PG 6.000%, 03/15/08	250	244
Federal National Mortgage Association, REMIC, Series 1989-74, Class J 9.800%, 10/25/19	2,500	2,740
Federal National Mortgage Association, REMIC, Series 1989-79D 9.000%, 11/25/19	1,350	1,465
Federal National Mortgage Association, REMIC, Series 1991-137, Class E		

8.050%, 01/25/20 Federal National Mortgage Association, REMIC, Series 1992-100, Class M	2,526	2,553
8.500%, 06/25/05 Federal National Mortgage Association, REMIC, Series 1992-43, Class E	8,000	8,233
7.500%, 04/25/22 Federal National Mortgage Association, REMIC, Series 1993-174, Class C	3,420	3,401
5.750%, 12/25/03 Federal National Mortgage Association, REMIC, Series 1993-174, Class EA	750	744
6.150%, 10/25/07 Federal National Mortgage Association, REMIC, Series 1993-192, Class E	4,000	3,932
5.950%, 11/25/07	1,000	975

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Federal National Mortgage Association, REMIC, Series 1994-33, Class C 5.000%, 10/25/03	\$ 1,900	\$ 1,881
Federal National Mortgage Association, REMIC, Series 1995-2, Class H 8.500%, 06/25/10	18,200	19,044
Federal National Mortgage Association, REMIC, Series 94-92, Class DE 7.500%, 07/25/07	5,267	5,238
Federal National Mortgage Association, REMIC, Series G92-22, Class Z 7.500%, 06/25/18	2,405	2,402
Federal National Mortgage Association, REMIC, Series G92-42, Class C 7.000%, 09/25/19	1,924	1,929
Federal National Mortgage Association, REMIC, Series X-19C, Class G 7.500%, 08/25/21	720	719
Federal National Mortgage Association, Series 1994-28, Class O 6.500%, 06/25/24	3,600	3,243
Federal National Mortgage Association, Series 1996-12, Class C 6.500%, 03/25/23	6,575	6,151
Federal National Mortgage Association, Series 1996-23, Class D 6.500%, 10/25/23	2,650	2,478
Federal National Mortgage Association, Series X-225b, Class VB 5.050%, 10/25/04	175	174
Government National Mortgage Association, Pool #413221 8.250%, 05/15/10	1,955	2,052
Total U.S. Government Agency Obligations (Cost \$121,223)		122,022
TAXABLE MUNICIPAL BONDS -- 19.6% Allegheny County, Pennsylvania Sanitation Authority, Series A, RB, MBIA 6.600%, 06/01/97	975	981
DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

Atlanta, Georgia Urban Redevelopment Finance Authority, Series 1994, FNMA 0.000%, 10/01/16 (A)	\$21,000	\$ 4,384
Beaumont Properties, Michigan Series B, RB, Pre-refunded @ 101 10.500%, 01/01/99 (E)	3,000	3,278
Belmont, California Redevelopment Agency, Tax Allocation Bond, MBIA 7.550%, 08/01/11	895	886
BFC Finance, GSA Lease 7.375%, 12/01/17	7,975	7,879
California Desert Hospital Corporation, Series A, RB 8.700%, 07/01/08	200	194
California State Housing Finance Authority, Single Family Housing, Series 1995, RB, AMBAC 7.900%, 08/01/07	8,885	9,229
Cameron County, Texas Housing Finance Corporation Series A, RB, FGIC 10.450%, 09/01/11	945	1,073
Cameron County, Texas Housing Finance Corporation, Series 1990A Class 1-B, RB, FGIC 10.210%, 09/01/10	1,945	1,987
Chattahoochee Valley, Alabama Water Supply, RB, Asset Guaranty 8.600%, 10/01/07	200	223
City of Huntingdon, West Virginia Single Family Mortgage, RB 9.050%, 01/15/12	1,233	1,343
Connecticut State Health and Education, Nursing Home Program, AHF/Hartford Project, RB 8.450%, 11/01/99	830	866
Connecticut State Health and Education, Sheridan Woods Center Project, RB 7.950%, 11/01/05 8.730%, 11/01/17	1,755 1,150	1,836 1,279
County of Monroe, New York Nationwide Precision Products, Series 1994B, RB (LOC) 5.800%, 12/01/04 (D)	2,095	2,095
Dauphin County, Pennsylvania General Authority, Tressler Project, Series B, Optional Put 09/01/96 @ 100, RB 7.000%, 09/01/10	1,320	1,320

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

FIXED INCOME FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Delaware State Housing Authority Series B, RB, AMBAC 6.750%, 07/01/14	\$ 955	\$ 942
Desert Hospital Corporation, Series A, RB 8.400%, 07/01/03	2,655	2,609
Dove Valley, Arapahoe County, Colorado, GO (LOC) 6.000%, 11/01/97 (B)	700	700
Erie County, New York Industrial Development Agency, Journeys End Project, Series A, RB (LOC) 9.750%, 01/01/00 (C)	1,840	1,901
Harrisburg Resource Recovery Authority, Series 1993 B, RB 6.875%, 09/01/03 7.750%, 09/01/13	515 3,145	494 3,137
Harrisburg, Pennsylvania Resource Recovery Authority, Series 1993 B, RB		

6.000%, 09/01/98	215	212
Hofstra University, RB, MBIA		
7.700%, 07/01/15	3,895	3,958
Kanawha and Putnam Counties, West Virginia, Charleston and Huntington, AMBAC,		
0.00%, 12/01/16 (A)	7,220	1,834
La Follete Properties, Multi-family Housing, Georgia Limited Partnership, La Follete Garden Apartment, Physical Bond		
9.600%, 12/01/08	965	965
Lake Mills, Iowa, Lake Mills Investors Ltd, First Mortgage Bonds, Mercy Health Center, Series 1995, RB, Private Placement		
7.450%, 11/01/99	250	248
7.600%, 11/01/00	280	277
7.600%, 11/01/01	360	354
7.750%, 11/01/02	385	378
7.850%, 11/01/03	410	399
7.850%, 11/01/04	410	396
7.900%, 11/01/05	450	433
8.000%, 11/01/06	590	568
8.000%, 11/01/07	610	582
Los Angeles County, California, Fairplex, RB (LOC)		
10.500%, 06/01/15	400	412
Los Angeles, California Community Redevelopment Agency, Angelus Project, FNMA		
6.200%, 12/15/96	200	200

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Massachusetts State Housing Finance Agency, Series C, RB, FHA		
10.900%, 08/01/20	\$ 2,605	\$ 2,697
Mayor and City Council of Baltimore, Maryland Public Improvement, 1995A Series B, GO, FGIC		
8.100%, 10/15/10	1,775	1,968
Mayor and City Council of Baltimore, Public Improvement, 1995A Series B, GO, FGIC		
8.700%, 10/15/15	1,875	2,123
Mercer County, New Jersey, Stadium Project Anticipation Note, Taxable		
5.770%, 04/15/97	2,000	2,000
Mississippi Home Residential, Series 1993 B, RB, Taxable		
0.000%, 12/01/12 (A)	9,000	2,869
Montgomery County, New York Industrial Development Authority, Central National Bank Project, RB, (LOC)		
5.500%, 05/01/25 (D)	3,750	3,750
Muskegon County, Unlimited Tax, GO		
7.250%, 12/01/96	650	651
New Jersey State Economic Development Authority, Series 1992 R2, RB (LOC)		
6.800%, 12/01/02	1,350	1,345
New Jersey State Economic Development Authority, State Contract, RB		
7.100%, 09/15/02	2,500	2,494
New Orleans, Louisiana, Single Family Mortgage Authority, RB, Series A, Zero Coupon Bond, MBIA		
0.000%, 10/01/15 (A)	6,975	1,439
New York City Industrial Development Authority, Civic Facility, Series B, RB, MBIA		
8.100%, 09/01/06	1,860	2,037
New York City Mortgage Loan Trust, 1996-A2, 144A		
6.750%, 06/25/11	3,970	3,817
New York City Mortgage Loan Trust,		

1996-A3, 144A		
6.750%, 09/25/19	9,250	8,455
Ohio, Capital For Housing, Georgetown Village Project, Series 1996 C, RB, FHA, Taxable		
7.625%, 07/01/22	1,250	1,256

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Oklahoma City, Oklahoma Airport Trust, Federal Aviation Authority, Senior Lien, Series 16, RB 9.875%, 07/01/12	\$1,005	\$ 1,078
Oklahoma City, Oklahoma Airport Trust, Federal Bureau Prisons Project, RB 9.800%, 11/01/14	2,650	3,001
Oklahoma County, Oklahoma Home Finance Authority, RB 0.000%, 07/01/12 (A)	3,450	897
Olathe Labette County, Kansas Single Family Mortgage, Series 1993 A 0.000%, 02/01/16 (A)	675	190
Palm Springs, California Desert Hospital, RB 9.000%, 07/01/13	5,945	5,767
Panhandle, Texas, Regional Housing Finance, Series 1996, Zero Coupon Bond 0.000%, 10/01/11 (A)	1,460	482
Pima and Maricopa Counties, Arizona Industrial Development Authority, Multi-Family Housing, Series 1993B, RB, FNMA 6.500%, 01/01/06	710	706
Plymouth County Massachusetts Correctional Facility, Certificate of Participation 10.400%, 04/01/22	5,100	5,744
Port Authority, Ninetieth Series, RB Taxable 5.950%, 10/01/02	700	664
Rhode Island Port Authority Economic Development Corporation, Central Falls Detention Center, Series A, RB 8.200%, 01/15/08	1,208	1,317
Sacramento, California, Municipal Utility Electric, RB 5.250%, 11/15/96	2,500	2,500
San Diego County, California Pension Obligation, Series A, FSA 6.240%, 08/15/02	2,000	1,920
San Francisco, California Redevelopment Agency, Series 1995B, RB, MBIA/FHA 7.500%, 07/01/24	3,860	3,879
Sand Creek, Idaho Limited Partnership, Multi-Family Housing, RB 8.250%, 12/01/18	3,630	3,471

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Southwestern, Illinois, Development Authority, Sports Facility Project, RB, 144A 9.200%, 02/01/13	\$ 4,000	\$ 4,170
Tarrant County, Texas Housing Finance Authority, Single Family Mortgage, Series 1993, RB, MBIA 6.650%, 07/15/16	635	641
Texas State Department of Housing & Community Affairs, Single Family Mortgage, Series 1994B, RB 9.500%, 03/01/16	14,630	15,343
Utah State Housing Authority, Series D-1, RB 9.850%, 07/01/10	235	251

Total Taxable Municipal Bonds
(Cost \$145,346) 148,774

TAX-FREE MUNICIPAL BONDS -- 1.4%

Beckley, West Virginia, Nursing Facility, Beckley Health Corp, RB (LOC) Nationsbank Texas 5.550%, 09/01/08 245 242
 Chester County, Health & Education Authority, Series 1996 B, RB (LOC) 4.900%, 08/01/99 (B) 235 235
 Houston, Texas, Housing Finance Corporation, 1996-A1, RB 8.000%, 06/01/14 5,000 5,406
 Los Angeles, California, Earthquake Rehabilitation, Series A, RB, AMT, FNMA 5.700%, 12/01/06 (B) 2,000 1,997
 Mansfield Township, Board of Education Certificate of Participation, (MBIA) 5.500%, 03/01/07 1,650 1,702
 Peoria, Illinois, Multi-Family Housing, Section 8 Assisted, RB, FHA, MBIA 5.500%, 07/01/07 1,030 1,038

Total Tax-Free Municipal Bonds
(Cost \$10,619) 10,620

U.S. TREASURY OBLIGATIONS -- 20.8%

U.S. Treasury Bond 8.125%, 08/15/19 18,190 21,065

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STATEMENT OF NET ASSETS

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

FIXED INCOME FUND

DESCRIPTION	MARKET VALUE	
	(000)	
U.S. Treasury Notes		
6.125%, 08/31/98	\$14,250	\$ 14,345
6.875%, 08/31/99	86,285	88,417
6.750%, 04/30/00	2,020	2,067
5.750%, 08/15/03	32,635	31,789
Total U.S. Treasury Obligations (Cost \$155,144)		157,683

REPURCHASE AGREEMENT -- 3.2%

J.P. Morgan Securities 5.19%, dated 10/31/96, matures 11/01/96, repurchase price \$25,364,783 (collateralized by U.S. Treasury Note, par value \$23,000,000, 7.25%, due 08/15/04, market value \$24,596,817) 24,113 24,113

Total Repurchase Agreement
(Cost \$24,113) 24,113

CASH EQUIVALENT -- 2.1%

SEI Daily Income Trust Government II Fund 15,605 15,605

Cash Equivalent
(Cost \$15,605) 15,605

Total Investments -- 100.0%
(Cost \$745,362) 758,004

Other Assets and Liabilities -- 0.0%

Investment securities purchased (32,506)
 Investment securities sold 24,380
 Interest receivable 8,387
 Investment advisory fees payable (165)

Administration fees payable	(64)
Other assets and liabilities	(33)

Total Other Assets and Liabilities, Net	(1)

DESCRIPTION	MARKET VALUE (000)

NET ASSETS:	
Capital shares (unlimited authorization -- \$0.001 par value) based on 72,145,934 outstanding shares of beneficial interest	\$745,984
Accumulated net realized loss on investments	(623)
Net unrealized appreciation on investments	12,642

Total Net Asset -- 100.0%	\$758,003
	=====
Net Asset Value, Offering and Redemption Price Per Share	\$10.51
	=====

- (A) ZERO COUPON BOND.
- (B) MANDATORY PUT SECURITY. THE MANDATORY PUT DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- (C) MANDATORY TENDER SECURITY. THE MANDATORY TENDER DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- (D) VARIABLE RATE SECURITY. THE RATE REPORTED ON THE STATEMENT OF NET ASSETS IS THE RATE IN EFFECT AS OF OCTOBER 31, 1996.
- (E) PRE-REFUNDED SECURITY. THE PRE-REFUNDED DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- AMT INCOME FROM SECURITY MAY BE SUBJECT TO ALTERNATIVE MINIMUM TAX.
- GO GENERAL OBLIGATION
- RB REVENUE BOND
- REMIC REAL ESTATE MORTGAGE INVESTMENT CONDUIT
- LOC SECURITIES ARE HELD IN CONNECTION WITH A LETTER OF CREDIT ISSUED BY A MAJOR COMMERCIAL BANK.

THE FOLLOWING ORGANIZATIONS HAVE PROVIDED UNDERLYING CREDIT SUPPORT FOR THE SECURITIES AS DEFINED IN THE STATEMENT OF NET ASSETS.

AMBAC AMERICAN MUNICIPAL BOND ASSURANCE COMPANY ASSET GUARANTY ASSET GUARANTY

AXA AXA REINSURANCE

CGIC CAPITAL GUARANTY INSURANCE CORPORATION

FGIC FEDERAL GUARANTY INSURANCE CORPORATION

FHA FEDERAL HOUSING AUTHORITY

FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION

FSA FINANCIAL SECURITY ASSISTANCE

MBIA MUNICIPAL BOND INVESTORS ASSURANCE

STRIPS SEPARATELY TRADING OF REGISTERED INTEREST AND PRINCIPAL OF SECURITIES

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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SHORT-TERM MUNICIPAL BOND FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

MUNICIPAL BONDS -- 103.5%		
ARKANSAS -- 5.0%		
City of Rogers, Sales and Use Tax, Series 1996, RB		
5.000%, 11/01/15	\$ 450	\$ 453

CALIFORNIA -- 1.8%		
Los Angeles, Housing Redevelopment Agency, Monterey Hills Redevelopment Project B, RB		
5.500%, 12/01/05	150	152
Sacramento, Municipal Utility District, Electric Revenue, Series S, Pre-refunded @ 102, RB, FGIC		
6.625%, 02/01/97 (E)	10	10
San Francisco, Multi-Family Housing, RB, FNMA		
5.000%, 02/15/97	5	5

		167

COLORADO -- 9.3%		

El Paso County, Capital Appreciation, Series C, RB, AMT, (A) 0.000%, 07/10/14	1,000	265
Housing Finance Authority, Single Family Program, Series E, RB, AMT 6.250%, 12/01/09	80	81
Logan County, Single Family Mortgage, Series A, RB, 8.500%, 11/01/11	315	325
Snake River Water District GO, Asset Gty 6.250%, 12/15/96	180	180

		851

DELAWARE -- 7.5%

Dover Water & Sewer, Series A, RB, MBIA 6.900%, 07/01/97	25	25
Dover, Water & Sewer, Series B, RB, MBIA 7.200%, 07/01/01	20	20
State Economic Development Authority, Wilmington Friends School, RB 6.300%, 07/01/97	45	45
6.300%, 07/01/98	45	45
6.300%, 07/01/99	50	51
Sussex County, Economic Development, Gateway Partnership VI Project A, RB (LOC) 7.850%, 05/01/97 (B)	495	495

		681

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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DISTRICT OF COLUMBIA -- 1.5%

Housing Finance Agency Single Family Housing, Series E-2, RB, GNMA, AMT 7.100%, 12/01/98	\$ 135	\$ 139

FLORIDA -- 2.8%

Dade County, Florida, GO 6.600%, 06/01/00	250	255

ILLINOIS -- 1.5%

Addison, Alton, Pekin, Granite City, Series 1989-B, FSA 7.580%, 11/01/09	110	111
Macomb, Elderly Housing RB, HUD 7.250%, 09/01/98	35	36

		147

INDIANA -- 1.4%

Reid Memorial Hospital, Indiana RB, ETM 6.250%, 05/01/00	130	131

IOWA -- 0.4%

Clinton, Industrial Development, RB 5.500%, 08/01/98	35	35

KANSAS -- 1.3%

Saline County, Single Family Mortgage, Series A, RB, 9.500%, 10/01/11	115	122

LOUISIANA -- 2.0%

Public Facility Authority, River View, Mandatory Put @ 100, RB, CONN 6.000%, 07/01/97 (B)	180	180

MASSACHUSETTS -- 6.6%

Boston, Water & Sewer RB, Series A , Callable and Partial Cross-Over 11/01/96 @ 102, FGIC 7.875%, 11/01/13	400	408
State Housing Finance Agency, Single Family, Series 8, RB 7.000%, 06/01/99	190	197

605

MICHIGAN -- 2.6%

Kalamazoo, Hospital Finance Authority, RB, ETM		
7.000%, 07/01/01	75	79
State Building Authority, Series 2, ETM, RB, MBIA		
7.400%, 04/01/01	50	53
State Hospital Finance Authority, RB		
5.000%, 01/01/97	100	100

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

SHORT-TERM MUNICIPAL BOND FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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MISSOURI -- 0.8%

St. Louis County, Single Family, RB, AMBAC		
9.250%, 10/01/16	\$ 65	\$ 68

NEVADA -- 1.0%

State Housing Division Multi Unit Housing, AMT, RB, FNMA		
6.450%, 10/01/04	35	37
State Housing Division Multi-Unit Housing, AMT, RB, FNMA		
5.700%, 10/01/97	50	50

87

NEW HAMPSHIRE -- 3.2%

State Housing Finance Authority, Single Family, Exchangeable Yearly, RB, AMT, (LOC)		
6.125%, 01/01/18	295	295

NEW MEXICO -- 4.9%

Albuquerque, Class B-1, FSA		
7.650%, 08/15/07	46	49
Albuquerque, Class B-2, FGIC		
0.000%, 05/15/11 (A)	839	287
Sandoval County, Gross Receipts Tax Revenue, RB, Intel		
6.000%, 11/01/98	105	109

445

NEW YORK -- 0.2%

State Medical Care Facility, Finance Agency, Hospital & Nursing Home, RB, FHA		
6.700%, 08/15/01	15	16

OHIO -- 3.9%

Barberton, Hospital Improvement		
RB, ETM		
6.500%, 07/15/00	50	51
Housing Finance Agency, Single Family, Adjustable Rate, RB, BIGI		
5.750%, 04/01/16 (D)	305	307

358

OKLAHOMA -- 2.7%

State Housing Finance Agency, Single Family, Class A, RB, AMT, GNMA		
7.997%, 08/01/18	55	56
Tulsa, Airport Improvement, ETM, FGIC		
6.200%, 06/01/00	190	194

250

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
OREGON -- 1.1%		
State GO, AMT 7.100%, 01/01/02	\$ 100	\$ 101
PENNSYLVANIA -- 23.0%		
Allegheny County, Hospital Development Authority, Prerefunded @ 100 8.625%, 06/01/97 (E)	110	113
Beaver County, Pennsylvania Hospital Authority, St. Francis Hospital, RB, ETM 7.750%, 07/15/01	115	130
Chester County, Hospital Authority, RB, ETM 7.500%, 07/01/09	10	11
Dauphin County, GO, ETM, MBIA 9.750%, 10/15/97	5	5
Delaware County, Industrial Development Authority, Resource- Recovery Project, RB (LOC) 8.100%, 12/01/13	10	10
East Pennsboro, GO, ETM 6.000%, 03/01/02	60	61
Erie County, Hospital Authority Health Center Facility, Manchester Presbyterian Project, RB (LOC) 7.500%, 09/15/06	25	25
Harrisburg, GO, ETM, MBIA 9.750%, 04/15/99	20	21
Montgomery County, Redevelopment Authority, Multi-Family Housing, Gwynedd-Oxford Project, Series A, RB, Mandatory Put @ 100, CONN 6.125%, 12/01/96 (B)	185	185
Pennsylvania State, GO 5.100%, 12/01/96	100	100
7.000%, 12/01/96	65	65
5.000%, 07/01/97	130	130
5.500%, 10/01/97	400	404
6.650%, 05/15/98	115	116
5.000%, 07/01/98	5	5
Philadelphia Industrial Development Authority, Huff Paper Project, AMT 6.100%, 12/15/97	40	40
Philadelphia, St. Agnes Hospital, RB,ETM 6.750%, 08/15/01	195	212
State Highway, GO 5.000%, 07/01/98	5	5
5.000%, 07/01/98	40	40
State Housing Finance Agency, Single Family Mortgage, Ser 1992-33, RB 5.700%, 04/01/98	135	136

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DESCRIPTION	FACE AMOUN (000)	MARKET VALUE (000)
Wayne Pike, Joint School Authority, RB, ETM, MBIA 6.000%, 12/01/07	\$ 285	\$ 290
		2,104
TENNESSEE -- 1.1%		
Hamilton County, Industrial Development, Ridgmont/ Mountain Brook Apartments, Mandatory Put @ 100, RB (LOC) 6.250%, 10/01/97 (B)	95	96
TEXAS -- 10.5%		
Bell County, Health Facility Development Corporation, RB, Mandatory Put @100 4.750%, 10/01/98 (B)	100	100
North Central, Health Facility		

Development Corporation Young Memorial Project, RB		
4.700%, 02/15/97	105	105
5.000%, 02/15/98	360	360
South Plains, Regional Housing Authority, Section 8 Assistance Project, Series A, HUD Section 8, RB,		
6.000%, 08/01/00	145	146
Southeast Texas, Housing Finance Residual Revenue, Series B, RB,		
0.000%, 12/01/16 (A)	1,100	245

		956

WASHINGTON -- 0.4%		
Clark County, Public Utility District 001, RB, ETM		
10.250%, 01/01/99	35	37

WISCONSIN -- 7.0%		
State Health Facilities Authority, RB, MBIA		
9.125%, 07/01/05	325	328
State Housing & Economic Development Authority, Series B, RB, AMT		
6.625%, 09/01/20	310	312

		640

Total Municipal Bonds (Cost \$9,411)		9,451

CASH EQUIVALENT -- 0.0%		
SEI Institutional Tax Free Portfolio	5	5

Total Cash Equivalent (Cost \$5)		5

Total Investments -- 103.5% (Cost \$9,416)		\$ 9,456

Other Assets and Liabilities -- (3.5%)		
Investment securities purchased		(450)
Interest receivable		170
Receivable due from advisor		4
Administration fees payable		(4)
Other assets and liabilities		(44)

Total Other Assets and Liabilities, Net		(324)

NET ASSETS:		
Capital shares (unlimited authorization -- \$0.001 par value) based on 901,430 outstanding shares of beneficial interest		9,071
Accumulated net realized gain on investments		21
Net unrealized appreciation on investments		40

Total Net Assets -- 100.0%		\$ 9,132
		=====
Net Asset Value, Offering and Redemption Price Per Share		\$ 10.13
		=====

- (A) ZERO COUPON BOND
- (B) MANDATORY PUT SECURITY. THE MANDATORY PUT DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- (C) MANDATORY TENDER SECURITY. THE MANDATORY TENDER DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- (D) VARIABLE RATE SECURITY. THE RATE REFLECTED ON THE STATEMENT OF NET ASSETS IS THE RATE IN EFFECT AT OCTOBER 31, 1996.
- (E) PRE-REFUNDED SECURITY. THE PRE-REFUNDED DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
- AMT ALTERNATIVE MINIMUM TAX
- ETM ESCROWED TO MATURITY
- GO GENERAL OBLIGATION
- LOC SECURITIES ARE HELD IN CONNECTION WITH A LETTER OF CREDIT ISSUED BY A MAJOR COMMERCIAL BANK
- RB REVENUE BOND

THE FOLLOWING ORGANIZATIONS HAVE PROVIDED UNDERLYING CREDIT SUPPORT FOR THE SECURITIES AS DEFINED IN THE STATEMENT OF NET ASSETS.

AMBAC AMERICAN MUNICIPAL BOND ASSURANCE COMPANY
 BIGI BOND INVESTORS GUARANTY ASSURANCE CORPORATION
 CONN CONNECTICUT GENERAL LIFE
 FGIC FEDERAL GUARANTY INSURANCE CORPORATION
 FHA FEDERAL HOUSING AUTHORITY
 FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION
 FSA FINANCIAL SECURITY ASSISTANCE
 GNMA GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
 HUD HOUSING & URBAN DEVELOPMENT
 INTEL INTEL GUARANTY
 MBIA MUNICIPAL BOND INVESTORS ASSURANCE
 MGG MUNICIPAL GOVERNMENT GUARANTEED
 ASSET GTY ASSET GUARANTEE

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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STATEMENT OF NET ASSETS

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

SHORT-TERM FIXED INCOME FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
ASSET-BACKED SECURITIES -- 7.5%		
Ford Credit Auto Lease Trust, Series 1995-1, Class A2 6.350%, 10/15/98	\$ 117	\$ 118
Navistar Financial Corporation Owner Trust, Series 1995-B, Class A2 5.940%, 10/15/98	79	80
Premier Auto Trust, Tranche 1993-5, Class A2 4.220%, 03/02/99	34	34
Union Federal Savings Bank Grantor Trust, Pool 1993-A, Class A 4.525%, 05/15/99	280	278
Total Asset-Backed Securities (Cost \$509)		510
MORTGAGE-BACKED OBLIGATIONS -- 4.8%		
General Electric Capital Mortgage Services, Series 1994-18, Class A2 7.000%, 08/25/24	53	53
Green Tree Financial Corporation, Series 1994-1, Class A1 5.600%, 04/15/19	31	32
Green Tree Financial Corporation, Series 1995-4, Class A1 6.050%, 07/15/25	20	20
Housing Securities Incorporated, Series 1994-1, Class A5 5.500%, 08/25/03	81	81
Merrill Lynch Mortgage Investors, Series 1993A, Class A2 6.100%, 02/15/20	46	47
Security Pacific Home Equity Loan Series1991-2, Class A 8.100%, 06/15/20	11	12
Vanderbilt Mortgage Finance, Series 1994-A, Class A1 7.000%, 07/10/19	75	76
Total Mortgage-Backed Obligations (Cost \$320)		321
U.S. GOVERNMENT AGENCY OBLIGATIONS -- 20.7%		
Federal Home Loan Mortgage Corporation, REMIC, Series 1190, Class F 7.500%, 09/15/18	3	3
Federal Home Loan Mortgage Corporation, REMIC, Series 1215, Class E 6.750%, 02/15/04	52	52
DESCRIPTION	FACE AMOUNT (000)/SHARES	MARKET VALUE (000)

Federal Home Loan Mortgage Corporation, REMIC, Series 1306, Class G			
7.800%, 05/15/12	\$ 42	\$	43
Federal Home Loan Mortgage Corporation, REMIC, Series 1452 Class G			
6.500%, 08/15/07	502		501
Federal Home Loan Mortgage Corporation, REMIC, Series 1464, Class BC			
6.100%, 04/15/14	250		250
Federal Home Loan Mortgage Corporation, REMIC, Series 1607, Class B			
4.350%, 06/15/03	--		1
Federal National Mortgage Association, REMIC, Series 1989-85, Class D			
7.600%, 05/25/18	29		29
Federal National Mortgage Association, REMIC, Series 1991-137, Class E			
8.050%, 01/25/20	31		32
Federal National Mortgage Association, REMIC, Series 1991-165, Class H			
7.500%, 04/25/20	30		31
Federal National Mortgage Association, REMIC, Series 1991-55, Class E			
7.500%, 02/25/05	19		20
Federal National Mortgage Association, REMIC, Series 1992-131, Class EA			
6.500%, 03/25/17	82		82
Federal National Mortgage Association, REMIC, Series 1992-37, Class PC			
6.000%, 03/25/15	87		87
Federal National Mortgage Association, REMIC, Series G92-35, Class BA			
4.000%, 01/25/18	248		245
Federal National Mortgage Association, REMIC, Series G92-42, Class C			
7.000%, 09/25/19	20		21

Total U.S. Government Agency Obligations (Cost \$1,396)			1,397

TAXABLE MUNICIPAL BONDS -- 62.8%			
Baltimore County, Maryland, Mortgage RB, GNMA			
7.000%, 01/20/00	35		35
Bell County, Texas, RB Weekly Floater (LOC)			
6.200%, 12/01/19 (A)	350		350
Bryon, Texas Higher Education Authority, Allen Academy, Series B, RB			
6.500%, 12/01/99	50		50

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
City of Morgantown, Kentucky RB, Weekly Floater (LOC)		
6.200%, 12/01/99 (B)	\$200	\$ 200
Dallas County, Texas Housing Finance Corporation, Single Family Mortgage, RB		
6.625%, 12/01/13	160	153
Dauphin County, General Authority, Tressler Project, Series B, Optional Put 09/01/96 @ 100 RB		
7.000%, 09/01/10	260	260
Dove Valley, Arapahoe County, Colorado Unlimited Tax General Obligation (Taxable) 6.000% 11/1/2020 Mandatory (LOC) Put 11/1/97 @ 100		
6.000%, 11/01/20	300	300
Fairfax County, Virginia, Redevelopment and Housing Authority Bond, GNMA		

7.875%, 09/20/99	125	128
5th Ave Housing, Indiana Development RB, FNMA		
8.100%, 01/01/03	60	61
Hillard, Ohio Housing Development Corporation, Series 1995B, RB, FHA		
7.750%, 01/01/97	35	35
Indianola, Mississippi Housing Development, Section 8 Eastover Apartments, MBIA/FHA		
6.600%, 01/01/99	90	90
Kansas City, Kansas Sewer Revenue Bond, AMBAC		
8.375%, 05/01/01	100	102
Lake Mills, Iowa Lake Mills Investors Ltd, First Mortgage Bonds Mercy Health Center, Series 1995		
7.150%, 11/01/98	235	234
7.050%, 11/01/97	215	215
Lewiston, Maine Multi-Family Housing, RB, FNMA/FHA		
6.450%, 02/15/97	20	20
Massachusetts State Housing Finance Agency, Series C, RB, FHA, Pre-refunded @ 102		
10.900%, 08/01/97 (C)	145	150
Mesquite, Texas Health Facilities, RB		
6.625%, 02/15/97	130	130
Moorhead, Mississippi Housing Development, Section 8 Moorhead Manor, Series A, RB, MBIA/FHA		
6.600%, 07/01/97	30	30
6.600%, 07/01/98	30	30
6.600%, 07/01/99	35	35

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Passaic County, New Jersey Waste Utility, RB, MBIA		
6.250%, 09/03/97	\$246	\$ 247
Prince Georges County, Maryland Housing RB, GNMA		
5.750%, 10/20/98	45	45
Prince Georges County, Maryland Housing, RB, GNMA		
5.500%, 06/20/98	60	59
Riverside, California Certificate of Participation, Tyler Mall Parking		
10.000%, 04/01/10	400	422
Rome, New York Housing Development Section 8, Series B, RB, MBIA/FHA		
7.750%, 07/01/01	45	45
Sacramento, California Utility Electric RB		
5.250%, 11/15/96	425	425
San Francisco, California Redevelopment Agency, Series 1995-C, RB, MBIA/FHA		
6.375%, 01/01/00	125	125
Texas State Department of Housing & Community Affairs, RB		
7.250%, 07/01/99	260	263
Total Taxable Municipal Bonds (Cost \$4,235)		4,239
CASH EQUIVALENTS -- 7.7%		
SEI Daily Income Trust Government II Fund	300	300
SEI Daily Income Trust Treasury II Fund	222	222
Total Cash Equivalents (Cost \$522)		522
Total Investments -- 103.5% (Cost \$6,982)		6,989
Other Assets and Liabilities -- (3.5%)		
Investment securities purchased		(300)
Interest receivable		89
Receivable due from advisor		4
Administration fees payable		(4)

Other assets and liabilities	(27)
Total Other Assets and Liabilities, Net	(238)

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STATEMENT OF NET ASSETS

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

SHORT-TERM FIXED INCOME FUND

DESCRIPTION	MARKET VALUE (000)
NET ASSETS:	
Capital shares (unlimited authorization -- \$0.001 par value) based on 675,342 outstanding shares of beneficial interest	\$ 6,771
Accumulated net realized loss on investments	(27)
Net unrealized appreciation on investments	7
Total Net Assets--100.0%	\$ 6,751
Net Assets Value, Offering and Redemption Price Per Share	\$ 10.00

GO GENERAL OBLIGATION
 LOC SECURITIES ARE HELD IN CONNECTION WITH A LETTER OF CREDIT BY A MAJOR COMMERCIAL BANK
 RB REVENUE BOND
 REMIC REAL ESTATE MORTGAGE INVESTMENT CONDUIT
 THE FOLLOWING ORGANIZATIONS HAVE PROVIDED UNDERLYING CREDIT SUPPORT FOR THE SECURITIES AS DEFINED IN THE STATEMENT OF NET ASSETS.
 AMBAC AMERICAN MUNICIPAL BOND ASSURANCE COMPANY
 FHA FEDERAL HOUSING AUTHORITY
 FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION
 GNMA GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
 MBIA MUNICIPAL BOND INVESTORS ASSURANCE
 (A) MANDATORY PUT SECURITY. THE MANDATORY PUT DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.
 (B) VARIABLE RATE SECURITY. THE RATE REPORTED ON THE STATEMENT OF NET ASSETS IS THE RATE IN EFFECT AS OF OCTOBER 31, 1996.
 (C) PRE-REFUNDED SECURITY. THE PRE-REFUNDED DATE IS SHOWN AS THE MATURITY DATE ON THE STATEMENT OF NET ASSETS.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

SMALLER COMPANIES FUND

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
COMMON STOCKS -- 87.7%		
AIR TRANSPORTATION -- 1.0%		
Atlantic Southeast Airlines	1,250	\$ 26
Midwest Express Holdings*	500	17
		43
CREDIT SENSITIVE -- 10.0%		
Bank Plus*	2,800	31
Bank United, Class A*	500	13
Credit Acceptance*	2,300	62
Dime Bancorp*	5,000	74
First Alliance	600	16
Glendale Federal Savings Bank*	2,000	37
Lennar	3,700	82
Long Island Bancorp	1,000	30
Triangle Pacific*	3,050	65
		410
BUILDING & CONSTRUCTION SUPPLIES -- 0.3%		
Miller Industries*	600	14
COMMUNICATIONS EQUIPMENT -- 0.9%		
Checkpoint Systems*	1,600	36

CONSUMER -- 12.7%		
Baby Superstore*	1,400	38
Damark International*	4,600	41
Genesco*	810	7
Micro Warehouse*	2,900	67
Mohawk Industries*	1,900	46
Robert Mondavi, Class A*	700	20
Rock Bottom Restaurants*	800	8
Service Merchandise*	3,900	23
Sonic*	3,500	80
Sports Authority*	3,375	82
Taco Cabana Incorporated, Class A*	700	4
WestPoint Stevens*	2,900	77
Williams-Sonoma*	1,100	30

523

ENVIRONMENTAL SERVICES -- 0.9%		
Philip Environment*	3,500	36

HEALTHCARE -- 1.9%		
Gensia Pharmaceutical*	5,500	27
Quorum Health Group*	500	14
Renal Care Group*	500	19
Value Health*	1,100	19

79

HOUSEHOLD FURNITURE & FIXTURES -- 0.2%		
Furniture Brands International*	700	9

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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)

PROCESS INDUSTRIES -- 4.3%		
Bowater	1,300	\$ 46
PH Glatfelter	2,520	48
NuCo2*	3,350	44
Rayonier	1,000	40

		178

ENERGY -- 12.8%		
BJ Services*	2,100	94
Benton Oil & Gas*	1,350	33
Devon Energy	3,300	115
Marine Drilling Company*	1,900	26
Parker & Parsley Petroleum	1,500	43
Seacor Holdings*	650	35
Seagull Energy*	2,100	45
Tidewater	1,350	59
United Meridian*	1,500	71

		521

SERVICE -- 17.4%		
American Radio Systems*	2,000	61
Barnett*	1,850	44
Caribiner International *	800	36
Central Parking	1,900	66
Chancellor, Class A*	950	31
Daisytek International*	1,300	50
Delta & Pine Land	3,690	133
Mail Boxes Etc.*	1,600	33
Paging Network*	2,500	43
Premiere Technologies*	400	6
Henry Schein*	2,300	91
True North Communications	2,000	47
US Freightways	2,500	55
Vanguard Cellular Systems, Class A*	1,300	22

		718

TECHNOLOGY -- 24.5%		
Ade*	1,200	11
Actel*	4,450	80
Analog Devices*	2,500	65
Ariel*	170	2
CEM*	3,000	29
Camco International	1,000	39

Cytec*	400	5
Digex *	1,600	18
Envoy*	2,300	85
Geoworks*	1,800	37
HCIA*	700	19
Micrel*	2,500	51
PCD *	5,000	55
PRI Automation*	2,770	98
Rational Software*	3,200	123

DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
Sandisk*	4,000	\$ 53
Sawtek*	600	18
Siebel Systems*	1,200	65
Sierra Semiconductor*	5,000	65
Sipex*	745	18
Speedfam International*	180	3
Synopsys*	1,500	68

		1,007

TESTING LABORATORIES -- 0.8%		
Clintrials Research*	900	33

Total Common Stocks (Cost \$3,107)		3,607

COMMERCIAL PAPER -- 12.6%		
Northern Trust 5.201%, 11/01/96	\$519	519

Total Commercial Paper (Cost \$519)		519

Total Investments -- 100.3%		
(Cost \$3,626)		4,126

OTHER ASSETS AND LIABILITIES -- (0.3%)		
Investment securities purchased		(89)
Investment securities sold		82
Receivable due from advisor		2
Administration fees payable		(4)
Other assets and liabilities		(2)

Total Other Assets and Liabilities, Net		(11)

NET ASSETS:		
Capital shares (unlimited authorization -- \$0.001 par value) based on 314,254 outstanding shares of beneficial interest		3,279
Undistributed net investment loss		(9)
Accumulated net realized gain on investments		345
Net unrealized appreciation on investments		500

Total Net Assets -- 100.0%		\$ 4,115
		=====
Net Asset Value, Offering and Redemption Price Per Share		\$ 13.10
		=====

* NON-INCOME PRODUCING SECURITY
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

INTERNATIONAL EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)
FOREIGN COMMON STOCKS -- 95.4%		
AUSTRALIA -- 2.3%		
M.I.M. Holdings	31,000	\$ 40

Mayne Nickless	6,000	40

		80

FINLAND -- 1.2%		
Valmet `A`	2,600	40

FRANCE -- 3.1%		
Carrefour	90	50
Total `B`	700	55

		105

GERMANY -- 1.3%		
Adidas	550	46

HONG KONG -- 6.8%		
Cheung Kong Holdings	5,000	40
Guoco Group	4,000	21
Hong Kong Land	13,000	29
HSBC Holdings	1,200	25
Hutchison Whampoa	6,000	42
Road King Infrastructure*	10,000	7
Shangri-La Asia	18,000	26
Sun Hung Kai Properties	2,000	23
Wharf Holdings	5,000	21

		234

ITALY -- 1.3%		
Telecom Italia	22,000	46

JAPAN -- 33.3%		
Autobac Seven	100	8
Canon	4,000	77
DDI	8	60
Hitachi	7,000	62
Ito Yokado	1,000	50
Matsushita Electric	2,000	32
Minebea	5,000	42
Mitsubishi	5,000	56
Mitsubishi Estate	6,000	75
Mitsubishi Heavy Industries	10,000	77
Mitsubishi Materials	3,000	13
Nippon Telegraph & Telephone	2	14
Nishimatsu Construction	6,000	55
NKK	23,000	58
Nomura Securities	4,000	66
NSK	6,000	40
Sankyo	3,000	74
Shin Etsu Chemical	3,000	52
Sony	600	36

		1,139

DESCRIPTION	SHARES	MARKET VALUE (000)

Sumitomo Bank	2,000	\$ 35
Suzuki Motor	3,000	31
Teijin	13,000	60
Tokio Marine & Fire Insurance	6,000	66

		1,139

MALAYSIA -- 4.5%		
Genting Berhad	5,000	37
IOI	4,000	6
Malayan Banking	2,000	20
Sime Darby	7,000	25
Sungei Way Holdings	2,000	11
United Engineers	7,000	55

		154

NETHERLANDS -- 8.7%		
Aegon	1,158	59
Elsevier	7,000	116
Gucci	800	55
Hunter Douglas	459	33
Polygram	710	33

		296

SINGAPORE -- 1.2%		
Jurong Ship Yard	2,000	9
Overseas Chinese Banking Foreign	2,800	32

		41

SPAIN -- 1.9%		
Banco Popular	180	34
Telefonica de Espana	1,500	30
		64

SWEDEN -- 7.5%		
Astra AB, Series A	2,000	92
Ericsson LM, Series B	4,400	119
Securitas AB, Series B	1,800	47
		258

SWITZERLAND -- 6.7%		
Adecco	220	62
Roche Holdings	6	46
Sandoz Pharmaceutical	105	122
		230

UNITED KINGDOM -- 15.6%		
British Biotech*	8,000	29
British Telecommunications	10,900	63
Courtaulds	6,500	48
Dixons Group	9,000	80

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DESCRIPTION	SHARES/ FACE AMOUNT	MARKET VALUE (000)

General Electric	18,100	\$ 112
Glaxo Wellcome	5,000	79
National Westminster	8,000	91
Securicor	7,000	32
		534

Total Foreign Common Stocks (Cost \$2,966)		3,267

FOREIGN PREFERRED STOCK -- 1.1%		
GERMANY -- 1.1%		
SAP	275	37

Total Foreign Preferred Stock (Cost \$45)		37

DEMAND DEPOSIT -- 0.7%		
UNITED STATES -- 0.7%		
Northern Trust 3.500%, 11/01/96	\$ 22	22

Total Demand Deposit (Cost \$22)		22

Total Investments -- 97.2% (Cost \$3,033)		3,326

Other Assets and Liabilities -- 2.8%		
Foreign currency (Cost \$113)		113
Receivable due from advisor		7
Administration fees payable		(6)
Other assets and liabilities		(17)

Total Other Assets and Liabilities, Net		97

NET ASSETS:		
Portfolio shares (unlimited authorization -- \$.001 par value) based on 288,186 outstanding shares of beneficial interest		2,935
Undistributed net investment income		39
Accumulated net realized gain on investments		156
Net unrealized appreciation on investments		293

Total Net Assets-- 100.0%		\$ 3,423
		=====

Net Asset Value, Offering and
Redemption Price Per Share

\$ 11.88

=====

* NON-INCOME PRODUCING SECURITY.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

EUROPEAN EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)

FOREIGN COMMON STOCKS -- 96.7%		
BELGIUM -- 0.1%		
G.I.B. Holdings	400	\$ 15

DENMARK -- 2.7%		
Bang & Olufsen	6,200	230
Novo Nordisk, Series B	1,470	245

		475

FINLAND -- 0.7%		
Pohjola	6,300	132

FRANCE -- 13.5%		
BIC	850	128
Carrefour	480	266
Cetelem	600	128
Cie de Saint Gobain	1,272	172
Grand Optical-Photoservice	1,300	189
Imetal SA	900	140
LVMH Moet Hennessy	950	218
Sanofi	3,040	275
Scor	3,800	146
Seita	4,435	179
SGS-Thomson Microelectronics*	4,200	223
Total Series B	2,400	188
Usinor Sacilor	11,100	165

		2,417

GERMANY -- 7.0%		
Adidas	1,600	135
BASF	5,520	177
Bayerische Motoren Werke	300	176
Beiersdorf	1,800	90
Hoechst	5,000	188
Siemens	3,000	155
Volkswagen	850	337

		1,258

ITALY -- 6.2%		
Edison	37,000	220
ENI SPA	30,000	144
Parmalat Finanziaria	216,000	310
Pirelli*	70,000	124
STET	10,000	35
Telecom Italia	130,000	269

		1,102

NETHERLANDS -- 10.2%		
ABN-Amro Holdings	4,996	282
Aegon	2,534	129
Ahold	4,856	283
ASM Lithography Holdings*	2,100	76
Elsevier	13,000	216
Hunter Douglas	2,000	141
ING Groep	6,600	206

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

EUROPEAN EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)

Koninklijke PTT Nederland	4,784	\$ 173
Nutricia Vernigde Bedrijven	1,430	201
Wegener	1,525	128

		1,835
NORWAY -- 0.6%		
Unitor Ship Services	10,000	110
SPAIN -- 4.6%		
Autopistas Cesa	400	5
Banco Popular	1,200	229
Empresa Nacional de Electricidad	3,500	214
Gas Natural	1,000	175
Telefonica de Espana	10,000	201
		824
SWEDEN -- 9.9%		
Assa Abloy, Series B	13,600	209
Astra AB, Series B	4,460	204
Cardo	7,500	184
Ericsson LM, Series B	8,000	217
Securitas, Series B	6,000	155
Skanska, Series B	5,500	235
Sparbanken Sverige AB, Series A	12,000	190
SSAB, Series A	13,000	189
Trygg-Hansa AB	10,700	194
		1,777
SWITZERLAND -- 6.5%		
Asea Brown Boveri	160	198
Roche Holdings	35	265
Sandoz Pharmaceutical	340	394
Societe Generale de Surveillance	55	125
Winterthur	290	173
		1,155
UNITED KINGDOM -- 34.7%		
Abbey National	17,000	177
Albright & Wilson	22,500	70
Associated British Foods	16,000	110
Bass	9,500	122
BAT Industries	11,000	77
BICC	23,090	110
Blue Circle Industries	26,000	169
British Aerospace	9,722	184
British Airways	17,000	153
British Biotech*	15,460	57
British Telecommunications	50,500	292
Commercial Union	11,562	122
Cortaulds	16,000	119
De La Rue	10,000	96
Emap	10,000	116
General Cable*	14,500	50
General Electric	24,000	148

DESCRIPTION	SHARES/ FACE AMOUNT (000)	MARKET VALUE (000)
Glaxo Wellcome	22,500	\$ 353
Granada Group	14,500	209
Grand Metropolitan	14,000	106
Guinness	14,000	100
Hammerson	22,000	137
HSBC Holdings	5,800	122
Lasmo	52,000	181
Logica	10,000	130
Lucas Varity*	19,000	77
Medeva	22,000	95
Morrison Supermarket	32,760	86
Next	18,000	164
Prudential	21,000	159
Redland	19,500	134
Reuters	11,000	137
Rolls Royce	29,500	122
Scottish Power	16,970	87
Securicor	26,845	122
Sedgwick Group	60,520	123
Shell Transportation & Trading	21,000	344
Smiths Industries	7,500	100
Standard Chartered Bank	11,000	119
Sun Alliance Group	27,605	189
Tate & Lyle	15,000	116
Tomkins	32,000	134
Vendome Units	9,700	91

Vodafone Group	20,000	77
Williams Holdings	16,740	99
Wolseley	16,000	124

		6,209

Total Foreign Common Stocks (Cost \$13,778)		17,309

FOREIGN PREFERRED STOCKS -- 2.2%		
FINLAND -- 0.9%		
Nokia AB, Series A	3,400	157

GERMANY -- 1.3%		
Rhoen Klinikum	700	83
SAP	1,100	148

		231

Total Foreign Preferred Stocks (Cost \$194)		388

DEMAND DEPOSIT -- 0.5%		
UNITED STATES -- 0.5%		
Northern Trust		
3.500%, 11/01/96	\$ 97	97

Total Demand Deposit (Cost \$97)		97

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DESCRIPTION	MARKET VALUE (000)
Total Investments -- 99.4% (Cost \$14,069)	\$ 17,794

OTHER ASSETS AND LIABILITIES -- 0.6%	
Foreign currency (Cost \$196)	201
Investment advisory fee payable	(4)
Administration fees payable	(2)
Other assets and liabilities	(87)

Total Other Assets and Liabilities, Net	108

NET ASSETS:	
Capital shares (unlimited authorization -- \$.001 par value) based on 1,689,559 outstanding shares of beneficial interest	13,947
Undistributed net investment income	19
Accumulated net realized gain on investments	206
Net unrealized appreciation on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	5
Net unrealized appreciation on investments	3,725

Total Net Assets -- 100.0%	\$ 17,902
	=====
Net Asset Value, Offering and Redemption Price Per Share	\$ 10.60
	=====

*NON-INCOME PRODUCING SECURITY
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

INTERNATIONAL SMALL CAP EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)
FOREIGN COMMON STOCKS -- 90.3%		
AUSTRALIA -- 2.1%		
Adelaide Brighton	377,983	\$ 494

Capral Aluminum	153,912	458
Foodland Associated	60,632	262
McPherson's*	123,203	313
Savage Resources	748,277	741
Savage Resources Warrants*	21,548	5

		2,273

AUSTRIA -- 1.3%		
Austria Mikro Systeme		
International	1,344	86
Wolford	9,656	1,274

		1,360

BELGIUM -- 0.2%		
Quick Restaurants	3,576	239

DENMARK -- 2.2%		
Martin Gruppen	13,564	721
Oticon Holding AS, Series A	10,028	1,613

		2,334

FINLAND -- 0.9%		
Cultor Oy, Series 1*	14,800	678
Cultor Oy, Series 2*	5,000	227

		905

FRANCE -- 4.2%		
Airfeu SA	6,403	200
Altran Technologies SA	970	290
Brioche Pasquier	1,686	237
CIPE France SA	6,150	755
Deveaux SA	9,562	1,208
Fininfo	1,662	172
Genset ADR*	16,902	294
Grand Optical-Photoservice	3,529	513
Guilbert SA	3,622	576
Jet Multimedia	1,540	205

		4,450

GERMANY -- 3.1%		
Adidas	4,393	370
Boss (Hugo)	419	506
Cewe Color Holding	2,922	759
Eff-eff Fritz Fuss GmbH	4,962	193
Jil Sander	808	534
Kiekert	17,608	513
Marschollek Lauten	3,190	451
Marschollek Lauten Rights*	3,190	51

		3,377

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

INTERNATIONAL SMALL CAP EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)

HONG KONG -- 3.6%		
China Overseas Land & Investment	1,810,000	\$ 673
China Resources Development	374,000	421
East Asiatic Company	299,000	35
Four Seas Mercantile	234,000	106
Gold Peak	709,000	440
Grand Hotel Holdings	542,000	228
Harbour Centre	197,000	268
HKR International	517,000	655
Hon Kwok Land Investment	823,900	269
Hong Kong Aircraft Engineering	42,000	107
Jardine International Motor	94,000	118
Liu Chong Hing Bank	131,000	191
Wing Hang Bank	68,000	274

		3,785

INDONESIA -- 0.6%		
Bukaka Teknik Utama `F'	70,000	59
Clipan Finance `F'	67,500	28
Fastfood Indonesia `F'	31,000	49
Panin Bank `F'	50,000	50
PT Aneka Kimia Ray `F'	144,000	82
Sari Husada `F'	15,000	81
Tempo Scan Pacific `F'	37,500	62
Tigaraksa Satria `F'	72,000	128
Wicaksana Overseas `F'	80,000	93

632

ITALY -- 3.9%		
De Rigo ADR*	45,695	497
Gewiss	83,981	1,022
Industria Machine	64,506	256
Industrie Natuzzi Spa ADR	37,400	1,697
Saes Getters	18,761	342
Saes Getters Di Risp	28,557	352

4,166

JAPAN -- 38.6%		
Aderans	23,000	558
Aichi	56,000	460
Arcland Sakamoto	40,000	552
Beltecno	35,000	375
Bridgestone	58,000	607
Cesar	75,000	562
Chubu Sekiwa Real Estate	42,000	554
Chuo Warehouse	35,000	366
Circle K	20,000	835
CKD	37,000	292
CSK	19,000	560
Daishowa Paper	75,000	443
Daiwabo Information Systems	26,000	471
Enix	18,700	455

DESCRIPTION	SHARES	MARKET VALUE	
			(000)
Fuji Machine Manufacturing	24,000	\$	568
Fujitec	40,000		415
H.I.S.	9,900		526
Honma Golf	21,190		419
Ines	42,000		720
Itoki Crebio	61,000		488
Japan Industry Land	21,000		606
Juken Sangyo	47,000		401
Kaneshita Construction	42,000		443
Kansai Sekiwa	37,000		524
Kanto Seino Transportation	24,000		696
Kawasho Lease System	21,500		251
Kawasumi Labs	38,000		454
Kojima*	15,000		451
Maezawa Kaisei	16,000		556
Mars Engineering	9,400		388
Maruco	15,400		636
Maspro Denkoh	24,000		549
Meitec	35,200		724
Ministop	28,000		712
Misumi	16,000		366
Mitsuba Electric	47,000		496
Mitsui High Tec	25,000		506
Mitsui Home	35,000		468
Nichiha	36,000		665
Nichii Gakkan	15,000		725
Nippon Denwa Shset	60,000		654
Nippon Kanzai	21,000		576
Nippon Thompson	89,000		635
Nissin	17,520		479
Nissin Electric	94,000		575
Nitto Electric Works	56,000		970
Nitto Kohki	20,000		659
OSG	89,000		588
Paramount Bed	10,300		712
PS	32,700		532
Ricoh Elemex	52,000		732
Ryoyo Electro	22,000		391
Sakai Chemical Industry	112,000		604
Sakai Moving Service*	10,000		411
Sansei Yusoki	38,000		468
Sanyo Shinpan	7,500		456

Satori Electric	19,000	578
Seijo	20,900	483
Sekiwa Real Estate	42,000	349
Shimachu	19,000	523
Shimadzu	112,000	660
Shin Nikkei	80,000	514
Shinki	23,000	607
Sintokogio	61,000	504
Stamina Foods	5,000	39
Takada Kiko Steel	41,000	357
Takuma	47,000	537
Tanseisha	47,000	537

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DESCRIPTION	SHARES	MARKET VALUE (000)
Terumo	70,000	\$ 899
Tohoku Misawa Home	35,000	440
Tokai Carbon	131,000	614
Toyo Shutter	80,000	598
Trusco Nakayama	33,000	662
Tsudakoma	94,000	522
Wakita	38,000	484
Xebio	18,700	608
Yamae Hisano	38,000	378

		41,178

MALAYSIA -- 1.9%		
Cycle and Carr Bin	40,000	231
Hock Hua Bank `F'	56,000	191
IOI Properties	102,000	339
Metacorp	28,000	85
Muhibbah Engineering	38,000	141
Nylex Berhad	120,000	264
Public Finance `F'	135,250	209
RJ Reynolds Berhad	66,000	192
Road Builder	71,000	365

		2,017

NETHERLANDS -- 3.0%		
Aalberts Industries	3,999	469
Gucci	32,136	2,201
IHC Caland	9,827	549

		3,219

NORWAY -- 4.1%		
Hitec AS*	114,781	389
NCL Holdings*	463,612	960
Nera AS	15,355	553
Norman Data Defence*	15,998	309
Sensor AS*	32,141	232
Sysdeco Group AS*	54,550	163
System Etiketterin	44,218	631
Tomra Systems	78,910	1,120

		4,357

PHILIPPINES -- 0.2%		
Bacnotan Consolidated	7,500	31
First Philippine Holdings	69,533	140
Union Bank of Philippines*	35,880	41

		212

SINGAPORE -- 1.6%		
Amtek Engineering	159,000	277
Courts Singapore	120,000	159
GP Batteries International	80,000	232
Haw Par Brothers International	71,000	144
Haw Par Brothers International Warrants*	7,600	6

DESCRIPTION	SHARES	MARKET VALUE (000)
Hong Leong Finance	19,000	\$ 58
Jurong Engineering	47,000	140
Singap Tech Ship & Engine	142,000	225
Tiger Medicals	33,000	50

Venture Manufacturing	244,000	444

		1,735

SPAIN -- 0.3%		
Cortefiel	13,000	363

SWEDEN -- 2.3%		
Elekta Instrument AB, Series B	10,544	375
Hoganas AB, Series B	21,910	678
Kalmar	32,615	507
Sintercast, Series A*	22,257	700
Trio*	47,015	201

		2,461

SWITZERLAND -- 0.5%		
Fust	1,091	265
Kardex PC	1,077	313

		578

THAILAND -- 0.4%		
Hana Microelectric `F'	29,000	147
Regional Container Line `F'	6,600	69
Robinson Department Store `F'	23,000	39
Serm Suk `F'	5,640	116
Srithai Superware	11,200	57

		428

UNITED KINGDOM -- 15.3%		
Albright & Wilson	55,968	175
Allied Colloids	37,312	88
Alumasc Group	47,488	263
Amersham International	12,126	206
Applied Distribution Group	93,280	104
Argos	39,130	491
Ashtead Group	66,404	252
Associated British Ports	62,218	275
Azlan Group	8,100	96
Baynes (Charles)	130,592	283
BBA Group	79,288	462
Bunzl	93,280	360
Capital Group	20,300	137
Capital Shopping Centres	51,820	286
Charter	16,324	217
Compass Group	37,312	370
Courtaulds Textile	30,316	138
Cowie Group	86,052	503
Daily Mail & General Trust A	16,044	349
Dalgety	46,640	236
Devro International	71,826	311
Fairey Group	40,717	453

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

INTERNATIONAL SMALL CAP EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)
Firstbus	108,417	\$ 322
Forth Ports	34,980	357
General Cable*	120,000	418
Glynwed International	65,804	377
Great Portland Estates	35,446	109
Henlys	40,950	385
Hepworth	55,968	270
Ibstock	326,480	321
ISA International	93,280	316
Laird Group	46,640	349
London Clubs	83,020	426
MFI Furniture	153,044	501
Mirror Group	96,731	366
Misys	24,604	363
Pillar Property Investment	155,544	497
Rotork	75,977	342
Rugby Group	111,936	184
Scapa Group	53,170	223
Securicor	80,361	364

S.I.G.	98,178	411
Smith (David S) Holding	77,237	395
Spirax-Sarco Engineering	37,312	445
Stagecoach Holdings	56,701	524
Staveley Industries	55,968	189
Trinity Holdings	76,676	324
United News & Media	23,880	262
Vickers	103,636	489
Vitec Group	35,376	404
Vosper Thornycroft	20,382	274

16,262

Total Foreign Common Stocks
(Cost \$91,736) 96,331

FOREIGN PREFERRED STOCKS -- 5.9%

GERMANY -- 5.9%

Berentzen-Gruppe	32,946	1,191
Fielmann	54,097	2,252
Hach	791	319
Mobel Walther	18,333	1,134
Puma	22,882	677
Rhone Klinikum	3,574	423
Sto Vorzug	561	273

6,269

Total Foreign Preferred Stocks
(Cost \$5,842) 6,269

COMMON STOCK -- 0.1%

UNITED STATES -- 0.1%

PixTech*	33,724	148
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DESCRIPTION	FACE AMOUNT (000)	MARKET VALUE (000)
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Total Common Stock
(Cost \$340) \$ 148

DEMAND DEPOSIT -- 3.3%

UNITED STATES -- 3.3%

Northern Trust 3.500%, 11/01/96	\$3,562	3,562
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Total Demand Deposit
(Cost \$3,562) 3,562

Total Investments -- 99.6%
(Cost \$101,480) 106,310

Other Assets and Liabilities -- 0.4%

Investment advisory fee payable	(66)
Administration fee payable	(10)
Other assets and liabilities	475

Total Other Assets and Liabilities, Net 399

NET ASSETS:

Capital shares (unlimited authorization -- \$.001 par value) based on 10,709,554 outstanding shares of beneficial interest	101,643
Undistributed net investment income	1,335
Accumulated net realized loss on investments	(1,100)
Net unrealized appreciation on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	1
Net unrealized appreciation on investments	4,830

Total Net Assets -- 100.0% \$106,709
=====

Net Asset Value, Offering and
Redemption Price Per Share \$ 9.96
=====

*NON-INCOME PRODUCING SECURITY

EUROPEAN SMALL CAP EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)
FOREIGN COMMON STOCKS -- 79.5%		
AUSTRIA -- 1.9%		
Austria Mikro Systeme International	868	\$ 55
Wolford	978	129

		184

BELGIUM -- 0.5%		
Quick Restaurants	722	48

DENMARK -- 3.7%		
Martin Gruppen	1,200	64
Oticon Holding AS, Series A	1,842	296

		360

FINLAND -- 1.8%		
Cultor Oy, Series 1*	2,900	133
Cultor Oy, Series 2*	990	45

		178

FRANCE -- 8.3%		
Airfeu SA	1,527	48
Altran Technologies SA	204	61
Brioche Pasquier	481	67
CIPE France SA	1,073	132
Deveaux SA	676	85
Fininfo	332	34
Genset ADR*	3,400	59
Grand Optical-Photoservice	1,155	168
Guilbert SA	830	132
Jet Multimedia	237	32

		818

GERMANY -- 5.8%		
Adidas	950	80
Biotest	2,000	58
Cewe Color Holding	128	33
EffeFF Fritz Fuss GmbH	1,170	46
Marschollek Lauten	720	102
Marschollek Lauten Rights*	720	11
Puma*	8,367	247

		577

ITALY -- 6.6%		
De Rigo ADR*	7,650	83
Gewiss	11,836	144
Industria Machine	17,000	68
Industrie Natuzzi Spa ADR	3,694	168
Saes Getters	6,350	116
Saes Getters Di Risp	4,000	49
Saes Getters Priv	1,500	22

		650

NETHERLANDS -- 4.4%		
Aalberts Industries	1,925	\$ 226
Gucci	3,100	212

		438

NORWAY -- 7.9%		
Hitec AS*	24,714	84
NCL Holdings*	99,815	207
Norman Data Defence*	3,600	69
Sensor AS*	6,681	48
Sysdeco Group AS*	11,363	34

System Etiketterin	7,651	109
Tomra Systems	15,966	227

		778

SPAIN -- 0.5%		
Cortefiel	1,885	53

SWEDEN -- 5.7%		
Elekta Instrument AB, Series B	2,311	82
Hoganas AB, Series B	6,187	191
Kalmar	7,590	118
Sintercast, Series A*	4,090	129
Trio*	10,850	46

		566

SWITZERLAND -- 0.8%		
Kardex PC	274	80

UNITED KINGDOM -- 31.6%		
Albright & Wilson	20,000	63
Allied Colloids	25,000	59
Amersham International	3,000	51
Argos	8,480	106
Associated British Ports	6,700	30
BBA Group	14,953	87
Bradford Properties	12,000	46
Bunzl	19,750	76
Capita Group	4,150	28
Capital Shopping Centres	12,500	69
Charter	5,000	67
Compass Group	7,750	77
Courtaulds Textile	7,500	34
Cowie Group	15,433	90
Daily Mail & General Trust A	3,850	84
Dalgety	12,500	63
Devro International	24,200	105
Fairey Group	8,750	97
Forth Ports	6,800	69
General Cable*	56,600	197
Glynwed	13,250	76
Henlys	8,900	84
Hepworth	15,900	77

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

EUROPEAN SMALL CAP EQUITY FUND

DESCRIPTION	SHARES/ FACE AMOUNT (000)	MARKET VALUE (000)
Ibstock	108,333	\$ 107
Laird Group	9,697	73
London Clubs	19,500	100
MFI Furniture	30,900	101
Mirror Group	13,400	51
Misys	4,400	65
Pillar Property Investment	22,750	73
Rugby Group	40,000	66
Scapa Group	20,000	84
Securicor	21,591	98
S.I.G.	20,900	88
Smith (David W.) Holding	15,650	80
Spirax-Sarco Engineering	7,647	91
Stagecoach Holdings	6,163	57
Trinity Holdings	18,400	78
Vickers	13,000	61
Vitec Group	4,800	55
Vosper Thornycroft	3,600	48

		3,111

Total Foreign Common Stocks (Cost \$6,371)		7,841

FOREIGN PREFERRED STOCKS -- 12.2%

GERMANY -- 12.2%		
Berentzen-Gruppe	5,256	190

Boss (Hugo)	132	159
Fielmann	7,312	304
Hach	135	54
Jil Sander	156	103
Mobel Walther	4,048	250
Rhoen Klinikum	1,172	139

		1,199

Total Foreign Preferred Stocks (Cost \$1,035)		1,199

COMMON STOCK -- 0.3%		
UNITED STATES -- 0.3%		
PixTech*	5,960	26

Total Common Stock (Cost \$60)		26

DEMAND DEPOSIT -- 6.8%		
UNITED STATES -- 6.8%		
Northern Trust		
3.500%, 11/01/96	\$675	675

Total Demand Deposit (Cost \$675)		675

DESCRIPTION	SHARES	MARKET VALUE (000)
-----		-----
Total Investments -- 98.8%		
(Cost \$8,141)		\$ 9,741

OTHER ASSETS AND LIABILITIES -- 1.2%		
Receivable due from advisor		4
Administration fee payable		(8)
Other assets and liabilities		119

Other Assets and Liabilities, Net		115

NET ASSETS:		
Capital shares (unlimited authorization -- \$.001 par value based on 785,684 outstanding shares of beneficial interest		7,810
Undistributed net investment income		151
Accumulated net realized gain on investments		295
Net unrealized appreciation on investments		1,600

Total Net Assets -- 100.0%		\$ 9,856
		=====
Net Asset Value, Offering and Redemption Price Per Share		\$ 12.54
		=====

*NON-INCOME PRODUCING SECURITY
ADR AMERICAN DEPOSITORY RECEIPT
PC PARTICIPATING CERTIFICATE
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

EMERGING MARKETS EQUITY FUND

FOREIGN COMMON STOCKS -- 89.7%		
ARGENTINA -- 1.4%		
Disco*	35,000	\$ 788
YPF SA ADR	19,000	432

		1,220

BOTSWANA -- 0.8%		
KYS*	395,000	141
Sechaba Investment	800,000	549

		690

BRAZIL -- 8.1%		
Centrais Eletrica*	590,000	649
Cia Energetica de Minas	36,000	1,148
Eletrobras	1,500,000	466
Elevadores Atlas*	68,000	741

Makro Atacadista GDR*	82,000	763
Makro Atacadista GDS*	18,000	167

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DESCRIPTION	SHARES	MARKET VALUE (000)
Multicanal Participacoes ADR*	25,000	\$ 350
Telecom Brasileiras ADR	14,040	1,046
Telemig*	208,113	25
TV Filme*	55,000	825
Vale Rio Doce ADR	47,000	999

		7,179

CANADA -- 1.1%		
Black Swan Gold*	360,000	271
Boron Chemical Warrants*	750,000	699

		970

CHILE -- 2.9%		
Cervecerias Unidas ADR	43,200	875
Cia Telecomunicacion Chile ADR	8,000	789
Enersis ADR	30,000	881

		2,545

COLOMBIA -- 1.1%		
Cadenalco ADR	25,000	313
Suramericana	38,386	711

		1,024

CROATIA -- 0.8%		
Zagrebacka Banka GDR*	38,000	736

GREECE -- 1.1%		
Ergo Bank	7,350	432
Goody's	9,800	192
Hellenic Bottling	9,825	317

		941

HUNGARY -- 2.0%		
Egis Gyogyszer EDR	10,600	625
OTP Bank	14,953	260
OTP Bank GDR*	13,000	224
Richter Gedeon	12,000	646

		1,755

INDIA -- 5.5%		
Asea Brown Boveri India*	25,000	555
Bajaj Auto	13,750	370
East India Hotels	50,000	766
Grasim Industries	1,300	15
Gujarat Ambuja Cement	59,800	414
Hindalco Industries	12,500	207
Larsen & Toubro	90,000	567
Mahangar Telephone	150,000	955
Oriental Bank of Commerce	206,500	416
State Bank of India	86,000	558

		4,823

INDONESIA -- 5.1%		
Bank Danamon `F'	200,000	159
Bimantara Citra `F'	503,500	568

DESCRIPTION	SHARES	MARKET VALUE (000)
Bukaka Teknik Utama `F'	280,000	\$ 238
Duta Pertiwi Nusan `F'	435,000	388
Gudang Garam `F'	100,000	399
Panin Bank `F'	197,000	197
PT Enseval Putera `F'	76,000	40
PT Indah Kiat Pulp & Paper `F'	414,245	325
PT Tempo Scan Pacific `F'	180,000	298
Telekomunikasi `F'	1,000,000	1,493
Tjiwi Kimia `F'	26,136	27
Wicaksana Overseas `F'	300,000	348

		4,480
ISRAEL -- 1.6%		
Blue Square Stores*	100,000	797
Tadiran Telecommunications*	27,000	621
		1,418
MALAYSIA -- 16.4%		
Amway (Malaysia)*	60,000	359
Berjaya Sports	500,000	1,880
DCB Holdings	220,000	753
Ekran Berhad*	240,000	1,007
Gadek	120,000	998
Land and General	150,000	327
Magnum	400,000	690
Malayan Banking	135,000	1,336
Malaysian Resources	135,000	518
MBF Capital	500,000	689
Perusahaan Otomobil	150,000	950
Resorts World Berhad	120,000	689
RJ Reynolds Berhad	180,000	524
Sime Darby	200,000	709
Telekom Malaysia	120,000	1,059
UMW Holdings Berhad	160,000	735
United Engineers	160,000	1,267
		14,490
MEXICO -- 8.5%		
Corporacion Geo SA ADR*	8,750	158
Corporacion Geo SA GDS*	11,250	208
Empaques Ponderosa*	1,128,000	496
Empresas Ica Sociedad Controladora ADR	71,000	923
Grupo Fernandez Editores, Series B*	1,500,000	337
Grupo Financiero Bancomer, Series B*	1,265,000	542
Grupo Financiero Bancomer, Series L*	50,555	17
Grupo Industria Bimbo, Series A	105,000	527
Grupo Industria Saltillo, Series A	200,000	585

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STATEMENT OF NET ASSETS

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

EMERGING MARKETS EQUITY FUND

DESCRIPTION	SHARES	MARKET VALUE (000)
Industrias Campos Hermanos*	193,000	\$ 601
Nacional de Drogas, Series B	20,000	63
Nacional de Drogas, Series L	276,000	793
Sigma Alimentos, Series B	60,000	528
Telefonos de Mexico ADR, Series L	57,000	1,739
		7,517
PAKISTAN -- 0.5%		
Engro Chemicals	110,000	376
Pakistan Telecom*	699	52
		428
PERU -- 1.1%		
CPT Telefoncia del Peru ADS	10,000	206
CPT Telefonica del Peru, Series B	347,685	736
		942
PHILIPPINES -- 2.1%		
Ayala Land, Series B	168,000	179
Ayala, Series B	120,000	114
Bacnotan Consolidated	37,714	158
Belle Corporation*	2,100,000	560
First Philippine Holdings	99,840	202

Manila Electric	31,200	230
Metro Bank & Trust	8,750	193
Philippine Long Distance	2,000	120
Philippine National Bank	7,000	81

		1,837

POLAND -- 1.5%		
Bank Przemyslowo	8,420	584
Bank Rozwoju Eksportu	8,500	253
Bydgosk Fabryka Kabli*	32,500	227
Elektrim Spolka Akcyjna	32,000	268

		1,332

PORTUGAL -- 1.5%		
Banco Portugal de Invest	340	4
Barbosa E Almeida	13,332	270
Cimentos de Portugal	9,890	208
Jeronimo Martins	4,000	365
Semapa	24,000	359
TVI - Televisao Industries*	31,680	95

		1,301

SOUTH AFRICA -- 10.1%		
Anglo American Gold Investment	16,100	1,404
Anglovaal, Series N	23,500	719
Cadbury Schwepes SA	33,500	522
DeBeers Centenary Linked Units	47,850	1,413
Fedsure Holdings	80,000	531
Malbak	151,500	717

		MARKET VALUE
		(000)

Metropolitan Life	29,000	\$ 495
Rembrandt Group	79,000	691
Rustenburg Platinum Holdings	32,900	510
Smith Foods	40,750	626
South African Brewery	31,300	814
Southern Life	43,000	465

		8,907

SOUTH KOREA -- 4.1%		
Daesung Industrial	3,300	228
Daesung Industrial New	2,077	134
Dong-Ah Construction	6,120	176
Dong-Ah Construction ADR*	1,338	19
Dong-Ah Construction EDR*	15,186	216
Dong-Ah Construction New*	539	14
Hyundai Engineering	13,428	390
Korea Electric Power	15,500	457
LG Information & Communication	1,600	163
Pohang Iron & Steel ADR	11,000	228
Samchully	4,000	328
Samsung Display Devices	2,600	164
Samsung Electronics GDR 1/2		
Voting New*	335	15
Samsung Electronics GDR	20,256	436
Samsung Electronics GDS*	1,237	57
Samsung Electronics		
Non-voting GDS*	6,104	127
Shinhan Bank	19,836	391
Sungmi Telecom	220	48

		3,591

TAIWAN -- 2.8%		
Asia Cement GDS	46,031	990
China Steel	41,000	795
President Enterprises GDS*	47,530	737

		2,522

THAILAND -- 6.1%		
Advanced Info Service `F'	100,000	1,357
Dhana Siam Finance &		
Securities `F'	40,000	106
Electricity Generating `F'	138,000	401
Finance One `F'	105,000	297
Krung Thai Bank `F'	200,000	541
PTT Exploration `F'	89,500	1,285
Siam Commercial Bank `F'	80,000	728

Srithai Superware `F'	50,000	253
Thai Farmers Bank `F'	60,000	459
Thai Farmers Bank Warrants* `F'	7,500	11

		5,438

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DESCRIPTION	SHARES/ FACE AMOUNT (000) (1)	MARKET VALUE (000)

TURKEY -- 1.9%		
Ardem	3,000,000	\$ 460
Hurriyet Gazetecilik*	2,800,000	143
Kerevitas Gida Sanayii*	2,600,000	170
T Siemens*	1,000,000	270
T Sise Cam*	3,018,260	301
Vakif Fin Kiralama	7,200,000	314

		1,658

UNITED KINGDOM -- 0.6%		
Antofagasta Holdings	90,000	520

UNITED STATES -- 1.0%		
Mauritius Fund*	64,000	512
Oryx Fund*	35,000	368

		880

Total Foreign Common Stocks (Cost \$75,163)		79,144

FOREIGN PREFERRED STOCKS -- 7.2%		
BRAZIL -- 7.2%		
Brasmotor	900,000	306
CIA Lorenz	15,750,000	322
Dixie Toga	1,050,000	787
Elektrobras	1,500,000	486
Ind Bebidas Antartica	3,220	439
Metalurgica Schulz	9,400,000	101
OSA	98,000,000	715
Telerj*	8,626,000	831
Unibanco	22,846,000	634
Usiminas Gerais	915,200,000	962
Weg	1,700,000	770

		6,353

Total Foreign Preferred Stocks (Cost \$6,096)		6,353

FOREIGN CONVERTIBLE BONDS -- 2.1%		
INDONESIA -- 0.0%		
Modernland Realty 6.000%, 01/06/03	20	21

TAIWAN -- 2.1%		
Far East Department Stores 3.000%, 07/06/01	\$661	707
Nanya Plastic 1.750%, 07/19/01	\$520	559
Yang Ming Marine 2.000%, 10/06/01	\$520	580

		1,846

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)

Total Foreign Convertible Bonds (Cost \$1,847)		\$ 1,867

DEMAND DEPOSIT -- 3.8%		
UNITED STATES -- 3.8%		
Northern Trust 3.500%, 11/01/96	3,375	3,375

Total Demand Deposit (Cost \$3,375)		3,375

Total Investments -- 102.8%	
(Cost \$86,481)	90,739

OTHER ASSETS AND LIABILITIES -- (2.8%)	
Capital share redeemed	(3,232)
Foreign currency (Cost \$1,289)	1,088
Investment advisory fee payable	(27)
Administration fee payable	(8)
Other assets and liabilities	(281)

Other Assets and Liabilities, Net	(2,460)

NET ASSETS:	
Capital shares (unlimited	
authorization -- \$.001 par value)	
based on 10,037,483 outstanding	
shares of beneficial interest	81,877
Undistributed net investment loss	(175)
Accumulated net realized gain on	
investments	2,323
Net unrealized appreciation on	
forward foreign currency contracts,	
foreign currency, and translation	
of other assets and liabilities in	
foreign currency	39
Net unrealized appreciation	
on investments (2)	4,215

Total Net Assets -- 100.0%	\$ 88,279
	=====
Net Asset Value, Offering and Redemption	
Price Per Share	\$ 8.80
	=====

*NON-INCOME PRODUCING SECURITY

ADR AMERICAN DEPOSITORY RECEIPT
ADS AMERICAN DEPOSITORY SHARES
EDR EUROPEAN DEPOSITORY RECEIPT
F FOREIGN SHARES
GDR GLOBAL DEPOSITORY RECEIPT
GDS GLOBAL DEPOSITORY SHARES

(1) IN LOCAL CURRENCY UNLESS OTHERWISE INDICATED

(2) NET OF \$43,000 ACCRUED FOREIGN WITHHOLDING TAXES.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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STATEMENT OF NET ASSETS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

GLOBAL FIXED INCOME FUND

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)

FOREIGN BONDS -- 66.9%		
CANADA -- 9.1%		
Government of Canada		
8.750%, 12/01/05	10,000	\$ 8,677
9.000%, 12/01/04	5,700	5,006

		13,683

DENMARK -- 8.5%		
Kingdom of Denmark		
7.000%, 12/15/04	28,000	4,941
8.000%, 03/15/06	42,400	7,846

		12,787

FINLAND -- 4.7%		
Republic of Finland		
8.000%, 04/07/03	UK 4,200	6,979

GERMANY -- 5.8%		
Deutschland Republic		
5.250%, 10/20/98 (2)	6,800	4,628
Westdeutsche Landesbank		
6.250%, 09/15/03	6,000	4,053

		8,681

ITALY -- 10.5%		
European Bank Reconstruction &		

Development		
9.750%, 07/28/00	7,500,000	5,375
European Investment Bank		
9.600%, 01/26/01	5,000,000	3,580
Republic of Italy		
9.500%, 02/01/01	9,500,000	6,742

		15,697

JAPAN -- 11.3%		
Government of Japan		
7.200%, 12/20/00	590,000	6,386
3.600%, 12/22/03 (2)	515,000	4,939
4.100%, 06/21/04	570,000	5,627

		16,952

SPAIN -- 4.3%		
Government of Spain		
8.400%, 04/30/01	780,000	6,434

SWEDEN -- 5.8%		
Kingdom of Sweden		
10.250%, 05/05/00	31,000	5,331
13.000%, 06/15/01	17,700	3,384

		8,715

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)

UNITED KINGDOM -- 6.4%		
Abbey National		
8.000%, 04/02/03	2,000	\$ 3,301
United Kingdom Treasury		
7.500%, 12/07/06	2,500	4,033
8.500%, 07/16/07	1,300	2,240

		9,574

UNITED STATES -- 0.5%		
International Bank for Reconstruction & Development		
9.750%, 01/23/16	530	679

Total Foreign Bonds (Cost \$96,285)		100,181

FOREIGN CURRENCY OPTION -- 0.1%		
JAPAN -- 0.1%		
Japanese Yen Put*		
Strike 112.97, 04/23/97	7,400	130

Total Foreign Currency Option (Cost \$94)		130

CORPORATE OBLIGATIONS -- 1.7%		
UNITED STATES -- 1.7%		
General Electric Capital		
8.125%, 02/23/07	2,370	2,592

Total Corporate Obligations (Cost \$2,525)		2,592

U.S. TREASURY OBLIGATIONS -- 27.9%		
U.S. Treasury Bond		
8.500%, 02/15/20	2,270	2,731
7.125%, 02/15/23	2,830	2,961
U.S. Treasury Notes		
5.750%, 09/30/97	7,300	7,318
5.500%, 11/15/98	5,410	5,382
6.375%, 05/15/99	2,100	2,125
7.125%, 09/30/99	3,130	3,229
6.125%, 09/30/00	2,970	2,979
6.375%, 09/30/01	3,600	3,640
7.500%, 11/15/01	2,090	2,214
6.500%, 08/15/05	1,900	1,920
6.875%, 05/15/06	3,620	3,749
7.000%, 07/15/06	3,500	3,655

Total U.S. Treasury Obligations		

(Cost \$41,081)

41,903

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DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)
DEMAND DEPOSIT -- 0.7%		
UNITED STATES -- 0.7%		
Northern Trust		
3.500%, 11/01/96	1,012	\$ 1,012
Total Demand Deposit (Cost \$1,012)		1,012
Total Investments -- 97.3%		
(Cost \$140,997)		145,818
OTHER ASSETS AND LIABILITIES -- 2.7%		
Interest receivable		4,017
Investment advisory fee payable		(46)
Administration fee payable		(13)
Other assets and liabilities		141
Other Assets and Liabilities, Net		4,099

NET ASSETS:

Capital shares (unlimited authorization -- \$.001 par value) based on 13,317,750 outstanding shares of beneficial interest	137,402
Undistributed net investment income	5,297
Accumulated net realized gain on investments	3,250
Net unrealized depreciation on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	(853)
Net unrealized appreciation on investments	4,821
Total Net Assets -- 100.0%	\$149,917
Net Asset Value, Offering and Redemption Price Per Share	\$ 11.26

*NON-INCOME PRODUCING SECURITY

- UK BRITISH POUND STERLING
- (1) IN LOCAL CURRENCY UNLESS OTHERWISE INDICATED
- (2) SECURITIES SEGREGATED TO COLLATERALIZE FORWARD EXCHANGE CONTRACTS WITH AN AGGREGATE MARKET VALUE OF \$9,566,542.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

INTERNATIONAL FIXED INCOME FUND

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)
FOREIGN BONDS -- 96.1%		
CANADA -- 11.2%		
British Columbia		
9.000%, 06/21/04	500	\$ 433
Government of Canada		
8.750%, 12/01/05	1,200	1,041
Providence of Ontario		
7.500%, 01/19/06	1,125	892
		2,366
DENMARK -- 11.2%		
Kingdom of Denmark		
7.000%, 12/15/04	4,000	706
8.000%, 03/15/06 (2)	9,000	1,665
		2,371
GERMANY -- 13.9%		
African Development Bank		
7.250%, 10/21/99	600	427
Deutschland Bundesrepublik		

7.250%, 10/21/02	700	506
German Unity Fund		
8.000%, 01/21/02	700	522
KFW International Finance		
7.250%, 12/03/97	1,050	721
LKB Baden Wurttemberg		
6.625%, 08/20/03	1,100	762

		2,938

ITALY -- 12.9%		
European Investment Bank		
9.600%, 01/26/01	400,000	286
European Bank for Reconstruction & Development		
9.750%, 07/28/00	1,000,000	717
Republic of Italy		
10.500%, 11/01/00	1,200,000	875
9.500%, 02/01/01	1,225,000	869

		2,747

JAPAN -- 19.1%		
Asian Development Bank		
5.000%, 02/05/03	40,000	410
Government of Japan		
7.200%, 12/20/00 (2)	95,000	1,028
3.600%, 12/22/03	110,000	1,055
4.100%, 06/21/04	100,000	987
Japan Development Bank		
5.000%, 10/01/99	15,000	146
World Bank		
4.750%, 12/20/04	40,000	411

		4,037

SPAIN -- 5.3%		
Government of Spain		
8.400%, 04/30/01	135,000	1,114

SWEDEN -- 7.7%		
Kingdom of Sweden		
10.250%, 05/05/00	3,900	671
13.000%, 06/15/01	5,000	956

		1,627

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STATEMENT OF NET ASSETS

=====

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

INTERNATIONAL FIXED INCOME FUND

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)
UNITED KINGDOM -- 14.8%		
Abbey National		
8.000%, 04/02/03	520	\$ 858
British Telecom PLC		
7.125%, 09/15/03	410	656
Halifax 6.5% 2/16/04		
6.500%, 02/16/04	500	760
United Kingdom Treasury		
8.500%, 07/16/07	500	862

		3,136

Total Foreign Bonds (Cost \$19,468)		20,336

FOREIGN CURRENCY OPTION -- 0.1%		
Japanese Yen Put*		
Strike 112.97, 04/23/97	1,100	19

Total Foreign Currency Option (Cost \$14)		19

DEMAND DEPOSIT -- 1.3%		
UNITED STATES -- 1.3%		
Northern Trust		
3.500%, 11/01/96	274	274

Total Demand Deposit (Cost \$274)	274
Total Investments -- 97.5% (Cost \$19,756)	20,629
OTHER ASSETS AND LIABILITIES -- 2.5%	
Interest receivable	638
Investment advisory fee payable	(3)
Administration fee payable	(6)
Other assets and liabilities	(103)
Other Assets and Liabilities, Net	526
NET ASSETS:	
Capital shares (unlimited authorization -- \$.001 par value based on 1,872,027 outstanding shares of beneficial interest	18,224
Undistributed net investment income	1,144
Accumulated net realized gain on investments	1,065
Net unrealized depreciation on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	(151)
Net unrealized appreciation on investments	873
Total Net Assets -- 100.0%	\$ 21,155
Net Asset Value, Offering and Redemption Price Per Share	\$ 11.30

*NON-INCOME PRODUCING SECURITY.

(1) IN LOCAL CURRENCY UNLESS OTHERWISE INDICATED.

(2) SECURITIES SEGREGATED TO COLLATERALIZE FORWARD EXCHANGE CONTRACTS WITH AN
AGGREGATE MARKET VALUE OF APPROXIMATELY \$2,693,607.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

EMERGING MARKETS DEBT FUND

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)
FOREIGN BONDS -- 81.7%		
ARGENTINA -- 17.9%		
Government of Argentina FRN		
6.625%, 03/31/05	\$10,878	\$ 8,961
6.438%, 03/31/23	2,200	1,592
Government of Argentina		
5.250%, 03/31/23	13,100	7,778
		18,331
BRAZIL -- 24.3%		
Government of Brazil		
8.000%, 04/15/14	5,350	3,706
5.000%, 04/15/24	7,110	4,248
Government of Brazil FRN		
6.688%, 01/01/01	591	568
6.500%, 04/15/06	1,850	1,570
6.563%, 04/15/12	2,200	1,576
6.500%, 04/15/24	5,550	4,072
Government of Brazil MYDFA		
6.688%, 09/15/07	5,000	4,181
Petroleo Brazil FRN		
10.000%, 10/17/06	5,000	4,959
		24,880
BULGARIA -- 1.6%		
Government of Bulgaria FRN		
6.688%, 07/28/24	3,250	1,629
ECUADOR -- 4.9%		
Government of Ecuador		
3.250%, 02/28/25	3,500	1,536
Government of Ecuador FRN		
6.500%, 02/28/25	1,950	1,275
Government of Ecuador PDI		
6.500%, 02/27/15	3,987	2,208

		5,019
MEXICO -- 4.4%		-----
Government of Mexico FRN, Series A		
6.453%, 12/31/19	500	411
Government of Mexico FRN, Series B		
6.391%, 12/31/19	900	740
Government of Mexico FRN, Series D		
6.453%, 12/31/19	1,510	1,242
Government of Mexico, Series B		
6.250%, 12/31/19	3,000	2,108

		4,501

NIGERIA -- 1.7%		
Government of Nigeria		
6.250%, 11/15/20	2,750	1,708

PANAMA -- 4.7%		
Government of Panama FRB		
3.424%, 07/17/14	5,000	3,281

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DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)
Government of Panama PDI		
6.750%, 07/17/16	\$ 2,016	\$ 1,495

		4,776

PHILIPPINES -- 4.6%		
Government of Philippines		
FRN, Series B		
5.000%, 06/01/08	5,200	4,771

POLAND -- 4.6%		
Government of Poland		
3.000%, 10/27/24	4,600	2,496
Government of Poland FRN		
6.500%, 10/27/24	2,290	2,187

		4,683

SOUTH AFRICA -- 1.9%		
Republic of South Africa		
12.000%, 02/28/05	ZAR 11,000	1,929

VENEZUELA -- 11.1%		
Government of Venezuela		
6.750%, 03/31/20	500	354
Government of Venezuela FRB		
6.500%, 03/31/07	750	622
Government of Venezuela FRN		
6.625%, 12/18/07	12,750	10,455

		11,431

Total Foreign Bonds		
(Cost \$78,085)		83,658

LOAN PARTICIPATIONS -- 9.3%		
MOROCCO -- 4.9%		
Morocco R&C Loan FRN		
(Participation: J.P. Morgan) (3)		
6.594%, 01/01/09	6,350	5,024

RUSSIA -- 4.4%		
Russian Loan Agreement (2)		
(Participation: J.P. Morgan) (3)	6,200	4,534

Total Loan Participations		
(Cost \$8,231)		9,558

FOREIGN PROMISSARY NOTES -- 3.0%		
Government of Nigeria		
8.000%, 01/05/10	6,200	3,110

Total Foreign Promissary Notes		
(Cost \$2,858)		3,110

DESCRIPTION	FACE AMOUNT (000) (1)	MARKET VALUE (000)
DEMAND DEPOSIT -- 4.1%		
UNITED STATES -- 4.1%		
Northern Trust		
3.500%, 11/01/96	\$4,152	\$ 4,152
Total Demand Deposit (Cost \$4,152)		4,152
Total Investments -- 98.1%		
(Cost \$93,326)		100,478
OTHER ASSETS AND LIABILITIES -- 1.9%		
Interest receivable		1,734
Investment securities sold		1,156
Investment advisory fee payable		(85)
Administration fee payable		(9)
Other assets and liabilities		(843)
Other Assets and Liabilities, Net		1,953
NET ASSETS:		
Capital shares (unlimited authorization -- \$0.001 par value) based on 7,668,266 outstanding shares of beneficial interest		79,964
Undistributed net investment income		6,592
Accumulated net realized gain on investments		8,728
Net unrealized depreciation on foreign currency translation of other assets and liabilities in foreign currency		(5)
Net unrealized appreciation on investments		7,152
Total Net Assets -- 100.0%		\$102,431
Net Asset Value, Offering and Redemption Price Per Share		\$ 13.36

FRB FLOATING RATE BOND
FRN FLOATING RATE NOTE
MYDFA MULTI-YEAR DEPOSIT FINANCE AGREEMENT
PDI PAST DUE INCOME
ZAR SOUTH AFRICAN RAND

(1) IN U.S. DOLLARS UNLESS OTHERWISE INDICATED.
(2) NON-INCOME PRODUCING SECURITY. SECURITY IS IN DEFAULT.
(3) PARTICIPATIONS WERE ACQUIRED THROUGH FINANCIAL INSTITUTIONS INDICATED
PARENTHETICALLY. SEE NOTE. 6.
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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STATEMENT OF OPERATIONS (000)

MORGAN GRENFELL INVESTMENT TRUST -- FOR THE PERIOD ENDED OCTOBER 31, 1996

	MUNICIPAL BOND FUND	FIXED INCOME FUND	SHORT-TERM MUNICIPAL BOND FUND	SHORT-TERM FIXED INCOME FUND	SMALLER COMPANIES FUND	INTERNATIONAL EQUITY FUND
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Interest	\$14,073	\$42,605	\$ 277	\$ 418	\$ 25	\$ 5
Dividends	--	--	--	--	10	46
Less: Foreign taxes withheld	--	--	--	--	--	(4)
Total Investment Income	14,073	42,605	277	418	35	47
EXPENSES:						
Investment advisory fees	931	2,411	19	26	34	22
Investment advisory fee reduction	(139)	(370)	(19)	(26)	(34)	(22)
Administration fees	254	656	46	46	38	63
Custodian fees	12	31	--	--	3	7

Transfer agent fees	20	34	8	9	10	10
Professional fees	77	222	1	2	1	1
Registration & filing fees	52	183	--	--	1	1
Printing fees	16	44	--	--	--	--
Trustee fees	16	42	--	--	--	--
Pricing fees	20	24	--	--	--	--
Other expenses	14	29	--	--	--	10
	-----	-----	-----	-----	-----	-----
Total expenses	1,273	3,306	55	57	53	92
Less: Reimbursement from Advisor	--	--	(30)	(23)	(10)	(64)
	-----	-----	-----	-----	-----	-----
Total Net Expenses	1,273	3,306	25	34	43	28
	-----	-----	-----	-----	-----	-----
NET INVESTMENT INCOME (LOSS)	12,800	39,299	252	384	(8)	19
	-----	-----	-----	-----	-----	-----

NET REALIZED AND UNREALIZED GAIN

(LOSS) ON INVESTMENTS AND FOREIGN

CURRENCY TRANSACTIONS:

Net realized gain (loss) on investments:

Security transactions	3,750	(617)	21	(27)	351	162
In-kind redemption	--	--	--	--	--	--
Option transactions	--	--	--	--	--	--
Net realized gain (loss) on forward foreign currency contracts and foreign currency transactions	--	--	--	--	--	30
Net change in unrealized appreciation (depreciation) on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	--	--	--	--	--	(9)
Net change in unrealized appreciation (depreciation) on investments	(969)	702	15	--	364	158
	-----	-----	-----	-----	-----	-----

NET INCREASE IN NET ASSETS

FROM OPERATIONS	\$15,581	\$39,384	\$ 288	\$ 357	\$ 707	\$ 360
	=====	=====	=====	=====	=====	=====

	EUROPEAN EQUITY FUND (1)	INTERNATIONAL SMALL CAP EQUITY FUND	EUROPEAN SMALL CAP EQUITY FUND	EMERGING MARKETS EQUITY FUND	GLOBAL FIXED INCOME FUND	INTERNATIONAL FIXED INCOME FUND
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Interest	\$ 1	\$ 194	\$ 36	\$ 39	\$9,437	\$1,850
Dividends	17	1,842	218	1,951	--	--
Less: Foreign taxes withheld	(5)	(216)	(25)	(120)	(148)	(32)
	-----	-----	-----	-----	-----	-----
Total Investment Income	13	1,820	229	1,870	9,289	1,818
	-----	-----	-----	-----	-----	-----
EXPENSES:						
Investment advisory fees	20	1,137	103	994	756	150
Investment advisory fee reduction	(14)	(150)	(103)	(268)	(60)	(83)
Administration fees	3	124	100	110	166	75
Custodian fees	3	197	26	313	135	45
Transfer agent fees	2	15	10	14	17	11
Professional fees	3	41	3	34	50	8
Registration & filing fees	5	22	2	14	30	3
Printing fees	1	8	1	7	10	2
Trustee fees	--	8	1	7	11	2
Pricing fees	2	14	11	13	11	--
Other expenses	--	5	--	5	8	12
	-----	-----	-----	-----	-----	-----
Total expenses	25	1,421	154	1,243	1,134	225
Less: Reimbursement from Advisor	--	--	(25)	--	--	--
	-----	-----	-----	-----	-----	-----
Total Net Expenses	25	1,421	129	1,243	1,134	225
	-----	-----	-----	-----	-----	-----
NET INVESTMENT INCOME (LOSS)	(12)	399	100	627	8,155	1,593
	-----	-----	-----	-----	-----	-----

NET REALIZED AND UNREALIZED GAIN

(LOSS) ON INVESTMENTS AND FOREIGN

CURRENCY TRANSACTIONS:

Net realized gain (loss) on investments:

Security transactions	206	1,581	295	2,393	2,718	919
In-kind redemption	--	1,159	--	--	--	--
Option transactions	--	--	--	--	670	174
Net realized gain (loss) on forward foreign currency contracts and foreign currency transactions	31	1,161	33	(584)	(2,158)	(153)
Net change in unrealized appreciation (depreciation) on forward foreign						

currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	5	(169)	21	54	(391)	(203)
Net change in unrealized appreciation (depreciation) on investments	775	3,160	521	7,045*	209	(354)
	-----	-----	----	-----	-----	-----
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$1,005	\$7,291	\$970	\$9,535	\$9,203	\$1,976
	=====	=====	=====	=====	=====	=====

EMERGING
MARKETS
DEBT
FUND

<S>

<C>

INVESTMENT INCOME:

Interest	\$ 8,798
Dividends	--
Less: Foreign taxes withheld	--
Total Investment Income	8,798

EXPENSES:

Investment advisory fees	1,134
Investment advisory fee reduction	(314)
Administration fees	101
Custodian fees	135
Transfer agent fees	13
Professional fees	25
Registration & filing fees	12
Printing fees	5
Trustee fees	8
Pricing fees	10
Other expenses	4

Total expenses	1,133
Less: Reimbursement from Advisor	--

Total Net Expenses	1,133
--------------------	-------

NET INVESTMENT INCOME (LOSS)	7,665
------------------------------	-------

NET REALIZED AND UNREALIZED GAIN

(LOSS) ON INVESTMENTS AND FOREIGN

CURRENCY TRANSACTIONS:

Net realized gain (loss) on investments:

Security transactions	10,414
In-kind redemption	--
Option transactions	--

Net realized gain (loss) on forward

foreign currency contracts and foreign currency transactions	(53)
--	------

Net change in unrealized appreciation

(depreciation) on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	57
---	----

Net change in unrealized appreciation (depreciation) on investments	7,275
---	-------

NET INCREASE IN NET ASSETS FROM OPERATIONS	\$25,358
--	----------

<FN>

(1) EUROPEAN EQUITY FUND COMMENCED OPERATIONS ON 9/03/96.

*NET OF \$43,000 CHANGE IN ACCRUED FOREIGN WITHHOLDING TAXES.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

</FN>

</TABLE>

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STATEMENT OF CHANGES IN NET ASSETS (000)

=====

MORGAN GRENFELL INVESTMENT TRUST--FOR THE PERIODS ENDED OCTOBER 31,

<TABLE>

<CAPTION>

MUNICIPAL
BOND
FUND

FIXED
INCOME
FUND

SHORT-TERM
MUNICIPAL
BOND
FUND (2)

SHORT-TERM
FIXED
INCOME
FUND (3)

	1996	1995	1996	1995	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:								
Net investment income (loss)	\$ 12,800	\$ 10,748	\$ 39,299	\$ 25,635	\$ 252	\$ 90	\$ 384	\$ 79
Net realized gain (loss) from security transactions	3,750	(1,331)	(617)	8,122	21	15	(27)	--
Net realized gain (loss) on forward foreign currency contracts and foreign currency transactions	--	--	--	--	--	--	--	--
Net change in unrealized appreciation (depreciation) on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	--	--	--	--	--	--	--	--
Net change in unrealized appreciation (depreciation) on investments	(969)	9,806	702	18,803	15	25	--	7
Net increase (decrease) in net assets from operations	15,581	19,223	39,384	52,560	288	130	357	86
Distributions to Shareholders:								
Net investment income	(12,782)	(10,750)	(39,300)	(25,636)	(252)	(90)	(384)	(79)
Net realized gains	--	--	(3,091)	(31)	(15)	--	--	--
Total Distributions	(12,782)	(10,750)	(42,391)	(25,667)	(267)	(90)	(384)	(79)
Capital Share Transactions (1):								
Proceeds from shares issued	63,066	92,766	406,477	301,939	7,467	5,282	9,087	4,206
Shares issued in lieu of cash distributions	10,998	7,570	40,193	20,565	219	74	331	54
Cost of shares repurchased	(45,769)	(53,428)	(179,881)	(94,732)	(2,299)	(1,672)	(6,780)	(127)
Increase (Decrease) in Net Assets from Capital Share Transactions	28,295	46,908	266,789	227,772	5,387	3,684	2,638	4,133
Net increase (decrease) in net assets	31,094	55,381	263,782	254,665	5,408	3,724	2,611	4,140
Net Assets:								
Beginning of period	221,058	165,677	494,221	239,556	3,724	--	4,140	--
End of period	\$252,152	\$221,058	\$758,003	\$494,221	\$9,132	\$3,724	\$6,751	\$4,140
(1) Capital Share Transactions:								
Shares issued	5,794	8,743	39,016	29,571	740	526	908	421
Shares issued in lieu of cash distributions	1,008	714	3,842	2,007	22	7	33	5
Shares repurchased	(4,200)	(5,094)	(17,233)	(9,177)	(228)	(166)	(679)	(13)
Net increase (decrease) in capital shares	2,602	4,363	25,625	22,401	534	367	262	413

<FN>

- (2) SHORT-TERM MUNICIPAL BOND FUND COMMENCED OPERATIONS ON 3/6/95.
- (3) SHORT-TERM FIXED INCOME FUND COMMENCED OPERATIONS ON 3/13/95.
- (4) SMALLER COMPANIES FUND COMMENCED OPERATIONS ON 6/30/95.
- (5) INTERNATIONAL EQUITY FUND COMMENCED OPERATIONS ON 5/15/95.
- (6) EUROPEAN EQUITY FUND COMMENCED OPERATIONS ON 9/03/96.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

</FN>

	SMALLER COMPANIES FUND (4)		INTERNATIONAL EQUITY FUND (5)		EUROPEAN EQUITY FUND (6)	INTERNATIONAL SMALL CAP EQUITY FUND	
	1996	1995	1996	1995	1996	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:							
Net investment income (loss)	\$ (8)	\$ 8	\$ 19	\$ 19	\$ (12)	\$ 399	\$ 268
Net realized gain (loss) from security transactions	351	(6)	162	(6)	206	2,740	(2,666)
Net realized gain (loss) on forward foreign currency contracts and foreign currency transactions	--	--	30	79	31	1,161	1
Net change in unrealized appreciation (depreciation) on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	--	--	(9)	9	5	(169)	160
Net change in unrealized appreciation (depreciation) on investments	364	136	158	135	775	3,160	(1,776)

Net increase (decrease) in net assets from operations	707	138	360	236	1,005	7,291	(4,013)
DISTRIBUTIONS TO SHAREHOLDERS:							
Net investment income	(9)	--	(108)	--	--	(479)	(270)
Net realized gains	--	--	--	--	--	--	(1,420)
Total Distributions	(9)	--	(108)	--	--	(479)	(1,690)
CAPITAL SHARE TRANSACTIONS (1):							
Proceeds from shares issued	783	2,500	325	2,502	16,896	52,024	33,284
Shares issued in lieu of cash distributions	9	--	108	--	--	458	1,671
Cost of shares repurchased	(13)	--	--	(1)	--	(43,502)	(7,133)
INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS							
	779	2,500	433	2,501	16,896	8,980	27,822
Net increase (decrease) in net assets	1,477	2,638	685	2,737	17,901	15,792	22,119
NET ASSETS:							
Beginning of period	2,638	--	2,738	1	1	90,917	68,798
End of period	\$4,115	\$2,638	\$3,423	\$2,738	\$17,902	\$106,709	\$90,917
(1) CAPITAL SHARE TRANSACTIONS:							
Shares issued	64	250	28	250	1,690	5,092	3,585
Shares issued in lieu of cash distributions	1	--	10	--	--	47	178
Shares repurchased	(1)	--	--	--	--	(4,102)	(738)
Net increase (decrease) in capital shares	64	250	38	250	1,690	1,037	3,025

	EUROPEAN SMALL CAP EQUITY FUND	EMERGING MARKETS EQUITY FUND	
<S>	1995	1996	1995
<C>	<C>	<C>	<C>
OPERATIONS:			
Net investment income (loss)	\$ 99	\$ 627	\$ 292
Net realized gain (loss) from security transactions	30	2,393	974
Net realized gain (loss) on forward foreign currency contracts and foreign currency transactions	28	(584)	(86)
Net change in unrealized appreciation (depreciation) on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	(21)	54	(17)
Net change in unrealized appreciation (depreciation) on investments	1,079	7,045*	(14,288)
Net increase (decrease) in net assets from operations	1,215	9,535	(13,125)
DISTRIBUTIONS TO SHAREHOLDERS:			
Net investment income	(10)	(332)	(119)
Net realized gains	--	(1,017)	(3,167)
Total Distributions	(10)	(1,349)	(3,286)
CAPITAL SHARE TRANSACTIONS (1):			
Proceeds from shares issued	8,121	33,310	61,891
Shares issued in lieu of cash distributions	10	1,350	3,286
Cost of shares repurchased	(1)	(47,855)	(12,370)
INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS			
	8,130	(13,195)	52,807
Net increase (decrease) in net assets	9,335	(5,009)	36,396
NET ASSETS:			
Beginning of period	1	93,288	56,892
End of period	\$9,336	\$88,279	\$93,288

	=====	=====	=====
(1) CAPITAL SHARE TRANSACTIONS:			
Shares issued	808	3,766	7,411
Shares issued in lieu of cash distributions	1	165	365
Shares repurchased	--	(5,393)	(1,451)
	-----	-----	-----
Net increase (decrease) in capital shares	809	(1,462)	6,325
	=====	=====	=====

<FN>

* NET OF \$43,000 CHANGE IN ACCRUED FOREIGN WITHHOLDING TAXES.

</FN>

</TABLE>

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STATEMENT OF CHANGES IN NET ASSETS (000)

=====

MORGAN GRENFELL INVESTMENT TRUST--FOR THE PERIODS ENDED OCTOBER 31,

<TABLE>

<CAPTION>

	-----		-----		-----	
	GLOBAL FIXED INCOME FUND		INTERNATIONAL FIXED INCOME FUND		EMERGING MARKETS DEBT FUND	
	1996	1995	1996	1995	1996	1995
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment income	\$ 8,155	\$ 4,888	\$ 1,593	\$1,222	\$ 7,665	\$ 5,602
Net realized gain (loss) from security transactions	3,388	1,380	1,093	434	10,414	(1,684)
Net realized gain (loss) on forward foreign currency contracts and foreign currency transactions	(2,158)	(112)	(153)	48	(53)	(75)
Net change in unrealized appreciation (depreciation) on forward foreign currency contracts, foreign currency, and translation of other assets and liabilities in foreign currency	(391)	(207)	(203)	312	57	(42)
Net change in unrealized appreciation (depreciation) on investments	209	4,323	(354)	861	7,275	(35)
	-----	-----	-----	-----	-----	-----
Net increase (decrease) in net assets from operations	9,203	10,272	1,976	2,877	25,358	3,766
	-----	-----	-----	-----	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS:						
Net investment income	(5,023)	(1,222)	(1,587)	(76)	(6,316)	(447)
Net realized gains	(946)	--	(283)	--	--	(41)
	-----	-----	-----	-----	-----	-----
Total Distributions	(5,969)	(1,222)	(1,870)	(76)	(6,316)	(488)
	-----	-----	-----	-----	-----	-----
CAPITAL SHARE TRANSACTIONS (1):						
Proceeds from shares issued	55,202	82,695	7,725	10,597	67,563	64,746
Shares issued in lieu of cash distributions	5,007	902	1,681	60	6,316	488
Cost of shares repurchased	(52,863)	(7,225)	(15,960)	(1,093)	(74,928)	(322)
	-----	-----	-----	-----	-----	-----
INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS	7,346	76,372	(6,554)	9,564	(1,049)	64,912
	-----	-----	-----	-----	-----	-----
Net increase (decrease) in net assets	10,580	85,422	(6,448)	12,365	17,993	68,190
	-----	-----	-----	-----	-----	-----
NET ASSETS:						
Beginning of period	139,337	53,915	27,603	15,238	84,438	16,248
	-----	-----	-----	-----	-----	-----
End of period	\$149,917	\$139,337	\$21,155	\$27,603	\$102,431	\$84,438
	=====	=====	=====	=====	=====	=====
(1) CAPITAL SHARE TRANSACTIONS:						
Shares issued	5,070	7,804	719	996	5,922	6,391
Shares issued in lieu of cash distributions	463	94	155	6	587	51
Shares repurchased	(4,891)	(694)	(1,436)	(100)	(6,847)	(31)
	-----	-----	-----	-----	-----	-----
Net increase (decrease) in capital shares	642	7,204	(562)	902	(338)	6,411
	=====	=====	=====	=====	=====	=====

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

FINANCIAL HIGHLIGHTS

MORGAN GRENFELL INVESTMENT TRUST--FOR THE PERIODS ENDED OCTOBER 31,

FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

<TABLE>

<CAPTION>

	NET ASSET VALUE BEGINNING OF PERIOD	NET INVESTMENT INCOME/ (LOSS)	NET REALIZED AND UNREALIZED GAINS (LOSSES)	DISTRIBUTIONS FROM NET INVESTMENT INCOME	DISTRIBUTIONS FROM REALIZED CAPITAL GAINS	NET ASSET VALUE END OF PERIOD	NET ASSET TOTAL RETURN	NET ASSETS END OF PERIOD (000)	RATIO OF EXPENSES TO AVERAGE NET ASSETS	RATIO OF NET INVESTMENT INCOME/ (LOSS) TO AVERAGE NET ASSETS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
MUNICIPAL BOND FUND:										
1996	\$10.86	\$0.60	\$ 0.13	\$(0.60)	\$ --	\$10.99	6.90%	\$252,152	0.55%	5.50%
1995	10.37	0.61	0.49	(0.61)	--	10.86	10.90	221,058	0.54	5.75
1994	11.36	0.60	(0.61)	(0.60)	(0.38)	10.37	(0.15)	165,677	0.54	5.60
1993	10.56	0.67	0.84	(0.67)	(0.04)	11.36	14.68	148,022	0.55	5.94
1992(1)	10.00	0.60	0.56	(0.60)	--	10.56	13.42+	94,700	0.55	6.31
FIXED INCOME FUND:										
1996	\$10.62	\$0.68	\$(0.04)	\$(0.68)	\$(0.07)	\$10.51	6.27%	\$758,003	0.55%	6.52%
1995	9.93	0.70	0.69	(0.70)	--	10.62	14.53	494,221	0.54	6.81
1994	10.95	0.64	(0.91)	(0.64)	(0.11)	9.93	(2.58)	239,556	0.54	6.22
1993	9.92	0.64	1.03	(0.64)	--	10.95	17.28	147,917	0.55	6.01
1992(2)	10.00	0.06	(0.08)	(0.06)	--	9.92	(1.61)+	25,528	0.55	5.24
SHORT-TERM MUNICIPAL BOND FUND:										
1996	\$10.13	\$0.54	\$0.04	\$(0.54)	\$(0.04)	\$10.13	5.90%	\$9,132	0.53%	5.34%
1995(3)	10.00	0.30	0.13	(0.30)	--	10.13	4.39+	3,724	0.52	4.60
SHORT-TERM FIXED INCOME FUND:										
1996	\$10.01	\$0.60	\$(0.01)	\$(0.60)	\$ --	\$10.00	6.09%	\$6,751	0.53%	6.00%
1995(4)	10.00	0.37	0.01	(0.37)	--	10.01	3.82+	4,140	0.52	5.86
SMALLER COMPANIES FUND:										
1996	\$10.55	\$(0.02)	\$2.61	\$(0.04)	\$ --	\$13.10	24.58%	\$4,115	1.25%	(0.23)%
1995(5)	10.00	0.03	0.52	--	--	10.55	5.50+	2,638	1.25	0.94
INTERNATIONAL EQUITY FUND:										
1996	\$10.95	\$0.11	\$1.25	\$(0.43)	\$ --	\$11.88	12.70%	\$3,423	0.90%	0.72%
1995(6)	10.00	0.08	0.87	--	--	10.95	9.50+	2,738	0.90	1.55
EUROPEAN EQUITY FUND:										
1996(7)	\$10.00	\$ --	\$0.60	\$ --	\$ --	\$10.60	6.00%+	\$17,902	0.90%	(0.41)%
INTERNATIONAL SMALL CAP EQUITY FUND:										
1996	\$ 9.40	\$0.03	\$ 0.57	\$(0.04)	\$ --	\$ 9.96	6.43%	\$106,709	1.25%	0.35%
1995	10.35	0.03	(0.72)	(0.04)	(0.22)	9.40	(6.67)	90,917	1.25	0.41
1994(8)	10.00	0.02	0.33	--	--	10.35	3.50+	68,798	1.25	0.34

	RATIO OF EXPENSES TO AVERAGE NET ASSETS (EXCLUDING WAIVERS AND REIMBURSEMENTS)	RATIO OF NET INVESTMENT INCOME/ (LOSS) TO AVERAGE NET ASSETS (EXCLUDING WAIVERS AND REIMBURSEMENTS)	PORTFOLIO TURNOVER RATE	AVERAGE COMMISSION RATE*
<S>	<C>	<C>	<C>	
MUNICIPAL BOND FUND:				
1996	0.61%	5.44%	66%	N/A

1995	0.62	5.67	63	--
1994	0.67	5.47	94	--
1993	0.75	5.74	160	--
1992 (1)	0.79	6.07	143	--

FIXED INCOME FUND:

1996	0.61%	6.46%	176%	N/A
1995	0.63	6.72	182	--
1994	0.66	6.10	251	--
1993	0.72	5.84	196	--
1992 (2)	1.66	4.13	148	--

SHORT-TERM MUNICIPAL BOND FUND:

1996	1.58%	4.29%	129%	N/A
1995 (3)	2.16	2.96	62	--

SHORT-TERM FIXED INCOME FUND:

1996	1.29%	5.24%	124%	N/A
1995 (4)	2.84	3.54	90	--

SMALLER COMPANIES FUND:

1996	2.55%	(1.53)%	141%	\$0.0560
1995 (5)	2.28	(0.09)	23	--

INTERNATIONAL EQUITY FUND:

1996	3.59%	(1.97)%	39%	\$0.0221
1995 (6)	2.73	(0.28)	19	--

EUROPEAN EQUITY FUND:

1996 (7)	1.40%	(0.91)%	5%	\$0.0324
----------	-------	---------	----	----------

INTERNATIONAL SMALL CAP EQUITY FUND:

1996	1.38%	0.22%	47%	\$0.0170
1995	1.48	0.18	62	--
1994 (8)	1.67	(0.08)	41	--

<FN>

+ RETURNS ARE FOR THE PERIOD INDICATED AND HAVE NOT BEEN ANNUALIZED.

- (1) MUNICIPAL BOND FUND COMMENCED OPERATIONS ON 12/13/91. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (2) FIXED INCOME FUND COMMENCED OPERATIONS ON 9/18/92. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (3) SHORT-TERM MUNICIPAL BOND FUND COMMENCED OPERATIONS ON 3/6/95. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (4) SHORT-TERM FIXED INCOME FUND COMMENCED OPERATIONS ON 3/13/95. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (5) SMALLER COMPANIES FUND COMMENCED OPERATIONS ON 6/30/95. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (6) INTERNATIONAL EQUITY FUND COMMENCED OPERATIONS ON 5/15/95. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (7) EUROPEAN EQUITY FUND COMMENCED OPERATIONS ON 9/3/96 ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
 - (8) INTERNATIONAL SMALL CAP EQUITY FUND COMMENCED OPERATIONS ON 1/3/94. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
- * AVERAGE COMMISSION RATE PAID PER SHARE FOR SECURITY PURCHASES AND SALES DURING THE PERIOD. PRESENTATION OF THE RATE IS ONLY REQUIRED FOR FISCAL YEARS BEGINNING AFTER SEPTEMBER 1, 1995.

</FN>

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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FINANCIAL HIGHLIGHTS

=====

MORGAN GRENFELL INVESTMENT TRUST--FOR THE PERIODS ENDED OCTOBER 31,

FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

<TABLE>

<CAPTION>

NET ASSET VALUE BEGINNING OF PERIOD	NET INVESTMENT INCOME/ (LOSS)	NET REALIZED AND UNREALIZED GAINS (LOSSES)		DISTRIBUTIONS FROM NET INVESTMENT INCOME	DISTRIBUTIONS FROM REALIZED CAPITAL GAINS		NET ASSET VALUE END OF PERIOD	TOTAL RETURN	RATIO OF NET ASSETS END OF PERIOD (000)	RATIO OF EXPENSES TO AVERAGE NET ASSETS	RATIO OF INVESTMENT INCOME/ (LOSS) TO AVERAGE NET ASSETS
		UNREALIZED GAINS (LOSSES)	REALIZED GAINS (LOSSES)		NET ASSET VALUE END OF PERIOD	NET ASSET VALUE END OF PERIOD					

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
EUROPEAN SMALL CAP EQUITY FUND:										
1996	\$11.55	\$0.12	\$1.03	\$(0.12)	\$(0.04)	\$12.54	10.06%	\$9,856	1.25%	0.96%
1995(1)	10.00	0.12	1.44	(0.01)	--	11.55	15.66+	9,336	1.25	1.25
EMERGING MARKETS EQUITY FUND:										
1996	\$ 8.11	\$ 0.06	\$ 0.75	\$(0.03)	\$(0.09)	\$ 8.80	10.02%	\$88,279	1.25%	0.63%
1995	11.00	0.04	(2.29)	(0.02)	(0.62)	8.11	(21.00)	93,288	1.25	0.44
1994(2)	10.00	(0.01)	1.01	--	--	11.00	10.00+	56,892	1.36	(0.12)
GLOBAL FIXED INCOME FUND:										
1996	\$10.99	\$0.59	\$0.12	\$(0.37)	\$(0.07)	\$11.26	6.60%	\$149,917	0.75%	5.39%
1995	9.85	0.35	0.99	(0.20)	--	10.99	13.88	139,337	0.78	5.61
1994(3)	10.00	0.25	(0.40)	--	--	9.85	(1.50)+	53,915	0.85	5.71
INTERNATIONAL FIXED INCOME FUND:										
1996	\$11.34	\$0.86	\$(0.12)	\$(0.66)	\$(0.12)	\$11.30	6.82%	\$21,155	0.75%	5.41%
1995	9.94	0.42	1.03	(0.05)	--	11.34	14.66	27,603	0.78	5.51
1994(4)	10.00	0.29	\$(0.35)	--	--	9.94	(0.60)+	15,238	0.85	5.66
EMERGING MARKETS DEBT FUND:										
1996	\$10.55	\$1.21	\$ 2.60	\$(1.00)	\$ --	\$13.36	38.42%	\$102,431	1.50%	10.15%
1995	10.19	0.65	(0.17)	(0.11)	(0.01)	10.55	4.85	84,438	1.79	10.97
1994(5)	10.00	0.13	0.06	--	--	10.19	1.90+	16,248	1.90	7.04

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
RATIO OF NET INVESTMENT INCOME/(LOSS) TO AVERAGE NET ASSETS (EXCLUDING WAIVERS AND REIMBURSEMENTS)										
RATIO OF NET INVESTMENT INCOME/(LOSS) TO AVERAGE NET ASSETS (EXCLUDING WAIVERS AND REIMBURSEMENTS)										
PORTFOLIO AVERAGE TURNOVER COMMISSION RATE										
RATE RATE*										

<S>	<C>	<C>	<C>	<C>	<C>
EUROPEAN SMALL CAP EQUITY FUND:					
1996	2.50%	(0.29)%	49%	\$0.0327	
1995(1)	2.24	0.26	34	--	
EMERGING MARKETS EQUITY FUND:					
1996	1.52%	0.36%	69%	\$0.0003	
1995	1.55	0.14	49	--	
1994(2)	1.79	(0.55)	45	--	
GLOBAL FIXED INCOME FUND:					
1996	0.79%	5.35%	223%	N/A	
1995	0.87	5.52	147	--	
1994(3)	1.28	5.28	173	--	
INTERNATIONAL FIXED INCOME FUND:					
1996	1.03%	5.13%	235%	N/A	
1995	1.15	5.14	187	--	
1994(4)	1.42	5.09	130	--	
EMERGING MARKETS DEBT FUND:					
1996	1.92%	9.73%	227%	N/A	
1995	2.05	10.71	266	--	
1994(5)	2.60	6.34	52	--	

<FN>
+ RETURNS ARE FOR THE PERIOD INDICATED AND HAVE NOT BEEN ANNUALIZED.
(1) EUROPEAN SMALL CAP EQUITY FUND COMMENCED OPERATIONS ON 11/1/94. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
(2) EMERGING MARKETS EQUITY FUND COMMENCED OPERATIONS ON 2/2/94. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
(3) GLOBAL FIXED INCOME FUND COMMENCED OPERATIONS ON 1/3/94. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
(4) INTERNATIONAL FIXED INCOME FUND COMMENCED OPERATIONS ON 3/15/94. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
(5) EMERGING MARKETS DEBT FUND COMMENCED OPERATIONS ON 8/4/94. ALL RATIOS FOR THE PERIOD HAVE BEEN ANNUALIZED.
* AVERAGE COMMISSION RATE PAID PER SHARE FOR SECURITY PURCHASES AND

</FN>
</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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NOTES TO FINANCIAL STATEMENTS

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1. ORGANIZATION

Morgan Grenfell Investment Trust (the "Trust") was organized as a Delaware business trust on September 13, 1993. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company consisting of eighteen investment portfolios (Morgan Grenfell Municipal Bond Fund, Morgan Grenfell Fixed Income Fund, Morgan Grenfell Short-Term Municipal Bond Fund, Morgan Grenfell Short-Term Fixed Income Fund, Morgan Grenfell Large Cap Growth Fund, Morgan Grenfell Smaller Companies Fund and Morgan Grenfell Microcap Fund (collectively the "Domestic Funds"); Morgan Grenfell International Equity Fund, Morgan Grenfell European Equity Fund, Morgan Grenfell Global Equity Fund, Morgan Grenfell European Equity Fund, Morgan Grenfell Pacific Basin Equity Fund, Morgan Grenfell International Small Cap Equity Fund, Morgan Grenfell European Small Cap Equity Fund, Morgan Grenfell Japanese Small Cap Equity Fund, Morgan Grenfell Emerging Markets Equity Fund, Morgan Grenfell Global Fixed Income Fund, Morgan Grenfell International Fixed Income Fund and Morgan Grenfell Emerging Markets Debt Fund (collectively the "International Funds"). The Domestic Funds and International Funds are hereafter referred to collectively as the "Funds". At October 31, 1996, the Large Cap Growth Fund, Microcap Fund, Global Equity Fund, Pacific Basin Equity Fund and Japanese Small Cap Equity Fund had not yet commenced operations. The Funds' prospectuses provide a description of each Fund's investment objectives, policies and strategies.

On December 28, 1994, pursuant to plans of reorganization approved by the Municipal Bond Fund shareholders and the Fixed Income Fund shareholders on December 5, 1994, all of the assets of the Morgan Grenfell Municipal Bond Fund and the Morgan Grenfell Fixed Income Fund (formerly part of The Advisors' Inner Circle Fund) were transferred to the Municipal Bond Fund and Fixed Income Fund respectively (the "Portfolios"), newly formed portfolios of the Trust, in exchange for shares of the Portfolios and assumption of stated liabilities of the two funds. The Municipal Bond Fund reorganization was accomplished by a tax-free exchange of the Municipal Bond Fund's net assets (valued at \$149,509,966) for 14,567,909 shares of the corresponding Portfolio. The Fixed Income Fund reorganization was accomplished by a tax-free exchange of the Fixed Income Fund's net assets (valued at \$273,285,174) for 27,846,079 shares of the corresponding Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with generally accepted accounting principles requires Trust management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Funds.

SECURITY VALUATION--Securities listed on a securities exchange for which market quotations are readily available are valued at the last quoted sales price on the principal exchange on which they are traded on the valuation date or, if there is no such reported sale on the valuation date, at the most recent quoted bid price. Unlisted securities for which market quotations are readily available are valued at the most recent quoted bid price. Certain debt and fixed income investments owned by the Funds are valued at prices supplied by independent pricing agents selected by Morgan Grenfell Capital Management, Inc. and Morgan Grenfell Investment Services Limited (the "Advisors"), which prices reflect broker-dealer supplied valuations. Short-term investments are valued at amortized cost which approximates market value. Other securities for which market value is not readily available or securities whose market value does not, in the opinion of the applicable Advisor, reflect fair value are valued at fair value using methods determined in good faith by the valuation committee of the Board of Trustees.

INCOME TAXES--It is the intention of each Fund to continue to qualify as a regulated investment company and to distribute all of its taxable income. Accordingly, no provision for Federal income taxes is considered necessary.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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The International Funds may be subject to taxes imposed by countries in which they invest with respect to their investments in issuers existing or operating in such countries. Such taxes are generally based on either income earned or repatriated. The International Funds accrue such taxes when the related income is earned.

NET ASSET VALUE PER SHARE--The net asset value per share is calculated on a daily basis by dividing the assets of each Fund, less its liabilities, by the number of outstanding shares of the Fund.

REPURCHASE AGREEMENTS--Securities pledged as collateral for repurchase agreements are held by the custodian banks until maturity of the repurchase agreements. Provisions of the repurchase agreements and procedures adopted by the Trust require that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default by the counterparty.

The Funds may also invest in tri-party repurchase agreements. Securities held as collateral for tri-party repurchase agreements are maintained in a segregated account by the broker's custodian bank until maturity of the repurchase agreement. Provisions of the agreements require that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default.

If the counterparty defaults and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Funds may be delayed or limited.

FOREIGN CURRENCY TRANSLATION--The books and records of the International Funds are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis: (I) market value of investment securities, other assets and liabilities at the current rate of exchange; and (II) purchases and sales of investment securities, income and expenses at the relevant rates of exchange prevailing on the respective dates of such transactions.

The International Funds do not isolate that portion of gains and losses on investments in securities which is due to changes in the foreign exchange rates from that which is due to changes in market prices of such securities. The International Funds do isolate the effect of fluctuations in foreign currency rates when determining the gain or loss upon sale or maturity of foreign currency denominated debt obligations pursuant to the Federal income tax regulations. Such amounts are categorized as foreign currency gain or loss for both financial reporting and income tax reporting purposes.

The International Funds report gains and losses on foreign currency related transactions as realized and unrealized gains and losses for financial reporting purposes, whereas such gains and losses, to the extent realized, are treated as ordinary income or loss for Federal income tax purposes.

FORWARD FOREIGN CURRENCY CONTRACTS--The International Funds enter into forward foreign currency contracts as hedges against portfolio positions as well as for non-hedging purposes. The aggregate principal amounts of the contracts are not recorded as the Funds do not intend to hold the contracts to maturity. All commitments are "marked-to-market" daily at the applicable foreign exchange rate and any resulting unrealized gains or losses are recorded currently. The Funds realize gains or losses at the time forward contracts are extinguished, except that gains or losses on certain open contracts are required to be recognized for U.S. Federal income tax purposes at the close of the Fund's taxable year and are generally treated as ordinary income for such purposes.

FOREIGN CURRENCY OPTIONS--The premium paid by a Fund for the purchase of an option is included in the Fund's Statement of Net Assets as an investment and subsequently marked to market to reflect the current market value of the option. For an option held by a Fund on the stipulated expiration date, the Fund realizes a loss. If the Fund enters into a closing sale transaction, it realizes a gain or loss, depending on whether the proceeds from the sale are greater or less than the cost of the purchased option. If the Fund exercises a purchased put option, it realizes a gain or loss from the sale of the underlying investment and proceeds from such sale will be decreased by the premium originally paid. If the Fund exercises a purchased call option, the cost of the underlying investment which the Fund purchases upon exercise will be increased by the premium originally paid. Certain foreign currency options may be required to be marked-to-market for Federal income tax purposes at the close of a Fund's taxable year, giving rise to a gain or loss that may, depending upon whether certain elections are made, be capital or ordinary in character.

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DISTRIBUTIONS--Distributions from net investment income and net realized capital gains are determined in accordance with U.S. Federal income tax regulations, which may differ from those amounts determined under generally accepted accounting principles. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, they are charged or credited to paid in capital in the period that the difference arises.

Accordingly, the following permanent differences primarily attributable to realized foreign exchange gains and losses, have been reclassified from accumulated net realized gain (loss) on foreign currency transactions to undistributed net investment income:

	(000)

International Equity Fund	\$ 30
European Equity Fund	31
International Small Cap Equity Fund	1,161
European Small Cap Equity Fund	33
Emerging Markets Equity Fund	(584)
Global Fixed Income Fund	(2,158)
International Fixed Income Fund	(153)
Emerging Markets Debt Fund	(53)

These reclassifications have no effect on net assets on net asset values per share.

In addition, during the year ended October 31, 1996, the International Small Cap Equity Fund transferred securities at their market value to a shareholder in order to meet a redemption of the Fund's shares by the shareholder. The International Small Cap Equity Fund recorded a realized gain of \$1,159,245 in connection with the transfer. Such realized gains are not taxable for Federal income tax purposes. Accordingly, the International Small Cap Equity Fund reclassified \$1,159,245 to paid-in-capital. The net asset value of the International Small Cap Equity Fund was not affected by this reclassification.

EXPENSES--Expenses that are directly related to a Fund are charged directly to that Fund. Other operating expenses of the Trust are prorated to the Funds on the basis of relative net assets. Morgan Grenfell Capital Management, Inc. absorbed all expenses of organizing the Trust.

All organizational costs incurred with the start of the Municipal Bond Fund and the Fixed Income Fund are being amortized on a straight line basis over a period of sixty months.

OTHER--Security transactions are accounted for on the date the security is purchased or sold (trade date). Costs used in determining net realized capital gains and losses on the sale of investment securities are those of the specific securities sold adjusted for the accretion and amortization of original issue discounts and purchase premiums during the respective holding period. Original issue discounts and purchase premiums on securities held by the Funds are accreted and amortized ratably to maturity using the effective interest method. Dividend income is recognized on the ex-dividend date and interest income is recognized using the accrual method.

3. ADMINISTRATION, INVESTMENT ADVISORY, AND DISTRIBUTION AGREEMENTS

The Trust has entered into an administration agreement with SEI Financial Management Corporation (the "Administrator"), pursuant to which the Administrator receives an annual fee based on the aggregate average daily net assets of all the Funds as follows: 0.15% up to \$300,000,000; 0.12% from \$300,000,000 up to \$500,000,000; 0.10% from \$500,000,000 up to \$1,000,000,000; and 0.08% in excess of \$1,000,000,000. Each Fund pays the Administrator a minimum annual fee that equals (after a one-year phase in period) the following: \$50,000 each for the Municipal Bond Fund, Fixed Income Fund, Short-Term Municipal Bond Fund, Short-Term Fixed Income Fund and Smaller Companies Fund; \$75,000 each for the International Equity Fund, European Equity Fund, Global Fixed Income Fund and International Fixed Income Fund; and \$100,000 each for the International Small Cap Equity Fund, European Small Cap Equity Fund, Emerging Markets Equity Fund, and Emerging Markets Debt Fund.

The Administrator generally assists in all matters relating to the administration of the Funds, including the coordination and monitoring of any third parties furnishing services to the Funds, preparation and maintenance of financial accounting records, and the provision of necessary office space, equipment and personnel to perform administrative and clerical functions.

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NOTES TO FINANCIAL STATEMENTS

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

Under advisory agreements with the Trust, Morgan Grenfell Capital Management, Inc. serves as the Advisor for the Domestic Funds and Morgan Grenfell Investment Services Limited serves as the Advisor for the International Funds (collectively referred to as "Advisors"). For these services, the Advisors are entitled to a monthly fee at an annual rate of each Fund's average daily net assets as follows:

Municipal Bond Fund	0.40%
Fixed Income Fund	0.40%
Short-Term Municipal Bond Fund	0.40%
Short-Term Fixed Income Fund	0.40%
Smaller Companies Fund	1.00%
International Equity Fund	0.70%
European Equity Fund	0.70%
International Small Cap Equity Fund	1.00%
European Small Cap Equity Fund	1.00%
Emerging Markets Equity Fund	1.00%
Global Fixed Income Fund	0.50%
International Fixed Income Fund	0.50%
Emerging Markets Debt Fund	1.50%

The Advisors have voluntarily agreed to reduce their advisory fees and/or reimburse each Fund to the extent necessary to limit the Fund's operating expenses to a specified percentage of its average net assets as follows:

Municipal Bond Fund	0.55%
Fixed Income Fund	0.55%
Short-Term Municipal Bond Fund	0.55%
Short-Term Fixed Income Fund	0.55%
Smaller Companies Fund	1.25%

International Equity Fund	0.90%
European Equity Fund	0.90%
International Small Cap Equity Fund	1.25%
European Small Cap Equity Fund	1.25%
Emerging Markets Equity Fund	1.25%
Global Fixed Income Fund	0.65%*
International Fixed Income Fund	0.65%*
Emerging Markets Debt Fund	1.50%

*0.75% PRIOR TO OCTOBER 31, 1996.

Certain officers and/or Trustees of the Trust are affiliated with the Administrator or Advisors.

SEI Financial Services Company (the "Distributor") serves as the distributor of shares of the Funds pursuant to a distribution agreement with the Trust and assists in the sale of shares of the Funds. The Advisors, and not the Trust, are responsible for payment of any expenses or fees incurred in the marketing and distribution of shares of the Trust.

During the year ended October 31, 1996, certain portfolios of the Trust purchased securities from and sold securities to other portfolios of the Trust or other accounts managed by the Advisor at market value.

4. FORWARD FOREIGN CURRENCY CONTRACTS

The International Funds enter into forward foreign currency exchange contracts for hedging against portfolio positions denominated in foreign currencies as well as for non-hedging purposes. Such contracts, which protect the value of the Fund's investment securities against a decline in the value of the hedged currency, do not eliminate fluctuations in the underlying prices of the securities. They simply establish an exchange rate at a future date. Also, although such contracts tend to minimize the risk of loss due to a decline in the value of a hedged currency, at the same time they tend to limit any potential gain that might be realized should the value of such foreign currency increase.

The following forward foreign currency contracts were outstanding at October 31, 1996:

MATURITY DATE	CURRENCY TO (DELIVER) / RECEIVE (000)	IN EXCHANGE FOR (000)	UNREALIZED APPRECIATION (DEPRECIATION) (000)
GLOBAL FIXED INCOME FUND:			

FOREIGN CURRENCY SALES:			
11/15-12/19/96	CA (11,700)	\$ 8,539	\$ (202)
12/19/96-02/20/97	DM (13,150)	8,851	116
12/19/96-02/20/97	DK (31,400)	5,390	(38)
01/03/97	IL(10,310,000)	6,724	(48)
12/19/96-02/20/97	SK (59,400)	8,969	(100)
12/19/96-02/20/97	UK (6,100)	9,631	(221)

			(493)

FOREIGN CURRENCY PURCHASES:			
12/19/96-02/20/97	DM 19,700	\$12,943	157
12/19/96	IL 6,600,000	4,307	33
12/19/96	JY 800,000	7,547	(468)
02/20/97	UK 2,800	4,563	(43)

			(321)

			\$ (814)
			=====

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MATURITY DATE	CURRENCY TO (DELIVER) / RECEIVE (000)	IN EXCHANGE FOR (000)	UNREALIZED APPRECIATION (DEPRECIATION) (000)
INTERNATIONAL FIXED INCOME FUND:			

FOREIGN CURRENCY SALES:			
11/15/96-01/16/97	CA (2,000)	\$1,474	\$ (23)
12/19/96-02/20/97	DM (1,440)	966	9
12/19/96	DK (6,560)	1,150	19
12/19/96	ES (3,200)	623	(5)
12/19/96	IL (2,230,000)	1,455	(11)
12/19/96	JY (71,000)	648	20
01/16-02/20/97	SK (11,100)	1,679	(16)
12/19/96-02/20/97	UK (820,000)	1,294	(31)

			(38)

FOREIGN CURRENCY PURCHASES:

12/19/96-02/20/97	DM	1,500	\$ 984	14
12/19/96-01/16/97	DK	2,000	808	3
12/19/96	ES	8,600	1,707	(20)
12/19/96	IL	2,070,000	1,353	8
12/19/96-02/20/97	JY	213,600	1,978	(91)
02/20/97	UK	395	643	(5)
				(91)
				\$ (129)

CURRENCY LEGEND

CA	Canadian Dollar	IL	Italian Lira
DM	German Mark	JY	Japanese Yen
DK	Danish Kroner	SK	Swedish Krona
ES	Spanish Peseta	UK	British Pound Sterling

At October 31, 1996, the Global Fixed Income Fund, International Fixed Income Fund and Emerging Markets Debt Fund had unrealized losses on closed but unsettled forward foreign currency contracts of \$65,868, \$22,059, and \$4,132 respectively, scheduled to settle between November 15, 1996 and February 20, 1997.

5. INVESTMENT TRANSACTIONS

The cost of security purchases and the proceeds from the sale of securities, other than short-term investments and U.S. Government securities, during the period ended October 31, 1996, were as follows:

	PURCHASES (000)	SALES (000)
Municipal Bond Fund	\$168,226	\$144,360
Fixed Income Fund	486,517	386,740
Short-Term Municipal Bond Fund	7,426	4,388
Short-Term Fixed Income Fund	11,714	10,572
Smaller Companies Fund	4,753	4,165
International Equity Fund	1,567	1,197
European Equity Fund	7,215	899
International Small Cap Equity Fund	66,687	50,678
European Small Cap Equity Fund	4,739	5,362
Emerging Markets Equity Fund	66,646	76,815
Global Fixed Income Fund	283,429	264,510
International Fixed Income Fund	68,785	70,230
Emerging Markets Debt Fund	174,434	161,229

The cost of U.S. Government security purchases and the proceeds from the sale of U.S. Government securities, during the period ended October 31, 1996, were as follows:

	PURCHASES (000)	SALES (000)
Fixed Income Fund	\$682,508	\$557,405
Short-Term Fixed Income Fund	14,724	6,834
Global Fixed Income Fund	55,187	52,193
Emerging Markets Debt Fund	1,410	3,163

For Federal income tax purposes, the cost of securities owned at October 31, 1996 and the net realized gains or losses on securities sold for the period then ended was not materially different from the amounts reported for financial reporting purposes. The aggregate gross unrealized appreciation and depreciation at October 31, 1996 for each Fund is as follows:

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NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

	APPRECIATED SECURITIES (000)	DEPRECIATED SECURITIES (000)	NET UNREALIZED APPRECIATION/ (DEPRECIATION) (000)
Municipal Bond Fund	\$ 5,170	\$ (367)	\$ 4,803
Fixed Income Fund	14,794	(2,152)	12,642
Short-Term Municipal Bond Fund	54	(14)	40

Short-Term Fixed Income Fund	19	(12)	7
Smaller Companies Fund	648	(148)	500
International Equity Fund	412	(119)	293
European Equity Fund	3,955	(230)	3,725
International Small Cap Equity Fund	15,310	(10,480)	4,830
European Small Cap Equity Fund	2,242	(642)	1,600
Emerging Markets Equity Fund	12,163	(7,948)	4,215*
Global Fixed Income Fund	5,186	(365)	4,821
International Fixed Income Fund	982	(109)	873
Emerging Markets Debt Fund	7,465	(313)	7,152

* NET OF \$43,000 ACCRUED FOREIGN WITHHOLDING TAXES.

At October 31, 1996 the following Funds had available realized capital losses to offset future net capital gains:

	(000)	EXPIRATION DATE
	-----	-----
Fixed Income Fund	\$530	2004
Short-Term Fixed Income Fund	26	2004
International Small Cap Equity Fund	859	2003

6. LOAN PARTICIPATIONS/ASSIGNMENTS

The Emerging Markets Debt Fund (the "Fund") invests in U.S. dollar-denominated fixed and floating rate loans ("Loans") arranged through private negotiations between a foreign sovereign entity and one or more financial institutions ("Lenders"). The Fund invests in such Loans in the form of participations in Loans ("Participations") or assignments of all or a portion of loans from third parties ("Assignments"). Participations typically result in the Fund having a contractual relationship only with the Lender, not with the sovereign borrower. The Fund has the right to receive payments of principal, interest and any fees to which it is entitled from the Lender selling the Participation and only upon receipt by the Lender of the payments from the borrower. In connection with purchasing Participations, the Fund generally has no right to enforce compliance by the borrower with the terms of the loan agreement relating to the Loan, nor any rights of set-off against the borrower, and the Fund will not benefit directly from any collateral supporting the Loan in which it has purchased the Participation. As a result, the Fund assumes the credit risk of both the borrower and the Lender that is selling the Participation. The Fund may have difficulty disposing of Participations and Assignments because the market for such instruments is not highly liquid.

7. CONCENTRATION OF RISKS

The Municipal Bond Fund and Short-Term Municipal Bond Fund invest primarily in a diversified portfolio of municipal securities, including municipal bonds and debentures. Although the Municipal Bond Fund and Short-Term Municipal Bond Fund maintain diversified portfolios, the municipal bond issuers' abilities to meet their obligations may be affected by economic developments in a specific state or region.

The Fixed Income Fund and Short-Term Fixed Income Fund invest primarily in fixed income securities, the market value of which may change in response to interest rate changes. Although the Fixed Income Fund and Short-Term Fixed Income Fund maintain diversified portfolios, the ability of the issuers of the Fund's portfolio securities to meet their obligations may be affected by changing business and economic conditions in a specific industry or region.

Each International Fund invests in securities of foreign issuers in various countries. These investments may involve certain considerations and risks not typically associated with investments in the United States, as a result of, among other factors, the possibility of future political and economic developments and the level of governmental supervision and regulation of securities markets in the respective countries. Global Fixed Income Fund, International Fixed Income Fund and Emerging Markets Debt Fund invest in debt securities, the market value of which may change in response to interest rate changes. Also, the ability of the issuers of debt securities held by the Funds to meet their obligations may be affected by economic and political developments in a specific country, industry, or region.

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8. IN KIND TRANSFER OF SECURITIES

During the period ended October 31, 1996, the European Equity Fund issued 1,689,459 shares of beneficial interest in exchange for portfolio securities from certain accounts managed by Morgan Grenfell Investment Services, Limited at their current value of \$16,894,593.

The tax basis of the securities exchanged for shares of beneficial interest of the European Equity Fund was carried over and included \$2,949,576 of unrealized gain.

9. SALE OF CERTAIN INVESTMENTS IN UNLISTED SECURITIES

On September 17, 1996, the International Small Cap Equity Fund and the European Small Cap Equity Fund sold certain investments in unlisted securities to

Deutsche Bank AG, an indirect parent of the Advisors, at their value as of August 30, 1996. The cost of securities sold, the proceeds from sale to Deutsche Bank and the net realized gain (loss) from the transactions are as follows:

	COST OF SECURITIES SOLD	PROCEEDS FROM SALE	NET REALIZED GAIN/(LOSS)
International Small Cap Equity Fund	\$625,651	\$644,240	\$ 18,589
European Small Cap Equity Fund	750,145	392,960	(357,185)

In addition, Deutsche Bank agreed to pay approximately \$16,000 and \$20,000 to the International Small Cap Equity Fund and the European Small Cap Equity Fund, respectively, as interest at the applicable short-term interest rates calculated on the cost of the securities sold for the period they were held by each Fund before the sale. Deutsche Bank has also agreed to indemnify each of these Funds for any related loss plus reasonable interest if it is subsequently determined based upon findings by an independent third party that there were any irregularities in the purchase of these securities or if the August 30, 1996 valuation for these securities is found to be inadequate.

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REPORT OF INDEPENDENT ACCOUNTS

To the Shareholders and Board of Trustees

Morgan Grenfell Investment Trust

In our opinion, the accompanying statements of net assets, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Short-Term Municipal Bond Fund, Short-Term Fixed Income Fund, Smaller Companies Fund, International Equity Fund, European Equity Fund, International Small Cap Equity Fund, European Small Cap Equity Fund, Emerging Markets Equity Fund, Global Fixed Income Fund, International Fixed Income Fund, and Emerging Markets Debt Fund series of Morgan Grenfell Investment Trust, (the "Trust") at October 31, 1996, the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods indicated, and the financial position of the Municipal Bond Fund and Fixed Income Fund series of the Trust at October 31, 1996, the results of each of their operations for the year then ended, and the changes in each of their net assets and the financial highlights for each of the two years in the period then ended, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 1996 by correspondence with the custodians and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above. The financial highlights for the years ended October 31, 1994 and October 31, 1993, and the period ended October 31, 1992 of the Municipal Bond Fund and Fixed Income Fund were audited by other independent accountants whose report dated December 14, 1994 expressed an unqualified opinion on those financial highlights.

PRICEWATERHOUSE LLP

1177 Avenue of the Americas
New York, NY 10036
December 23, 1996

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NOTICE TO SHAREHOLDERS (UNAUDITED)

MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

TAXPAYERS FILING ON A CALENDAR YEAR BASIS WILL RECEIVE TAX INFORMATION FOR THE 1996 CALENDAR YEAR AFTER YEAR END.

Dear Morgan Grenfell Shareholders:

For the fiscal year ended October 31, 1996, each portfolio is hereby

designating long-term capital gains, qualifying dividends and exempt income with regard to distributions paid during the year as follows:

<TABLE>

<CAPTION>

FUND	(A)	(B)	(C)	(D)	(E)	(F)
	LONG TERM CAPITAL GAINS DISTRIBUTIONS (TAX BASIS)+	ORDINARY INCOME DISTRIBUTIONS (TAX BASIS)+	TOTAL DISTRIBUTIONS (TAX BASIS)+	QUALIFYING DIVIDENDS (1)	TAX EXEMPT INTEREST	FOREIGN TAX CREDIT (2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Municipal Bond Fund	0.00%	100.00%	100.00%	0.00%	100.00%	0.00%
Fixed Income Fund	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Short-Term Municipal Bond Fund	0.00%	100.00%	100.00%	0.00%	94.48%	0.00%
Short-Term Fixed Income Fund	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Smaller Companies Fund	0.00%	100.00%	100.00%	91.67%	0.00%	0.00%
International Equity Fund	0.00%	100.00%	100.00%	0.00%	0.00%	1.83%
European Equity Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
International Small Cap Equity Fund	0.00%	100.00%	100.00%	0.00%	0.00%	36.89%
European Small Cap Equity Fund	0.00%	100.00%	100.00%	0.00%	0.00%	23.09%
Emerging Markets Equity Fund	33.92%	66.08%	100.00%	0.00%	0.00%	39.15%
Global Fixed Income Fund	1.74%	98.26%	100.00%	0.00%	0.00%	0.00%
International Fixed Income Fund	0.58%	99.42%	100.00%	0.00%	0.00%	0.00%
Emerging Markets Debt Fund	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%

<FN>

+ AS DETERMINED FOR FEDERAL TAX PURPOSES.

(1) QUALIFYING DIVIDENDS REPRESENT DIVIDENDS WHICH QUALIFY FOR THE CORPORATE DIVIDENDS RECEIVED DEDUCTION.

(2) SEE ATTACHED NOTICE WHICH DETAILS THE PER SHARE AMOUNT OF FOREIGN TAXES PAID BY COUNTRY AND THE PER SHARE AMOUNT OF EACH DIVIDEND THAT REPRESENTS INCOME DERIVED FROM SOURCES WITHIN EACH COUNTRY.

* ITEMS (A) AND (B) ARE BASED ON A PERCENTAGE OF THE FUND'S TOTAL DISTRIBUTIONS.

** ITEMS (D), (E) AND (F) ARE BASED ON A PERCENTAGE OF ORDINARY INCOME DISTRIBUTIONS OF THE FUND.

</FN>

</TABLE>

PLEASE CONSULT YOUR TAX ADVISER FOR PROPER TREATMENT OF THIS INFORMATION.

NOTICE TO SHAREHOLDERS (UNAUDITED)

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MORGAN GRENFELL INVESTMENT TRUST -- OCTOBER 31, 1996

TAXPAYERS FILING ON A CALENDAR YEAR BASIS WILL RECEIVE TAX INFORMATION FOR THE 1996 CALENDAR YEAR AFTER YEAR END.

The Morgan Grenfell International Equity Fund, International Small Cap Equity Fund, European Small Cap Equity Fund and Emerging Markets Equity Fund have made an election under Section 853 of the Internal Revenue Code (the "Code") to provide a foreign tax deduction or credit to their shareholders for the fiscal year ended October 31, 1996. The information provided below is pertinent to taxpayers who meet the following two criteria: 1) file a U.S. Federal Income Tax Return and 2) held shares of the Fund on the dividend record date of December 29, 1995 and satisfy the applicable requirements of the Code.

The amount per share of income from, and foreign taxes paid to, each country (expressed in U.S. dollars) is listed in the following schedule:

MORGAN GRENFELL INTERNATIONAL EQUITY FUND

COUNTRY	GROSS DIVIDEND	FOREIGN TAXES PAID
Australia	0.0060	0.0001
France	0.0606	0.0000
Germany	0.0449	0.0010
Hong Kong	0.0167	0.0000
Japan	0.0038	0.0001
Malaysia	0.0090	0.0004
Netherlands	0.0158	0.0004
Singapore	0.0092	0.0004
Spain	0.0048	0.0002
Switzerland	0.0006	0.0000
Thailand	0.0045	0.0000
United Kingdom	0.2081	0.0053
United States	0.0554	0.0000
	0.4394	0.0079

MORGAN GRENFELL EUROPEAN SMALL CAP EQUITY FUND

COUNTRY	GROSS DIVIDEND	FOREIGN TAXES PAID

Austria	0.0010	0.0001
Belgium	0.0008	0.0002
Finland	0.0003	0.0002
France	0.0147	0.0000
Germany	0.0248	0.0077
Italy	0.0032	0.0004
Netherlands	0.0113	0.0021
Norway	0.0027	0.0006
Spain	0.0030	0.0007
Sweden	0.0023	0.0015
Switzerland	0.0103	0.0021
United Kingdom	0.0584	0.0122
United States	0.0154	0.0000
	-----	-----
	0.1482	0.0278

MORGAN GRENFELL INTERNATIONAL SMALL CAP EQUITY FUND

COUNTRY	GROSS DIVIDEND	FOREIGN TAXES PAID
-----	-----	-----
Australia	0.0047	0.0017
Austria	0.0003	0.0001
Belgium	0.0001	0.0000
Finland	0.0003	0.0001
France	0.0024	0.0000
Germany	0.0062	0.0032
Hong Kong	0.0028	0.0000
Indonesia	0.0011	0.0003
Italy	0.0007	0.0001
Japan	0.0089	0.0025
Malaysia	0.0019	0.0009
Netherlands	0.0020	0.0006
Norway	0.0007	0.0002
Singapore	0.0007	0.0002
South Korea	0.0001	0.0000
Spain	0.0009	0.0002
Sweden	0.0003	0.0001
Switzerland	0.0026	0.0008
Thailand	0.0009	0.0002
United Kingdom	0.0160	0.0047
United States	0.0054	0.0000
	-----	-----
	0.0590	0.0159

MORGAN GRENFELL EMERGING MARKETS EQUITY FUND

COUNTRY	GROSS DIVIDEND	FOREIGN TAXES PAID
-----	-----	-----
Argentina	0.0014	0.0000
Brazil	0.0127	0.0055
Chile	0.0007	0.0002
Colombia	0.0009	0.0000
Greece	0.0008	0.0000
Hungary	0.0001	0.0000
India	0.0002	0.0000
Indonesia	0.0006	0.0001
Malaysia	0.0066	0.0037
Mexico	0.0017	0.0000
Peru	0.0008	0.0000
Philippines	0.0002	0.0001
Portugal	0.0006	0.0002
South Africa	0.0026	0.0004
South Korea	0.0005	0.0000
Taiwan	0.0008	0.0001
Thailand	0.0026	0.0007
Turkey	0.0015	0.0000
Venezuela	0.0001	0.0000
United Kingdom	0.0001	0.0000
United States	0.0036	0.0000
	-----	-----
	0.0391	0.0110

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MORGAN
GRENFELL
INVESTMENT
TRUST

ANNUAL
REPORT

OCTOBER 31, 1996

TRUSTEES AND OFFICERS

James E. Minnick,
 PRESIDENT, CHIEF EXECUTIVE OFFICER AND
 CHAIRMAN OF THE BOARD OF TRUSTEES
 Patrick W. Disney,
 SENIOR VICE PRESIDENT AND TRUSTEE
 Paul K. Freeman, TRUSTEE
 Graham E. Jones, TRUSTEE
 Hugh G. Lynch, TRUSTEE
 William N. Searcy, TRUSTEE
 Edward T. Tokar, TRUSTEE
 David W. Baldt,
 VICE PRESIDENT
 James H. Grifo,
 VICE PRESIDENT
 Martin A. Hall,
 VICE PRESIDENT
 Neil P. Jenkins,
 VICE PRESIDENT
 Ian D. Kelson,
 VICE PRESIDENT
 John G. Alshefski,
 TREASURER, PRINCIPAL ACCOUNTING OFFICER,
 CHIEF FINANCIAL OFFICER
 Mark G. Arthus,
 SECRETARY AND COMPLIANCE OFFICER
 INVESTMENT ADVISORS
 Morgan Grenfell Capital Management, Inc.
 Morgan Grenfell Investment Services Limited
 ADMINISTRATOR AND SHAREHOLDER SERVICING AGENT
 SEI Financial Management Corporation
 DISTRIBUTOR
 SEI Financial Services Company
 CUSTODIANS
 The Northern Trust Company
 CoreStates Bank, N.A.
 TRANSFER AGENT
 DST Systems, Inc.
 INDEPENDENT ACCOUNTANTS
 Price Waterhouse LLP
 LEGAL COUNSEL
 Hale and Dorr

THIS ANNUAL REPORT AND THE FINANCIAL STATEMENTS CONTAINED HEREIN ARE SUBMITTED FOR THE GENERAL INFORMATION OF THE SHAREHOLDERS OF THE TRUST AND MUST BE PRECEDED OR ACCOMPANIED BY A CURRENT PROSPECTUS. INVESTORS SHOULD READ THE PROSPECTUS CAREFULLY BEFORE INVESTING. SHARES OF THE MORGAN GRENFELL INVESTMENT TRUST ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. THE SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THE SHARES INVOLVES RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL. SEI FINANCIAL SERVICES COMPANY, THE DISTRIBUTOR OF THE MORGAN GRENFELL INVESTMENT TRUST, IS NOT AFFILIATED WITH ANY BANK.

MIT-F-004-03

STATEMENT OF ASSETS AND LIABILITIES

MORGAN GRENFELL INVESTMENT TRUST - OCTOBER 31, 1996

	MICROCAP FUND	GLOBAL EQUITY FUND	PACIFIC BASIN EQUITY FUND	JAPANESE SMALL CAP EQUITY FUND
ASSETS:				
Cash	\$1,100	\$1,000	\$1,000	\$1,000
Total Assets	1,100	1,000	1,000	1,000
LIABILITIES:	-	-	-	-
NET ASSETS:	\$1,100	\$1,000	\$1,000	\$1,000
Shares of beneficial interest issued and outstanding (unlimited authorization-based on \$0.001 par value)	110	100	100	100
NET ASSET VALUE, OFFERING PRICE AND REDEMPTION PRICE PER SHARE	\$10.00	\$10.00	\$10.00	\$10.00

THE FUNDS HAVE NOT COMMENCED OPERATIONS AS OF OCTOBER 31, 1996.

NOTES TO FINANCIAL STATEMENTS
MORGAN GRENFELL INVESTMENT TRUST - OCTOBER 31, 1996

1. ORGANIZATION

Morgan Grenfell Investment Trust (the "Trust") was organized as a Delaware business trust on September 13, 1993. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company consisting of eighteen investment portfolios (Morgan Grenfell Municipal Bond Fund, Morgan Grenfell Fixed Income Fund, Morgan Grenfell Short-Term Municipal Bond Fund, Morgan Grenfell Short-Term Fixed Income Fund, Morgan Grenfell Large Cap Growth Fund, Morgan Grenfell Smaller Companies Fund, Morgan Grenfell MicroCap Fund, Morgan Grenfell International Equity Fund, Morgan Grenfell Global Equity Fund, Morgan Grenfell European Equity Fund, Morgan Grenfell Pacific Basin Equity Fund, Morgan Grenfell International Small Cap Equity Fund, Morgan Grenfell European Small Cap Equity Fund, Morgan Grenfell Japanese Small Cap Equity Fund, Morgan Grenfell Emerging Markets Equity Fund, Morgan Grenfell Global Fixed Income Fund, Morgan Grenfell International Fixed Income Fund and Morgan Grenfell Emerging Markets Debt Fund. These financial statements relate only to the Morgan Grenfell MicroCap Fund, Morgan Grenfell Global Equity Fund, Morgan Grenfell Pacific Basin Equity Fund and Morgan Grenfell Japanese Small Cap Equity Fund (hereafter referred to as the "Funds"). At October 31, 1996, the Morgan Grenfell MicroCap Fund had no operations other than the sale of initial 100 shares to SEI Financial Management Corporation (the "Administrator"), a wholly-owned subsidiary of SEI Corporation on August 23, 1996 and sale of 10 shares to DST Systems, Inc. (the transfer agent) on October 21, 1996. At October 31, 1996, the Morgan Grenfell Global Equity Fund, Morgan Grenfell Pacific Basin Equity Fund and Morgan Grenfell Japanese Small Cap Equity Fund had no operations other than the sale of initial shares to the Administrator on December 29, 1993. Morgan Grenfell Capital Management, Inc. (the "Advisor") absorbed all expenses of organizing the Trust.

2. ADMINISTRATION, INVESTMENT ADVISORY, AND DISTRIBUTION AGREEMENTS

The Trust has entered into an administration agreement with SEI Financial Management Corporation (the "Administrator"), pursuant to which the Administrator receives a monthly fee based on the aggregate average daily net assets of all the Funds as follows: 0.15% up to \$300,000,000; 0.12% from \$300,000,000 up to \$500,000,000; 0.10% from \$500,000,000 up to \$1,000,000,000; and 0.08% in excess of \$1,000,000,000. Each fund pays the Administrator a minimum annual fee that equals (after a one year phase in period) the following: \$50,000 for the MicroCap Fund, \$75,000 for the Global Equity Fund and Pacific Basin Equity Fund, and \$100,000 for the Japanese Small Cap Equity Fund.

The Administrator generally assists in all matters relating to the administration of the Funds, including the coordination and monitoring of any third parties furnishing services to the Funds, preparation and maintenance of financial accounting records, and the provision of necessary office space, equipment and personnel to perform administrative and clerical functions.

Under advisory agreements with the Trust, Morgan Grenfell Capital Management, Inc. serves as the Advisor for the MicroCap Fund and Morgan Grenfell Investment Services Limited serves as the Advisor for the Global Equity Fund, Pacific Basin Equity Fund and Japanese Small Cap Equity Fund (collectively referred to as the "Advisors"). For these services, the Advisors are entitled to a monthly fee at an annual rate of each Fund's average daily net assets as follows:

MicroCap Fund	1.50%
Global Equity Fund	0.70%
Pacific Basin Equity Fund	0.70%
Japanese Small Cap Equity Fund	1.00%

The Advisors have voluntarily agreed to reduce their advisory fee to the extent necessary to limit the Fund's operating expenses to a specified percentage of its average net assets as follows:

MicroCap Fund	1.75%
Global Equity Fund	0.90%
Pacific Basin Equity Fund	0.90%
Japanese Small Cap Equity Fund	1.25%

Certain officers and/or Trustees of the Trust are affiliated with the Administrator or Advisor.

SEI Financial Services Company (the "Distributor") serves as the distributor of shares of the Funds pursuant to a distribution agreement with the Trust and assists in the sale of shares of the Funds. The Advisors, and not the Trust, are responsible for payment of any expenses or fees incurred in the marketing and

distribution of shares of the Trust.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Trustees
Morgan Grenfell Investment Trust

In our opinion, the accompanying statement of assets and liabilities presents fairly, in all material aspects, the financial position of the MicroCap Fund, Global Equity Fund, Pacific Basin Equity Fund and Japanese Small Cap Equity Fund (comprising Morgan Grenfell Investment Trust, hereafter referred to as the "Trust") at October 31, 1996, in conformity with generally accepted accounting principles. This financial statement is the responsibility of the Trust's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this financial statement in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

1177 Avenue of the Americas
New York, NY 10036
December 23, 1996