

CLOSE FINSBURY GLOBAL INVESTMENT FUNDS PLC



Interim Report

Six months ended 30 June 2004



CLOSE FINSBURY
DIFFERENT BY DESIGN

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Company Information

Directors

Alex Hammond-Chambers, *Chairman*
James Baxter
Paul Daly
David Dillon
Alastair Smith

Investment Manager and distributor

Close Finsbury Asset Management Limited
10 Crown Place
London EC2A 4FT

Sub-Investment Managers

United Kingdom Equity Fund
UK Gilt Fund
Continental European Equity Fund
Far East Equity Fund
Japanese Equity Fund
North American Equity Fund
Pharmaceutical Fund
Technology Fund

Universal Life Sciences Fund

Research Advice

Pharmaceutical Fund

Registrars and Administrator

BNP Paribas
Fund Services Dublin Limited
6 George's Dock
IFSC
Dublin 1
Ireland

Custodian

BNP Paribas Securities Services – Dublin branch
6 George's Dock
IFSC
Dublin 1
Ireland
(appointed 1 January 2004)

Auditors

RSM Robson Rhodes
Fitzwilton House
Wilton Place
Dublin 2
Ireland

Mars Asset Management Limited
Charteris Treasury Portfolio Managers Limited
2CG Limited
Jade Absolute Fund Managers Limited
Lindsell Train Limited
Vontobel Asset Management, Incorporated
Close Private Asset Management Limited
Rebourne Technology Investment
Management Limited
Rebourne Technology Investment
Management Limited

OrbiMed Advisors LLC

Legal Advisors

Dillon Eustace
Grand Canal House
1 Upper Grand Canal Street
Dublin 4
Ireland

Registered Office

6 George's Dock
IFSC
Dublin 1
Ireland

Company Number

285933 (Registered in Ireland)



Investing with Close Finsbury

Direct Investment

The minimum investment in respect of each Fund is £1,000 or its equivalent in the base currency of each Fund. The only exception to this is the Universal Life Sciences Fund 'B' Shares which have a minimum investment of £100,000 (please note this higher limit does not apply to the Universal Life Sciences Fund 'A' Shares).

By telephone:	+44 (0) 20 7247 8996 +353 (1) 670 2111	} Professional advisers only
By facsimile:	+353 (1) 612 6487	Professional advisers only
By post:	Close Finsbury Global Investment Funds plc 6 George's Dock IFSC Dublin 1 Ireland	

Please phone 0800 169 6968* to request a copy of the application form and key features.

Close Finsbury ISA, PEP and Savings Scheme

Shares in the United Kingdom Equity Fund, UK Gilt Fund, Continental European Equity Fund, Far East Equity Fund, Japanese Equity Fund, North American Equity Fund, Pharmaceutical Fund, Technology Fund and Universal Life Sciences Fund 'A' Shares, can be acquired via the Close Finsbury ISA, PEP and Savings Scheme.

Regular payments can be made from as little as £100 per Fund per month. There is a minimum lump sum investment of £1,000 per Fund. Up to £7,000 can be invested in the ISA per tax year.

Online investment in Close Finsbury's range of Investment Funds through the Close Finsbury ISA and Savings Scheme is also possible. To register for the service, please go to our website www.closefinsbury.com and follow the prompts on the home page.

For more information on investing with Close Finsbury, please contact us via:

Telephone:	0800 169 6968*
Facsimile:	+44 (0) 20 7247 4722
Email:	info@closefinsbury.com
Post:	Investor Services Close Finsbury Asset Management Limited FREEPOST KE7259 London EC2A 4FT

Further Information

Professional Advisers Helpline:	+44 (0) 20 7426 4372
Investor Helpline:	0800 169 6968*
Website:	www.closefinsbury.com

* Calls may be recorded for monitoring purposes



Review of Investments

United Kingdom Equity Fund

Half-yearly Review

The first half of 2004 proved a frustrating time for investors in the UK market. It had been generally expected that the market would make good progress as the world economic recovery continued, but by the end of the period the FT All Share Index, having oscillated considerably month by month, had made almost no progress, being up less than 1 per cent overall. This occurred despite improvements in the economic news which generally showed that the overall UK economy continued to perform well.

Investors, however, were worried about four particular factors – the continuing deterioration of the internal situation in Iraq, the global economic effects of the rise in the oil price, the economic slowdown in China and the Bank of England's Monetary Policy Committee's (MPC) hawkishness on interest rates. These worries outweighed some generally good company results and confident statements. Investors rotated between the defensive and the cyclical sectors as sentiment swung between domestic economic bullishness and the more bearish international outlook.

The FTSE 100 Index was actually slightly down over the six months due to the weak performance of several major sectors particularly banks, pharmaceuticals, and telecoms. Indeed of the major sectors in the FTSE only oils performed well and this occurred towards the end rather than the beginning of the period as investors perceived a high oil price likely to continue in the near future. By contrast, the FTSE 250 Index, to which the Fund was more heavily exposed was up 7 per cent, on grounds of relative valuation and strong domestic trading performances.

Portfolio Review

The house-building sector, to which the portfolio is heavily exposed, had an excellent first quarter. This was thanks to the publication of the Report on housing supply by Miss Kate Barker of the MPC, which highlighted the urgent need to increase production to accommodate the growth in household formation. The sector, however, retraced its steps in the second quarter on fears of rising interest rates but it still appears to the manager to offer excellent scope for price appreciation in view of continuing favourable trading conditions and low valuations.

Both **Abbey** and **Gartmore Irish Growth** performed strongly as it became apparent that the Irish economy is continuing to prosper. **Cairn Energy**, a new purchase during the period, performed well on the news of its recent oil discoveries in Rajasthan as did **UK Coal** in view of rising coal prices and property development potential. **Arriva** fared well on news of strong trading. By contrast, the weakness of the financial and technology sectors held back several stocks in the portfolio.



Review of Investments *(continued)*

United Kingdom Equity Fund

Performance Table

	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
United Kingdom Equity Fund	2.7	3	6.4	1	35.4	1
Benchmark Index*	2.8	-	(10.1)	-	(12.8)	-

*Benchmark Index: FTSE All Share Index (with income reinvested)

All figures are total return (sterling).

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: FTSE All Share Index (with income reinvested)

Figures, which are total return (sterling), have been re-based to 100 at launch (25/09/98).

Source: Close Finsbury Asset Management Limited

Outlook

The UK economy currently appears likely to grow at a rate in excess of 3 per cent this year – a figure which looked highly improbable some twelve months ago. However, the MPC has voiced its concerns about the inflationary implications of this growth, particularly in relation to rising house prices and the level of consumer debt and it appears determined to raise interest rates further. This threat, together with the current high oil price, could continue to affect sentiment adversely over the next few months. The manager believes that they will peak at no more than 5.25 per cent which will not seriously damage the economy. As soon as interest rates are deemed to have changed trend, the stock-market should make progress once more. The UK market currently represents excellent value by comparison with its international counterparts. Furthermore the manager remains confident of being able to find stocks from which rich rewards can be harvested in the future.

Close Finsbury Asset Management Limited
Manager

James Barstow
Mars Asset Management Limited
Sub-Investment Manager



Review of Investments *(continued)*

United Kingdom Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation GBP'000	% of Net Assets
United Kingdom			
100,000	Gartmore Irish Growth	398	8.0
26,000	Cairn Energy	372	7.4
100,000	Gresham Computing	341	6.8
17,000	Man Group	246	4.9
40,000	McCarthy & Stone	233	4.7
25,000	Standard Chartered	226	4.5
40,000	Abbey	224	4.5
190,000	Emblaze Systems	200	4.0
125,000	UK Coal	199	4.0
30,000	Persimmon	190	3.8
30,000	Barratt Developments	178	3.6
100,000	Amlin	158	3.2
55,000	Tesco	147	2.9
40,000	BG Group	137	2.7
126,000	BTG	135	2.7
35,000	Hanson	134	2.7
30,000	Arriva	125	2.5
20,000	British Sky Broadcasting	125	2.5
50,000	Premier Farnell	124	2.5
30,000	Amvescap	113	2.3
125,000	Brewin Dolphin	93	1.9
15,000	Prudential	72	1.4
5,000	Imperial Tobacco	60	1.2
3,000	Grainger Trust	48	1.0
50,000	Wellington Underwriting	45	0.9
5,000	Bellway	38	0.8
20,000	LogicaCMG	37	0.7
3,000	Glaxosmithkline	34	0.7
10,000	Icap	27	0.5
7,500	Redrow	27	0.5
		4,486	89.8
Ireland			
30,000	Anglo Irish Bank	259	5.2
Total Value of Investments		4,745	95.0
Net Current Assets		252	5.0
Net Asset Value		4,997	100.0

Review of Investments *(continued)*

United Kingdom Equity Fund

Statement of All Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (GBP'000)
1	Cairn Energy	279
2	Gresham Computing	168
3	Man Group	161
4	Tesco	139
5	BG Group	138
6	Gartmore Irish Growth	127
7	Amlin	123
8	Standard Chartered	90
9	Prudential	78
10	Brewin Dolphin	69
11	LogicaCMG	65
12	McCarthy Et Stone	60
13	Emblaze Systems	50
14	BTG	25

Sales

Rank	Company	Consideration (GBP'000)
1	Misys	61
2	Shell Transport Et Trading	38
3	Firstgroup	25

Review of Investments *(continued)*

UK Gilt Fund

Half-yearly Review

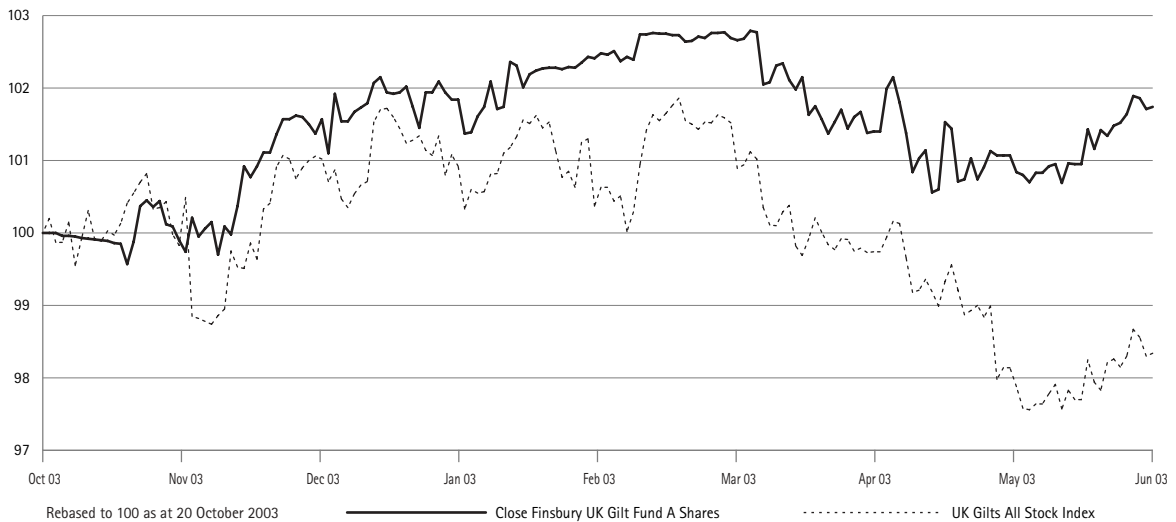
The first half of 2004 proved to be a reasonably stable environment for the UK gilt market, but a period that still experienced a mild rise in yields. For Example the benchmark 10 year Gilt started the year on a gross redemption yield of 4.8 per cent and ended the half-year period with a gross redemption yield of 5.1 per cent.

At the longer end of the market the rise in yields was less marked but the benchmark 30 year Gilt still experienced a rise in yields from 4.65 per cent to 4.75 per cent. This "flattening" of the yield curve was caused by the move by the Bank of England to begin to tighten monetary policy, which had a more pronounced effect on the shorter dated maturities.

Portfolio Review

The modified duration of the Gilt Portfolio was kept broadly in line with the modified duration of the F.T. Government Securities Index for the six month period covered in this report. However, the portfolio managed to outperform the index (see graph below) substantially, thanks to the premia received from the writing of call options against the underlying portfolio.

Performance Graph 'A' Share Class



Source: Close Finsbury Asset Management Limited

Review of Investments *(continued)*

UK Gilt Fund

Performance Graph 'B' Share Class



Source: Close Finsbury Asset Management Limited

Outlook

The outlook for the next six months is of a continuation of the current status quo, with a stable environment combined with an expectation that the Bank of England might still increase rates even further by a moderate amount; this will cause the yield curve to flatten to a greater degree than has been seen so far. Market expectations are for a series of $\frac{1}{4}$ point rate increases with a consensus view that the peak in UK short-term interest rates will occur around $5\frac{1}{2}$ per cent.

Close Finsbury Asset Management Limited
Manager

Ian Williams
Charteris Treasury Portfolio Managers Limited
Sub-Investment Manager



Review of Investments *(continued)*

UK Gilt Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation GBP'000	% of Net Assets
United Kingdom			
2,500,000	UK Treasury 4.75% 07/09/2015	2,418	22.8
2,020,000	UK Treasury 5.75% 07/12/2009	2,082	19.6
2,000,000	UK Treasury 5% 07/03/2012	1,979	18.6
2,000,000	UK Treasury 5% 07/09/2014	1,976	18.6
1,020,000	UK Treasury 4% 07/03/2009	974	9.2
20,000	UK Treasury 4.25% 07/06/2032	18	0.1
		9,447	88.9
Options			
2,000,000	UK Gilt 5% 07/09/2014	-	-
1,000,000	UK Gilt 4% 07/03/2009	(1)	-
2,000,000	UK Gilt 5.75% 07/12/2004	(3)	-
2,500,000	UK Treasury 4.75% 07/09/2015	(3)	-
		(7)	-
Total Value of Investments		9,440	88.9
Net Current Assets		1,175	11.1
Net Asset Value		10,615	100.0

Review of Investments *(continued)*

UK Gilt Fund

Statement of All Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (GBP'000)
1	UK Treasury 5% 07/03/12	13,264
2	UK Treasury 5% 07/09/14	6,988
3	UK Treasury 4.75% 07/09/15	4,336
4	UK Treasury 5.75%07/12/09	3,096
5	UK Treasury 4.25% 07/06/32	2,503
6	UK Treasury 5% 2025	2,018
7	UK Treasury 4% 07/03/09	970
8	UK Treasury 4.25% 2036	898

Sales

Rank	Company	Consideration (GBP'000)
1	UK Treasury 5% 07/03/12	11,152
2	UK Treasury 5% 07/09/14	5,009
3	UK Treasury 4.25% 07/06/32	2,450
4	UK Treasury 5% 2025	1,993
5	UK Treasury 4.25% 07/09/15	1,923
6	UK Treasury 5.25% 2009	1,025
7	UK Treasury 4.25% 2036	898

Review of Investments *(continued)*

Continental European Equity Fund

Half-yearly Review

Markets were very quiet, as investors gradually concluded that US interest rates would have to rise but were unsure of the stock market consequences of such actions. However, the Federal Reserve flagged its intentions so clearly that by the time rates did move there was a collective yawn. Markets may have been flat overall but as always there were sharp individual sector and stock movements.

Portfolio Review

During the first six months of 2004, the FTSE World Europe ex UK Index appreciated by 7.4 per cent and the Fund's net asset value by 9.4 per cent. At the individual stock level, fortunately the managers made a number of good trades, such as selling (on valuation grounds) **Hochtief** ahead of the profits warning and **Siemens** ahead of relatively lacklustre interims. We also bought a number of shares that just seemed too cheap with the result that **Vopak**, **Saipem** and **TDC** all added value. On the negative side we held **Nokia**, which is clearly a very strong company with much better than average profitability but is currently suffering from reinvigorated competition.

Performance Table

	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
Continental European Equity Fund	9.4	1	(26.6)	4	(15.5)	3
Benchmark Index*	7.4	-	(19.6)	-	(8.9)	-

*Benchmark Index: FTSE Actuaries World Europe Ex UK Index (with income reinvested).

All figures are total return (euros)

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



Benchmark Index: FTSE Actuaries World Europe Ex UK Index (with reinvestment of income).

Figures, which are total return (euros), have been re-based to 100 at launch (25/09/98)

Source: Close Finsbury Asset Management Limited



Review of Investments *(continued)*

Continental European Equity Fund

Outlook

While we are the first to agree that the world has its problems we believe that a fair proportion of these woes are now likely to be discounted in stock prices; Continental European markets for instance are back to where they were seven years ago. We believe that by the time consumers do weaken in the US, UK and selected countries elsewhere it could well be that stock markets have already discounted it and are rising again.

The overriding theme to our investment strategy is to avoid the oversupply industries and to invest in those companies that have some pricing power and are on reasonable ratings. The oversupply industries include telecommunications, insurance, food retail and increasingly consumer goods (both at the durable end – such as cars and non-durable such as personal care products).

Many of the areas that are benefiting from pricing power are those that have just been through a tough period. One theme that we have mentioned a number of times recently is the oil service sector, which has seen a lot of capacity leave the industry following years of under investment by the oil majors. Consequently we have over the last six months added Saipem, Technip and IHC Caland. On this basis and from mounting evidence that Europe's economies are indeed picking up, we have recently added the hotels group Accor. The shares have over the last twelve months underperformed the peer group by 20 per cent. This is mainly due to the sluggish performance of France and Germany, which together account for nearly half of profits.

Finally an ongoing theme in our investment philosophy is to focus on companies with above average yields and below average ratings. This should result in the portfolio being defensive during periods of market weakness but also participating in rallies, which should occur in the second half of the year. Indeed at the end of the day inflation is low and the economy is growing.

Close Finsbury Asset Management Limited
Manager

Christopher Garsten/Charles Glasse
2CG Limited
Sub-Investment Manager



Review of Investments *(continued)*

Continental European Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation EUR €'000	% of Net Assets
Belgium			
5,000	Interbrew	130	3.5
7,000	Fortis	128	3.5
1,800	Solvay	120	3.2
		378	10.2
Denmark			
6,300	Danske Bank	122	3.3
3,900	TDC	104	2.8
		226	6.1
Finland			
3,000	Nokia	36	1.0
		36	1.0
France			
750	Total	118	3.2
1,000	Technip	111	3.0
1,500	Societe Generale	106	2.9
1,400	Lafarge	103	2.8
2,500	Carrefour	101	2.7
2,500	Accor	87	2.4
1,600	Cap Gemini	54	1.5
1,000	Atos	53	1.4
		733	19.9
Germany			
4,000	RWE	154	4.2
5,000	Fraport	114	3.1
2,200	Altana	109	2.9
4,500	Bayer	107	2.9
2,500	Deutsche Boerse	104	2.8
2,500	Metro	97	2.6
		685	18.5
Italy			
28,000	Unicredito Italiano	115	3.1
10,000	San Paolo	100	2.7
10,000	Saipem	75	2.0
7,500	Mediaset	71	1.9
		361	9.7

Review of Investments *(continued)*

Continental European Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation EUR €'000	% of Net Assets
Netherlands			
4,300	Philips Electronics	96	2.6
54,000	Hagemeyer	94	2.5
3,500	Numico	93	2.5
4,500	ABN Amro	81	2.2
1,700	IHC Caland	65	1.8
3,000	Vopak	41	1.1
		470	12.7
Spain			
10,000	Banco Bilbao Vizcaya Argentaria	111	3.0
4,800	Inditex	93	2.5
		204	5.5
Sweden			
17,000	Swedish Match	142	3.8
		142	3.8
Switzerland			
800	Nestle	177	4.8
1,000	Zurich Financial Services	132	3.6
1,700	Unique Zurich Airport	119	3.2
		428	11.6
Total Value of Investments		3,663	99.0
Net Current Assets		36	1.0
Net Asset Value		3,699	100.0

Review of Investments *(continued)*

Continental European Equity Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (EUR'000)
1	Deutsche Boerse	112
2	TDC	99
3	Philips Electronics	99
4	Carrefour	99
5	Bayer	97
6	Siemens	93
7	Inditex	87
8	Accor	83
9	Saipem	76
10	Cap Gemini	50
11	Hagemeyer	50
12	Atos	50
13	Vopak	41
14	Solvay	41
15	E.On	40
16	Total	37

Sales

Rank	Company	Consideration (EUR'000)
1	Unilever	200
2	Aventis	184
3	E.On	167
4	Telecom Italia	143
5	Royal Dutch	141
6	Novartis	138
7	Hochtief	124
8	Bilfinger & Berger	106
9	Siemens	92
10	Nokia	91
11	Vopak	79
12	Delhaize	61
13	Metso	43
14	Banco Bilbao Vizcaya Argentaria	33
15	Unique Zurich Airport	33
16	Mediaset	25
17	Swisslog	21

Review of Investments (*continued*)

Far East Equity Fund

Half-yearly Review

The New Year began in a mood of great enthusiasm for Asian markets. After the surge in regional markets in the second half of 2003, there was almost universal optimism that further good times lay ahead. But as is so often the case, the consensus proved to be wide of the mark. After an initial period of strength on the back of further bullishness over prospects for the Chinese economy, the markets across the region began to lose momentum in March before confidence finally shattered in mid April. Outside Asia, worries for a sharp hike in US interest rates, rising oil prices and growing global terrorist fears unnerved a region very sensitive to changes in US monetary policy and imported energy sources. Within the region, the biggest challenge to market sentiment came from the growing realisation that the overheating Chinese economy was forcing the authorities to take tough remedies which could eventually bring about a hard landing.

As always, there was a wide divergence in performance between the individual markets, which were heavily influenced by domestic political issues. The best gain came from the Philippines, probably Asia's most neglected market. Australia, much the largest market in the region, was helped by its strong economy and higher prices for its exports, although the gain was more than erased by a fall in the local currency against the US dollar. Elsewhere, market moves ranged from small gains in US dollar terms to significant losses.

Portfolio Review

Double digit declines were seen during the first six months of 2004 in last year's top performing markets, with the China "H" Share Index dropping by 14.5 per cent and the Thai Index sliding even more in US dollar terms. Within all markets the larger companies and more defensive sectors such as telecoms and utilities held up better than smaller companies and more cyclical sectors.

It was a hostile environment for the Fund, which had benefited during 2003 from those markets and sectors which were hit the worst in the first half of the current year. Although the Fund reduced its exposure to Thai and H shares it was not enough to prevent the Fund from a significant fall and its worst period in relative terms since inception. The manager, however, continues to believe that the approach of focusing on attractively rated growth companies, often outside the benchmark index, provides the best long-term capital return.



Review of Investments *(continued)*

Far East Equity Fund

Performance Table

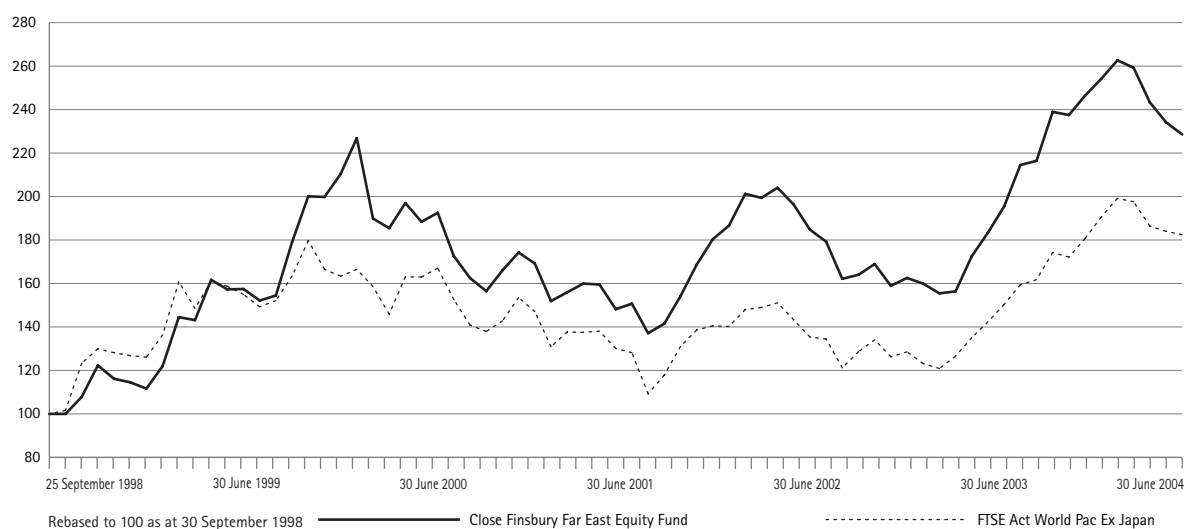
	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
Far East Equity Fund	(7.2)	4	43.3	1	41.4	1
Benchmark Index*	1.3	-	33.1	-	14.1	-

*Benchmark Index: FTSE Actuaries World Pacific Ex Japan (US\$) Index (with income reinvested)

All figures are total return (US dollars).

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: FTSE Actuaries World Pacific Ex Japan (US\$) Index (with income reinvested)

Figures, which are total return (US dollars), have been re-based to 100 at launch (25/09/98).

Source: Close Finsbury Asset Management Limited.

Review of Investments (*continued*)

Far East Equity Fund

Outlook

There are several major challenges facing regional markets in the coming months. Investors still have no clear indications as to whether the measures taken by China to reduce the pressures within its economy are leading to a more general slowdown which might have a knock-on effect on the already fragile domestic banking system. The pessimists point to China's last officially induced economic slowdown in 1994/95 which led to a painful hard landing. The picture today, however, is very different from that a decade ago and the authorities now have more sophisticated financial and monetary tools at their disposal. It will nevertheless be several months before the outcome becomes clear.

In the meantime there is no doubt that the headline numbers, not just in China but across the region, indicated that both economic and corporate profits growth will be on a downtrend during the second half of 2004. The key issue for all markets is how long this slowdown in momentum will continue, and whether it will lead to an actual decline at some point in 2005. Much will hinge on the US economy which is performing strongly but where there are concerns that rising interest rates and growing inflationary pressures will cause a progressive slowdown in consumer spending. There is currently little visibility over prospects for next year but the mood on Wall Street is increasingly cautious.

Of particular concern is the US technology sector where valuations remain stretched and therefore vulnerable to any earnings slowdown. Any decline would put additional downward pressure on an already nervous technology sector in Asia. Technology is a vital area for the stockmarkets of Korea and Taiwan where Samsung Electronics and TSMC are much the largest companies in their respective markets. Elsewhere in Asia the emphasis on technology is much less pronounced and it is likely that the relative strength of the less industrially focused markets will be cautious, especially in those countries where domestic demand is firm.

Interest rate pressures will clearly be an issue during the coming months for investors in Asia as elsewhere. Given that the economic fundamentals remain strong across most of the region, with support for the local currencies coming from significant current account surpluses, there should not, however, be as much sensitivity to US interest rate movements as in the past. Support for Asian markets should come from equity valuations which are now cheap both historically and in comparison to other areas of the world. Much of the coming slowdown in earnings growth thus appears to be well discounted. Although it is still too early to predict an early recovery in Asian markets, we are confident that buyers will be drawn before too long to the attractive long-term opportunities now increasingly apparent in many quality companies.

Close Finsbury Asset Management Limited
Manager

Stephen Swift
Jade Absolute Fund Managers Limited
Sub-Investment Manager



Review of Investments *(continued)*

Far East Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
Australia			
700,000	MacQuarie Airports	984	1.8
110,000	BHP Billiton	954	1.7
90,000	Orica	940	1.7
100,000	News Corporation	878	1.6
		3,756	6.8
China & Hong Kong			
600,000	Hopewell Holdings	1,213	2.2
2,349,000	Shun Tak	1,099	2.0
150,000	Wing Lung Bank	1,024	1.8
4,000,000	Solomon Systech	992	1.8
2,750,000	China Telecom	965	1.7
300,000	Wharf	853	1.5
450,000	Cathay Pacific Airways	847	1.5
450,000	Wumart Stores	841	1.5
1,800,000	Jiangxi Copper	811	1.5
550,000	Li & Fung	802	1.5
1,000,000	Kowloon Development	776	1.4
2,175,000	China Shipping	770	1.4
650,000	Anhui Conch Cement	723	1.3
4,000,000	Far East Consortium	715	1.3
2,000,000	International Bank Of Asia	715	1.3
2,000,000	Oriental Press	715	1.3
1,250,000	Sino Land	695	1.3
4,500,000	Heng Tai Consumables	528	1.0
		15,084	27.3
Indonesia			
7,200,000	United Tractors	852	1.5
2,000	Samsung Electronics	825	1.5
7,500	Samsung	787	1.4
12,700,000	Bumi Resources	760	1.4
20,000,000	Panin Life	197	0.4
		3,421	6.2
Malaysia			
600,000	Cimb	888	1.6
500,000	Public Bank Berhad	865	1.6
400,000	IOI	861	1.5
200,000	Genting	813	1.5
200,000	Tanjong	661	1.2
200,000	Malay International Shipping Foreign	640	1.2
		4,728	8.6



Review of Investments *(continued)*

Far East Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
Singapore			
200,000	Keppel	823	1.5
318,750	Singapore Press	773	1.4
1,400,000	Noble	763	1.4
900,000	Chartered Semiconductor	735	1.3
		3,094	5.6
South Korea			
30,000	Honam Petrochemical	1,021	1.9
10,000	NHN	994	1.8
25,000	Hyundai Motor	961	1.7
15,000	Samsung Fire & Marine	960	1.7
40,000	Hana Bank	841	1.5
10,000	NcSoft	828	1.5
6,000	Posco	772	1.4
15,000	LG Electronics	712	1.3
		7,089	12.8
Taiwan			
742,000	Nan Ya Plastic	975	1.8
500,000	Cathay Financial	900	1.6
1,750,000	Yageo	899	1.6
450,000	Zyxel Communications	896	1.6
400,000	Quanta Computer	844	1.5
500,000	Chi Mei Optoelectronics	796	1.5
200,000	Hon Hai Precision	739	1.3
1,619,000	Taiwan Cement	731	1.3
2,060,000	Cheng Loong	700	1.3
200,000	Optimax Technology	662	1.2
50,000	Macronix International	613	1.1
1,000,000	Far Eastern Textile	591	1.1
1,000,000	CMC Magnetics	517	1.0
		9,863	17.9
Thailand			
175,000	Siam Cement	1,047	1.9
300,000	Banpu	949	1.7
1,500,000	Siam City Bank	910	1.7
750,000	Siam Commercial Bank	854	1.6
350,000	Bangkok Bank	840	1.5
3,500,000	Land & House	831	1.5
1,000,000	Thoresen Thai Agencies	794	1.4
		6,225	11.3
Total Value of Investments		53,260	96.5
Net Current Assets		1,945	3.5
Net Asset Value		55,205	100.0



Review of Investments *(continued)*

Far East Equity Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (US\$'000)
1	Samsung Electronics	1,307
2	Siam Cement	1,157
3	Malay International Shipping Foreign	1,061
4	Zyxel Communications	1,058
5	Ncsoft	1,036
6	Samsung	1,036
7	Far East Consort	1,028
8	Siam City Bank	1,027
9	Intl Bank Of Asia	1,024
10	Taiwan Cement	1,016
11	Cathay Finance	1,016
12	Ini Steel	1,014
13	Cosco Pacific	1,006
14	Wing Lung Bank	1,002
15	Macquarie Airport	996
16	Nan Ya Plastic	976
17	LG Electric	970
18	Bangkok Bank	970
19	Polaris Securities	963
20	Solomon Systech	960
21	Siam Comm Bank	951
22	Au Optronics	950
23	CMC Magnetics	941
24	Yageo	938
25	Samsung Fire & Marine	931
26	Public Bank Foreign	929
27	Chi Mei Optoelec	924
28	Cosmos Bank Taiwan	918
29	NHN	916
30	Singapore Press	897
31	China Ship	895
32	Kowloon Development	893
33	Kiryung Electronics	870
34	Chongqing Iron & Steel	854
35	Hansol Paper	853
36	Petrochina	851
37	China Telecom	844
38	Noble Group	843
39	Cathay Pacific Air	842
40	Heng Tai Consumables	836
41	Quanta Comput	820
42	Li & Fung	811
43	Wharf	805
44	Jiangxi Copper	802
45	Powerchip Semicon	789
46	SK Telecom	783
47	Posco	776
48	Hana Bank	752
49	Far Eastern Textile	736
50	Land & House	724
51	Macronix	711
52	Mediatek	698
53	Optimax Technology	677
54	Tanjong	666



Review of Investments *(continued)*

Far East Equity Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Sales

Rank	Company	Consideration (US\$'000)
1	Samsung Electronics	1,512
2	Au Optronics	1,233
3	China Steel	1,056
4	U-Ming Marine	1,008
5	Hanjin Shipping	979
6	Television Broadcasts	960
7	Venture	936
8	Chongqing Iron & Steel	879
9	Sahaviriya Steel Industries	863
10	Esprit Holdings	862
11	Neptune Orient Lines	843
12	LG Electric	794
13	Giordano International	793
14	Hansol Paper	790
15	Petrochina	790
16	SK Telecom	786
17	Sintek Photronic	779
18	China Shipping	774
19	Tiong Woon	750
20	Cosco Pacific	744
21	D-Link	740
22	Fine Tec	726
23	Polaris Securities	725
24	Ini Steel	724
25	Powerchip Semicon	713
26	Ocean Grand	702
27	Avichina Industry & Technology	697
28	Kiryung Electronics	680
29	Tisco Finance	666
30	Jilin Chemical	660
31	Cosmos Bank Taiwan	641
32	Incitec Pivot	601
33	Samsung Heavy Industries	595
34	Telekomunikasi Indonesia	590
35	Mediatek	588
36	Chen Hsong Holdings	573
37	NWS Holdings	572
38	Thoresen Thai	566
39	CJ Home Shopping	558
40	Quanta Comput	548
41	Tipco Asphalt	540
42	Austral Coal	505
43	Mida Assets	483
44	Hyundai Autonet	480
45	Aeon Th Sinsap	448
46	Industrial Bank of Korea	410
47	Ncsoft	397
48	NHM	372

Review of Investments *(continued)*

Japanese Equity Fund

Half-yearly Review

The Japanese equity market continued to perform well in the six months to 30th June 2004. The market (TOPIX Index) rose by 14 per cent in Yen and 10 per cent in Sterling. It was one of the better performing markets in the world. This was almost entirely attributable to the spending and largesse of others. Japanese exports began to recover following a mild recession in early 2001. This recovery was injected with additional vigour following strong demand from China to fuel their investment boom and from low interest rates and tax cuts in developed countries, especially the US. As a result by the first half of 2004 the Japanese trade surplus was increasing at a 25 per cent annualised rate. Strong exports underwrote a recovery in profitability in the manufacturing sector that in turn has led to some recovery in corporate capital spending. This renaissance in profitability of some of the most cyclical companies in the market provided the justification for higher equity prices in 2003 and so far this year. As yet there is little evidence that the domestic economy has followed suit. Domestic wages are still falling and retail sales are weak. Deflation remains evident even if to a lesser extent than last year.

The main beneficiary of this recovery has been corporate cash flow. Weak and strong companies alike have generated cash flows in excess of current investment requirements over the last year. Some companies have used this windfall to repair balance sheets others to reward shareholders with higher dividends. Following our appointment as advisers at the beginning of February 2004 your portfolio has been significantly repositioned to invest in those companies that have most potential to grow dividends now and in the future. With the benefit of hindsight this proved a fortunate change, as since then over 40 per cent of the companies held in the Fund have reported significant dividend hikes through higher payout ratios. At the same time some have supplemented these tangible payouts with share repurchase programmes. Another effect of the reorganisation was to reduce the number of shares owned to just 21. We expect to achieve good returns for our fund holders by concentrating our investments on the best businesses we can find and then holding them for a long time. We have greater than 5 per cent holdings in Nintendo, Takefuji, Canon, Fuji Photo Film and Kirin Brewery. Collectively these holdings make up just under 40 per cent of the portfolio. This concentration has in no way harmed our ability to manage significant inflows and outflows from the Fund over the last six months. The average market capitalisation of the portfolio is £5bn with 23 per cent of the portfolio invested in company smaller than £1bn.

Portfolio Review

Performance has been strong both recently and over longer periods. The Fund outperformed its benchmark and at least three-quarters of the other funds in the competitive universe over 3, 6 months, 1,2,3, and 5 years. Over 5 years the Fund ranks in the top decile. Some of the best performing companies proved to be the smaller ones, **Meiko Network**, **Tokyo Individualised Education**, **Tachihi Enterprises** and **Ryoyo Electric** and our investment in non-bank financial companies, **SFCG**, **Orix** and **Takefuji**. Most of these positions have been reduced if not sold outright.

Review of Investments *(continued)*

Japanese Equity Fund

Performance Table

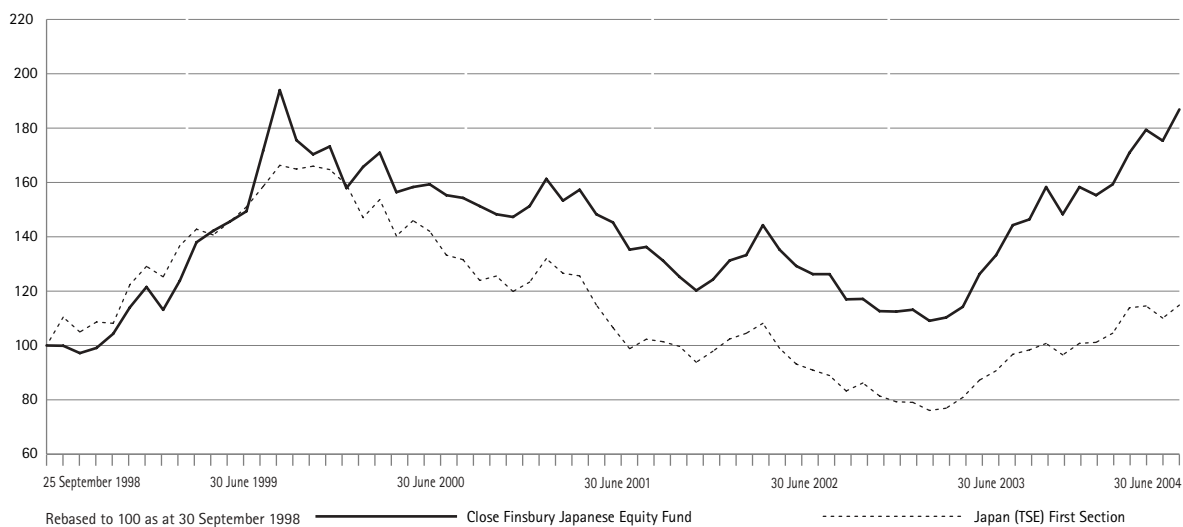
	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
Japanese Equity Fund	17.7	1	18.8	1	50.9	1
Benchmark Index*	14.0	–	(8.6)	–	(16.0)	–

*Benchmark Index: Tokyo Stock Exchange (First Section) Index ("TOPIX") (Yen) (with income reinvested)

All figures are total return (yen).

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: Tokyo Stock Exchange (First Section) ("TOPIX") Index (Yen) (with income reinvested)

Figures, which are total return (yen), have been re-based to 100 at launch (30/10/98).

Source: Close Finsbury Asset Management Limited

Review of Investments *(continued)*

Japanese Equity Fund

Outlook

In the future Japan's dependence on external demand for its goods and services may prove its achilles heel unless domestic demand itself revives. As yet, evidence of this is unconvincing but the longer strong exports are maintained the more likely an autonomous domestic recovery will transpire. We have confidence that the companies held within the Fund have their own wealth generating characteristics that should prevail, especially following recent evidence that the companies have begun to respond to investor demands for more tangible returns in the form of dividends. Many could double dividends from now without any growth in the business and at the same time improve on the internal rates of return. This rather unusual characteristic can only be found in a few companies in Japan the best of which we believe you own.

Close Finsbury Asset Management Limited
Manager

Michael Lindsell
Lindsell Train Limited
Sub-Investment Manager



Review of Investments *(continued)*

Japanese Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation YEN'000	% of Net Assets
Japan			
3,100	Nintendo	39,277	9.5
6,000	Canon	34,470	8.3
10,000	Fuji Photo Film	34,300	8.3
26,000	Kirin Brewery	28,041	6.8
3,500	Takefuji	27,703	6.7
7,000	Kao	18,463	4.5
12,500	Tokyo Individualized Educational	18,313	4.4
3,500	Ito	18,077	4.4
5,000	Seven-Eleven Japan	17,800	4.3
3,500	Takeda Chemical	16,800	4.1
4,500	Yamanouchi Pharmaceutical	16,515	4.0
6,500	Aderans	15,259	3.7
7,000	Tenma	13,391	3.2
5,500	Taisho Pharmaceutical	13,338	3.2
8,500	Ryoyo Electro	13,030	3.1
1,500	Mabuchi Motor	12,112	2.9
4,000	Nissin Food	11,290	2.7
500	SFCG	10,968	2.7
4,000	Impact 21	10,640	2.6
5,000	Meiko Network	10,462	2.5
2,500	Mandom	6,237	1.5
14	Osaka Securities Exchange	4,760	1.1
Total Value of Investments		391,246	94.5
Net Current Assets		22,715	5.5
Net Asset Value		413,961	100.0

Review of Investments *(continued)*

Japanese Equity Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (YEN'000)
1	Nintendo	291,951
2	Hitachi	268,554
3	Canon	209,856
4	Fuji Photo Film	197,134
5	Sharp	194,162
6	Daito Trust	189,189
7	Kirin Brewery	153,320
8	Matsui Sec	149,441
9	SFCG	124,632
10	Kddi Corporation	117,775
11	Takefuji	116,066
12	Kao	109,585
13	Ito En	102,524
14	Seven-Eleven Japan	98,037
15	Orix	80,734
16	Yamanouchi	78,778
17	Mandom	75,835
18	Taisho	75,120
19	Tokyo Individualized	64,984
20	Mabuchi Motor	63,533
21	Sumida	61,441
22	Meiko Network Japan	51,684
23	Tenma	50,735
24	Aderans	50,557
25	Yoshinoya	45,985
26	Glory	42,010

Review of Investments *(continued)*

Japanese Equity Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Sales

Rank	Company	Consideration (YEN'000)
1	Nintendo	440,687
2	Kddi Corporation	276,548
3	Sumitomo Mitsui	266,311
4	Sumitomo Corporation	259,848
5	Toyota Motor	259,623
6	Heiwa Real Estate	257,475
7	Hitachi	251,039
8	Mitsui Sumitomo	242,700
9	Mitsubishi Corporation	221,746
10	Mitsui & Company	218,593
11	Sumitomo Trust & Banking	213,934
12	Daiwa House Industries	199,098
13	Nomura Holdings	196,998
14	Daito Trust	192,835
15	SMBC Friend	192,299
16	Canon	192,020
17	Rengo	179,832
18	Ajinomoto	178,240
19	Sharp	178,226
20	Mizuho Financial	177,933
21	Uniden	177,047
22	Tokyo Steel	176,530
23	Mimasu Semiconductor	174,500
24	Mitsui Osk Lines	174,331
25	Shin-Etsu Chem	167,819
26	Taiheiyo Cement	167,760
27	Japan Accelerated	167,118
28	Fuji Photo Film	166,750
29	Takeda Chem Inds	165,117
30	Central Jap Rail	164,060
31	Bank Of Yokohama	161,340
32	Nippon Yusen	161,207
33	Teijin Limited	159,760
34	Matsui Sec	157,556
35	Daido Life Insurance	156,162
36	Sumida	155,950
37	Hankyu Dept Stores	152,912
38	Chugok Marine	150,130
39	SFCG	145,637
40	Toyota	144,773
41	Kirin Brewery	143,010
42	Nippon Sanso	137,666
43	Ryoyo Electro	128,811
44	Arisawa Manufacturing	126,523
45	Seino Transportation	125,915
46	Asahi Glass	120,110
47	Tostem Inax	119,692
48	Hanwa	115,031
49	Tonengeneral Sekiyu	114,303



Review of Investments (*continued*)

North American Equity Fund

Half-yearly Review

The Fund rose 2.3 per cent in the six months under review versus the S&P 500's 3.4 per cent. During the first quarter we did add five new stocks to the portfolio, but because we would ideally like to have a bigger margin of safety in each, the individual positions added were relatively modest in size and the Fund still ended the quarter with a 26 per cent cash position, up slightly from the 23 per cent cash held at year end. Investors will recall that cash is simply the residual of our inability to find attractively priced stocks that meet our rigorous investment criteria, and is not a market timing mechanism.

Portfolio Review

Some of our best performing stocks in the first quarter were **Berkshire Hathaway**, up nearly 11 per cent, **Markel**, up 13.5 per cent. Hospital management companies led on the downside with **Universal Health Services (UHS)** off 14 per cent and **Health Management Associates** off 3.2 per cent. However, weakness in the UHS share price enabled us to add to our existing position in HMA and to add a brand new name, **Hospital Corp. of America (HCA)**, to the portfolio. During the period, we also purchased shares of **Mohawk Industries (MHK)**, which manufactures carpets and ceramic tile for residential and commercial use and is the country's leading seller of ceramic tile. Other initial positions we took during the first six months were in **Harley-Davidson Inc. (HDI)** which as everyone knows manufactures motorcycles and related apparel and **General Mills (GIS)**, a diversified branded packaged food company.

Our position in **Safeway**, a supermarket operator (up 23 per cent in the quarter), was trimmed from 1.7 per cent to 1.0 per cent of the portfolio in the quarter. Two years after our initial purchase of **Safeway** stock, the business has deteriorated. Yet, we have enough confidence in the outlook for the company's business to retain a modest position in the stock. The remainder of **Corus Bankshares** was sold, having risen nearly 35 per cent year-to-date, after a spectacular 46 per cent increase last year. We were reluctant to part with this well run Chicago-based institution but at about two times book value and fifteen times earnings, we believe the stock today is already priced for pretty good future results and we feel there isn't too much room for error. Finally, the remainder of our position in **Mercury General** (California auto insurer) was sold in the quarter as a reasonably fair level of valuation was reached, some early signs of price deterioration in the auto insurance market have been detected, and **MCY's** combined ratio (a measure of an insurance company's underwriting profitability) today is about as good as it gets.

Performance Table

	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
North American Equity Fund	2.3	2	(12.0)	3	(16.4)	2
Benchmark Index*	3.4	-	(2.1)	-	(10.5)	-

*Benchmark Index: S&P Composite 500 Index (with income reinvested)

All figures are total return (US dollars).

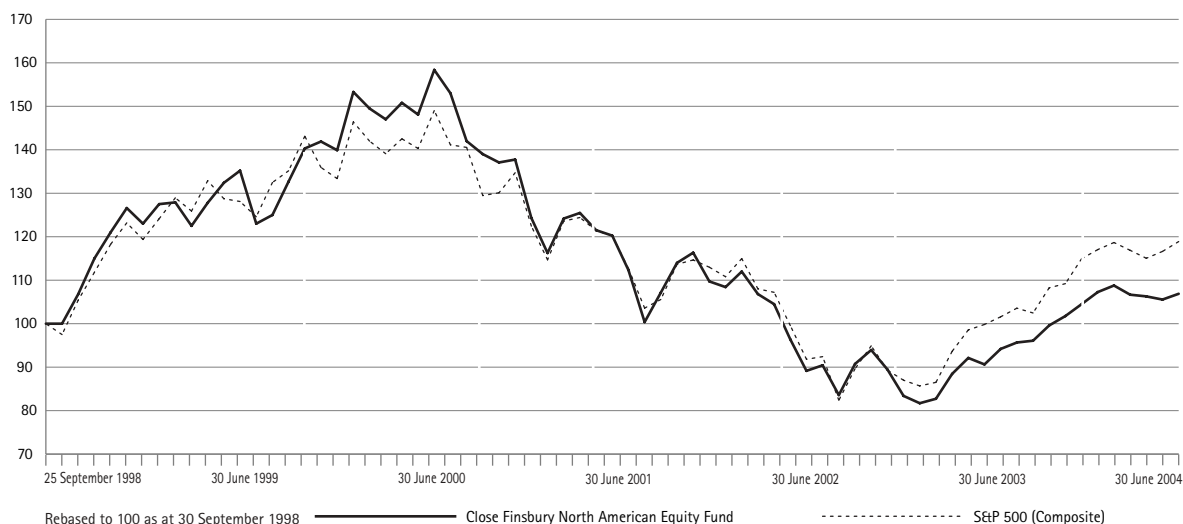
Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.



Review of Investments *(continued)*

North American Equity Fund

Performance Graph



*Benchmark Index: S&P Composite 500 Index (with income reinvested)

Figures, which are total return (US dollars), have been re-based to 100 at launch (25/09/98).

Source: Close Finsbury Asset Management Limited

Outlook

Today, approximately 48 per cent of the Fund consists of financial stocks, excluding **Berkshire Hathaway**. This breaks down into about 17 per cent in insurance stocks, 17 per cent in Government Sponsored Enterprises (GSEs) **Fannie Mae** and **Freddie Mac**, 8 per cent in banks, 3 per cent in **American Express** and 2 per cent in **Golden West Financial**. By comparison the market capitalization for financials in the S&P 500 Index is about 20 per cent and about 31 per cent of S&P earnings are sourced from financial companies and the financial subsidiaries of industrial companies (like G.E. Credit).

Not all financial stocks are affected in exactly the same way by any given increase in interest rates. Rising rates can present some challenges, but they present some positive opportunities, also. Much also clearly depends on how far advanced we are in the cycle. We believe our financial companies are some of the most prudently managed in any interest rate environment and in a market not exactly ripe with opportunity, we believe many of our financial stocks are still significantly undervalued.

During the quarter, members of our research team spent time looking at **Pepsi**, **Colgate**, **AutoZone**, **Pier 1**, **Quest**, **LAB Corp.**, **Cox Radio** and others. Some of the above are probably "investable," if only the prices were cheaper. In the meantime, we sit with 20 per cent cash, never as a market timing call, but solely as a residual of our inability to find many new compelling values. Until we do, we'll try to maintain our patience and discipline and only invest shareholder's money if we find businesses that are first, truly worthy, and second, inexpensively priced.

Close Finsbury Asset Management Limited

Manager

Ed Walczak

Vontobel Asset Management, Incorporated

Sub-Investment Manager



Review of Investments *(continued)*

North American Equity Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
United States			
28	Berkshire Hathaway	2,464	13.0
36,950	Federal Home Loan	2,335	12.3
32,250	Fannie Mae	2,301	12.1
4,525	Markel	1,262	6.6
28,767	Cincinnati Financial	1,229	6.5
16,900	American International Group	1,206	6.3
20,100	Fifth Third Bancorp	1,079	5.7
14,000	Chubb	952	5.0
16,300	Wells Fargo	935	4.9
38,100	TJX	914	4.8
38,500	Health Management	843	4.4
15,600	American Express	800	4.2
14,300	Diageo	793	4.2
18,900	HCA	774	4.1
17,100	Universal Health Services	762	4.0
10,800	Nestle	721	3.8
9,825	Mohawk Industries	720	3.8
5,500	Golden West Financial	583	3.1
8,100	Harley Davidson	496	2.6
16,200	Watts Industries	437	2.3
8,800	State Street Boston	428	2.3
10,700	Liz Claiborne	380	2.0
7,000	General Mills	323	1.7
11,100	Safeway	279	1.5
11,175	Old Republic International	262	1.4
Total Value of Investments		23,278	122.6
Net Current Liabilities		(4,290)	(22.6)
Net Asset Value		18,988	100.0

Review of Investments *(continued)*

North American Equity Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (US\$'000)
1	HCA	845
2	Mohawk Industries	782
3	Diageo	781
4	Nestle	693
5	Fannie Mae	655
6	Harley Davidson	423
7	Golden West Financial	336
8	General Mills	316
9	Federal Home Loan	250
10	Health Management	205
11	Fifth Third Bancorp	171
12	Liz Claiborne	89
13	Berkshire Hathaway	85
14	State Street Boston	61
15	Chubb	46
16	Safeway	44
17	American International Group	21
18	Universal Health Services	5

Sales

Rank	Company	Consideration (US\$'000)
1	American International Group	1,047
2	Cincinnati Financial	810
3	Fannie Mae	804
4	Federal Home Loan	597
5	Mercury General	541
6	Corus Bankshares	517
7	Berkshire Hathaway	447
8	Safeway	384
9	State Street Boston	359
10	TJX	342
11	Gannett	144
12	Knight Rider	142
13	Old Republic International	140
14	American Express	105
15	Watts Industries	94
16	Fifth Third Bancorp	93
17	Health Management	79
18	Chubb	76
19	Universal Health Services	66
20	HCA	48



Review of Investments (*continued*)

Pharmaceutical Fund

Half-yearly Review

The world's stock markets continued to rally, albeit at a moderated pace, from the bear market lows attained during 2002/3. It was not so long ago that United States and European investors were preoccupied with fears of a global recession and a Japanese-style deflationary tailspin. However, the generous liquidity provided by the coordinated actions of many central banks in Europe and the United States Federal Reserve have sparked a revival in industrial production and business investment.

For the health sciences sector, the first half of 2004 was characterized by a continuation of the strong biotechnology share price performance of 2003. However, the pharmaceutical sector has continued to underperform the broader markets as a result of declining research productivity, patent expirations and investor fears about increased regulation and price controls. As a result, the pharmaceutical sector indexes were largely unchanged.

Biotechnology share prices have been fuelled by strong fundamentals and recent annualised earnings growth rates of 20 per cent+ for the large-capitalization companies such as Amgen and Genentech. Strong industry-wide levels of scientific innovation have led to an increase in new product approvals. The US Food & Drug Administration (FDA) has approved 16 innovative new products this year, versus 21 for the whole of 2003. As a result of these healthy fundamentals, the capital markets have been receptive to biotechnology companies worldwide. Twenty-seven biotechnology initial public offerings (IPOs) have been completed worldwide this year raising more than \$1.6 billion for the sector.

Portfolio Review

Our defining portfolio strategy continues to be a focus on biotechnology companies with strong product-driven earnings growth. We remain more cautious towards the pharmaceutical sector, despite historically low valuations, as pipelines remain weak and significant patent expirations loom again in 2005 and 2006.

Oncology-related product stories have created the most activity on the biotechnology landscape this year. We have focused significant research resources on new high profile cancer agents such as Genentech's Avastin, OSI Pharmaceutical's Tarceva, Imclone's Erbitux and Genta's Genasense. Many of these products have faced pivotal clinical trials or FDA panels, providing numerous investment opportunities. The early part of the quarter witnessed a strong run-up in many cancer-related stock prices leading up to the American Society of Clinical Oncology (ASCO) conference. In particular, we had very strong results during the period in cancer-related company investments such as OSI Pharmaceuticals and Genentech. OSI's product Tarceva had been in clinical trials for lung cancer since late 2001. Subsequent to our investment in late March, the company released positive Phase III data. On the basis of this data, the stock price approximately doubled.

However, with expectations running very high ahead of the conference and a lack of "bombshell" positive data released about new products, an ensuing sell-off in these stocks pulled many of them back down by quarter-end. Despite the sell-off, the Fund finished with a modest positive return of +2.5 per cent (USD terms) for the period.



Review of Investments *(continued)*

Pharmaceutical Fund

Performance Table

	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
Pharmaceutical Fund	2.5	2	(14.2)	3	85.1	2
Benchmark Index*	3.5	–	2.6	–	(8.2)	–

*Benchmark Index: Morgan Stanley Capital International World (US\$) Net Index (with income reinvested)

All figures are total return (US dollars).

Source: Close Finsbury Asset Management. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: Morgan Stanley Capital International World (US\$) Net Index (with income reinvested)

Figures, which are total return (US dollars), have been re-based to 100 at launch (25/09/98).

Source: Close Finsbury Asset Management Limited



Review of Investments *(continued)*

Pharmaceutical Fund

Outlook

The outlook for the second half of 2004 presents a balance of opportunities and risks. Many significant new product introductions will occur over the balance of 2004, a trend which should continue to support strong increases in biotechnology earnings growth. Building on the 16 product approvals at the FDA mentioned above, the balance of 2004 could see as many as 15 additional significant approvals. This new product momentum from biotechnology companies should create many attractive investment opportunities for the Fund.

However, with a political election looming in the US, price control and regulatory rhetoric has heated up again. With the US market still accounting for approximately 50 per cent of revenue for the drug industry, any perceived risk of increased price pressure in the US would have negative implications for the entire industry.

We are watchful of these trends and believe that current valuations reflect the risks mentioned and present attractive opportunities for investment.

Close Finsbury Asset Management Limited
Manager

Close Private Asset Management Limited
Sub-Investment Manager

Samuel D Isaly
OrbiMed Advisors, LLC
Research Advisors



Review of Investments *(continued)*

Pharmaceutical Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
Germany			
8,000	Altana	483	4.0
Japan			
13,000	Takeda Chemical	573	4.7
26,600	Chugai Pharmaceutical	419	3.5
15,000	Fujisawa Pharmaceutical	357	3.0
		1,349	11.2
Switzerland			
15,000	Novartis	666	5.5
850	Serono	537	4.4
36,666	Berna Biotech	300	2.5
		1,503	12.4
United Kingdom			
24,000	Cambridge Antibody Technology	224	1.9
United States			
13,600	Genentech	735	6.1
20,900	Pfizer	718	6.0
10,000	Lilly (Eli) & CO	703	5.8
14,000	Genzyme	656	5.4
9,000	Biogen	565	4.7
10,000	Amgen	541	4.5
29,000	Schering Plough	530	4.4
7,000	Osi Pharmaceuticals	484	4.0
20,500	Medimmune	475	3.9
12,000	Wyeth	435	3.6
8,000	Gen-Probe	373	3.1
10,500	Affymetrix	339	2.8
17,000	Ligand Pharmaceutical 'B'	295	2.5
50,000	Mbiomarin Pharmaceutical	285	2.4
25,000	Orphan Medical	234	1.9
10,000	Nps Pharmaceuticals	207	1.7
16,000	Human Genome	183	1.5
		7,758	64.3
Total Value of Investments		11,317	93.8
Net Current Assets		754	6.2
Net Asset Value		12,071	100.0

Review of Investments *(continued)*

Pharmaceutical Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (US\$'000)
1	Medimmune	377
2	Biomarin	341
3	Osi Pharmaceuticals	266
4	Lilly (Eli) & Co	165
5	Schering-Plough	90
6	NPS Pharmaceuticals	53
7	Gen-Probe	33

Sales

Rank	Company	Consideration (US\$'000)
1	Sanofi-Synthelab	469
2	Atrix Labs	297
3	Tanabe Seiyaku	253
4	Enzon	248
5	Caliper Technologies	243
6	Accelrys	223
7	Genentech	185
8	Icos	166
9	Wyeth	127
10	Biogen Idec	111
11	Gen-Probe	105
12	Genzyme	93
13	Novartis	87
14	Ligand Pharmaceuticals	87
15	Pharmacopeia	78

Review of Investments *(continued)*

Technology Fund

Half-yearly Review

The year started well with the technology sector performing strongly on the back of better-than-expected fourth quarter earnings. Since then, however, there has been a sell off in the sector resulting in the Fund ending slightly up for the period. Equity markets have also been under pressure as a result of concerns over pending interest rate increases and oil prices hitting new highs. During the period, fundamentals and news flow continued to improve and the results of over 70 per cent of technology companies in the S&P 500 exceeded market expectations in the first quarter. Most areas of technology (with the exception of storage and optical communications) experienced growth during the first half of the year.

In semiconductors, capital utilisation was high across the board and especially so in leading edge manufacturing. Capacity additions remain modest and this has even led to some price increases, which is quite rare. There have now been several announcements of deployments of next generation (3G) wireless networks by service providers and the adoption of wireline broadband (ADSL) continues to be significant. More recently it has come as a surprise to see several software companies miss second quarter expectations. It appears that enterprises are still digesting some of their purchases of the past and that new IT expenditure is being made by a much more discerning buyer than previously.

There has also been a divergence between the performance of small and large capitalisation technology shares with the shares of smaller companies underperforming. This is exemplified by the Morgan Stanley Technology Index being up 3.6 per cent in the period under review and smaller company focused Russell 2000 Technology falling 6.1 per cent.

Portfolio Review

Given the performance of small capitalisation shares over the period, it was pleasing to see that the Fund achieved a positive return of 1.5 per cent in the first six months of 2004.

The Fund's best performer was speciality Optical Component manufacturer **StockerYale**, whose share price performed strongly after the company announced a new contract with BAE Systems. We took the opportunity to realise profits on the position as we felt that the market had got ahead of itself. **Digital River**, the Fund's largest holding, performed well with the company exceeding expectations. The company has been benefiting from the trend to purchase software over the Internet and has shared in the success of its customers such as Symantec and H&R Block. As detailed above there has been an increase in spending in the telecommunications area and our positions in **Ericsson**, **Juniper** and **Nortel** have been beneficiaries of this trend. Consolidation in the sector has continued and the Fund's investments in **Marimba** and **Netscreen** have both been acquired for significant premiums recently.

The biggest disappointment was **Ascential Software**, whose share price fell after the company revised down expectations for revenues and earnings. The company is a leader in providing tools that help integrate databases and applications and their fortunes should be aligned to the ever-increasing amounts of data generated in the corporate environment. We are closely monitoring the situation, as we believe the share price now represents a considerable value opportunity.

Other disappointments were **Vishay Intertechnology**, a manufacturer of passive electronic components which has fallen as a result of profit taking, and **UTStarcom**, a provider of telecommunications infrastructure and handset, which suffered as a result of a poorly executed placing of shares and concerns about the competitive environment in its Chinese market. Both companies have continued to post strong results.

Review of Investments *(continued)*

Technology Fund

Performance Table

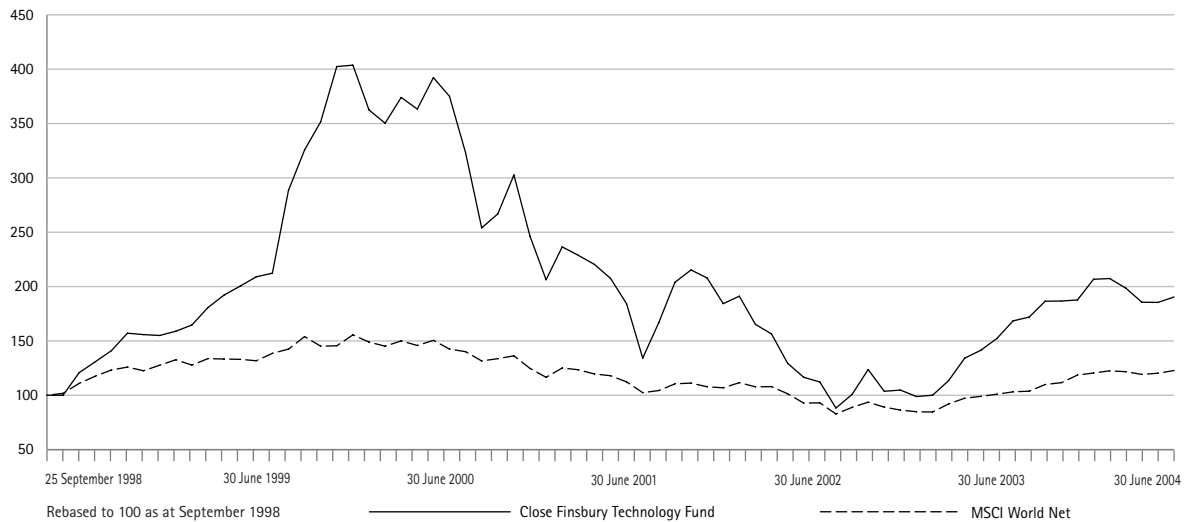
	Six Months		Three Years		Five Years	
	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile	% increase/ (decrease)	Quartile
Technology Fund	1.5	1	(13.6)	1	5.4	1
Benchmark Index*	3.5	-	2.6	-	(8.2)	-

*Benchmark Index: Morgan Stanley Capital International World (US\$) Net Index (with income reinvested)

All figures are total return (US dollars).

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: Morgan Stanley Capital International World (US\$) Net Index (with income reinvested)

Figures, which are total return (US dollars), have been re-based to 100 at launch (25/09/98).

Source: Close Finsbury Asset Management Limited



Review of Investments *(continued)*

Technology Fund

Outlook

Given the strong run the sector had in 2003 we were not surprised to see a correction as investors remember the technology disappointments of the recent past, although its duration and severity have been greater than we would have expected. It is this caution that creates opportunities for the long-term investor and also insures that there is not too much capital deployed in the sector, leading to obsolescence and price degradation.

Many of the promises that excited investors in the bubble years are now nearing reality. Next generation wireless networks are being deployed, there are some significant and profitable businesses benefiting from the Internet and the deployment of broadband. Enterprises are also updating their computing and data network infrastructure. Electronics continues to permeate into every walk of life and, with capacity tightly constrained, we expect that the very strong unit growth that has occurred over recent years will be reflected in much stronger revenue growth and profitability than that which is currently expected by the market.

We believe that now is a good time to invest in the sector – the pullback has created compelling buying opportunities on many of the names that we follow. Also, with management still being conservative and the benefits of restructuring businesses having not being fully reflected in analyst forecasts, we anticipate that as economies continue to prosper and there are no external shocks, surprises going forward in terms of earnings are likely to be to the upside. Valuations, whilst off their lows, do not in our opinion reflect the potential of the industry and we believe that as global economies continue to recover, expenditure on new technology will continue. Many companies in the portfolio have made significant progress so far this year and we are confident that over time this will be better reflected in their valuations. We thank you for your support and look forward to reporting to you on future progress.

Close Finsbury Asset Management Limited
Manager

Michael Bourne/Jeremy Gleeson
Rebourne Technology Investment Management Limited
Sub-Investment Manager



Review of Investments *(continued)*

Technology Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
Belgium			
8,760	Melexis	101	0.9
Canada			
53,074	Nortel Networks	265	2.4
France			
49,480	Infovista	243	2.2
10,600	Alcatel	165	1.5
21,720	Soitec	118	1.1
		526	4.8
Germany			
31,440	Parsytec Pattern	128	1.2
5,260	Jenoptik	56	0.5
		184	1.7
Israel			
17,220	Orbotech	348	3.2
12,540	Amdocs	297	2.7
7,900	Checkpoint Software	213	1.9
13,840	Tecnomatix Technologies	182	1.7
5,500	Retalix	112	1.0
17,700	Ceragon Networks	98	0.9
5,000	Powerdsine	61	0.6
12,820	TTI Team Telecom	42	0.4
		1,353	12.4
Japan			
10,600	Nichicon	144	1.3
1,600	Nitto Denko	82	0.8
		226	2.1
Korea			
651	Samsung Electronics	134	1.2
3,000	Mtekvision	94	0.9
5,500	Entergisul	88	0.8
		316	2.9
Netherlands			
9,060	ASM International	185	1.7
10,600	ASM Lithography	181	1.7
		366	3.4

Review of Investments *(continued)*

Technology Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
Norway			
73,000	Mamut	104	1.0
83,800	Opera Software	97	0.9
		201	1.9
Singapore			
7,800	Flextronics	125	1.1
94,200	DMX Technologies	59	0.5
277,900	Autron	49	0.4
67,200	United Test And Assembly Center	30	0.3
110,000	Autron Warrants 2007	10	0.1
		273	2.4
Sweden			
6,970	Ericsson	207	1.9
13,600	Micronic Laser Systems	98	0.9
604,297	Framfab	43	0.4
		348	3.2
Taiwan			
28,855	Taiwan Semiconductor	235	2.2
30,300	Siliconware Precision Industries	118	1.1
54,000	D-Link	63	0.6
		416	3.9
United Kingdom			
38,360	Gresham Computing	237	2.2
224,849	Superscape	142	1.3
251,600	Bede	134	1.2
107,928	AIT	132	1.2
32,600	Civica	114	1.0
63,000	Imagination Technologies	101	0.9
755,500	Intelligent Environments	101	0.9
34,650	Sci Entertainment	77	0.7
42,000	NXT	68	0.6
28,000	Bookham Technology	26	0.2
4,600	Filtronic	18	0.2
107,027	Oneclickhr	11	0.1
71,500	Argonaut Games	9	0.1
		1,170	10.6

Review of Investments *(continued)*

Technology Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation US\$'000	% of Net Assets
United States			
12,180	Digital River	405	3.7
17,425	Vishay Intertech	318	2.9
14,360	Citrix Systems	290	2.7
14,000	Verisign	270	2.5
19,480	Integrated Device	267	2.4
8,210	Utstarcom	250	2.3
10,010	Cisco Systems	237	2.2
14,175	Ascential Software	229	2.1
7,500	Microsoft	213	1.9
8,630	Juniper Networks	208	1.9
18,120	Wind River Systems	208	1.9
7,600	DSP	202	1.8
41,350	Chordiant Software	185	1.7
6,800	Marvell Technology	177	1.6
34,880	Parametric	174	1.6
8,780	Brooks Automation	173	1.6
5,300	Applied Films	157	1.4
4,200	Verint Systems	144	1.3
7,440	Network Associates	134	1.2
9,550	Integrated Silicon Solution	115	1.1
13,500	Tibco Software	111	1.0
19,380	First Consulting Group	107	1.0
13,600	Rf Micro Devices	100	0.9
6,850	Foundry Networks	95	0.9
6,100	August Technology	77	0.7
7,100	Ipass	74	0.7
7,600	Sanmina-Sci	69	0.6
6,400	Zilog	67	0.6
33,235	Stockeryale	66	0.6
4,800	Atheros Communications	52	0.5
379	Peregrine Systems	7	0.1
61,500	Marchfirst	-	-
6,250	Stockeryale Warrants 2009	-	-
		5,181	47.4
Total Value of Investments		10,926	100.0
Net Current Assets		1	-
Net Asset Value		10,927	100.0



Review of Investments *(continued)*

Technology Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (US\$'000)
1	Asml Holding	264
2	DSP	250
3	Alcatel	246
4	Integrated Silicon	224
5	Oracle	223
6	Microsoft	222
7	RF Micro Development	205
8	Check Point Software	197
9	Civica	196
10	Foundry Networks	189
11	Applied Films	189
12	Infovista	180
13	Marvell Technology	166
14	Omnivision Technology	162
15	Orbotech	157
16	Flextron	156
17	Cisco Systems	148
18	Opera Software	142
19	Tibco Software	132
20	Entergisul	131
21	Extreme Networks	128
22	Sanmina	125
23	Mtekvision	121
24	Ipass	120
25	CSR	120
26	Nihon Inter Electron	118
27	First Consulting Group	117
28	Retalix	117
29	Imagination Technology	117
30	Mamut	103
31	TDK	102
32	Zilog	97
33	Atheros Communications	88
34	Verint Systems	84
35	D-Link	80
36	Ascential Software	79
37	Jenoptik	77
38	ASM International	74
39	Integrated Device	74
40	Powerdsine	71

Review of Investments *(continued)*

Technology Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Sales

Rank	Company	Consideration (US\$'000)
1	Nortel Networks	337
2	Cisco Systems	331
3	Take-Two Interact	306
4	Stockeryale	300
5	Filtronic	281
6	Agere Systems	279
7	Ceva	270
8	Marimba	249
9	Spirent	232
10	Digital River	217
11	Oracle	217
12	Epcos	191
13	Psion	187
14	DoubleClick	183
15	Avaya	183
16	Bea Systems	168
17	Ascential Software	151
18	Netscreen	147
19	CSR	139
20	@Road	137
21	Verisign	135
22	Nihon Inter Electron	127
23	G-Mode	126
24	Integrated Device	121
25	ASM International	121
26	Eidos	119
27	Vishay Intertech	117
28	Verint Systems	116
29	TDK	111
30	Zoran	108
31	Wind River Systems	105
32	Omnivision Tech	102
33	Civica	100
34	Amdocs	99
35	Citrix Systems	92
36	Elec & Eltek International	91
37	Kintera	91

Review of Investments *(continued)*

Universal Life Sciences Fund

Half-yearly Review

After a promising start, the biotechnology sector gave up some of its gains. Encouragingly, the sector as a whole outperformed the market with the NASDAQ biotech index rising by 5%, compared with a fall of 0.5% in the NASDAQ index. The European sector lagged the US with the Lehmans biotech index rising to 3%. Against this background, the Fund had a disappointing period as a number of our stocks had negative news flow, although in some cases we think that this represents transitory issues.

The positive news flow was also at the beginning of the period. The FDA approved two novel anti-colorectal cancer drugs, Avastin from Genentech and Erbitex from Imclone. OSI Pharmaceuticals also reported excellent Phase III data in non-small lung cell cancer. Coming off of a good year, this positive news led to a reopening of the IPO window with 24 new issues raising \$11.2bn in the US and Europe. This fundraising occurred just as stock markets were correcting on worries of rising energy costs, interest rate increases and other political matters. This meant that most new issues performed poorly although follow-on offerings did somewhat better.

Portfolio Review

The NAV of the Fund gained 2.0% in first half of the year with the best performer being **Dyax**, a long-term holding in the Fund. The company reported positive results of its leading product, DX-88. The share price performed strongly and we took the opportunity to realise profits on the position.

Another long-term holding, **Crucell**, also performed strongly. The company, under the leadership of a new manager, not only increased its revenues and reduced its net loss but also reported some interesting development in SARS, Ebola and bio-manufacturing. Thinking the market had gotten ahead of itself, we took some profit. **Genmab** also performed strongly as the company extended its agreement with Amgen; **Roche** has also selected two Genmab antibodies as candidates for clinical development. In addition, **Pharmacyclics**, **GPC** and **Palatin** all reported positive clinical or regulatory development and their share price appreciated.

On the negative side, **Antisoma** reported the failure of its R1549 in Phase III trials of ovarian cancer. This was the company's most advanced product and the shares, not surprisingly, fell by over 50 per cent. We believe that R1550 was the product which most influenced Roche's decision to form an alliance with **Antisoma** due to its large potential market size (US\$1bn+). While there are few obvious major drivers for the share price likely during the year, excluding a potential compounds in-licensing, we believe the shares offer clear value on the company's oncology development expertise, the Roche partnership and a broad early-stage product portfolio.

Another disappointment was **Vicuron**, which develops drugs to treat fungal and bacterial infections. Anidulafungin, its lead drug candidate, prevents cell wall formation in candida and other infectious fungi. The share price fell about 40% after the company only received an approvable letter for a drug for the first-line treatment for a dangerous fungal infection of the mouth. The main issue is that the drug may not now be first to the market. The Phase III trials required for approval should be finished by the year-end and next year the trials for Dalbavancin, a novel anti bacterial agent, should be completed. We continue to hold the shares.

Review of Investments *(continued)*

Universal Life Sciences Fund 'A' Share Class

Performance Table

	Six Months		Since Launch (31/03/01)	
	% increase/(decrease)	Quartile	% increase/(decrease)	Quartile
Universal Life Sciences Fund	2.0	3	(20.2)	3
Benchmark Index*	5.8	–	–6.5	–

*Benchmark Index: one third NASDAQ Biotechnology Index, one third Russell 2000 Healthcare Index, one third Lehman's UK & Europe Biotechnology Index

All figures are total return (sterling).

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: one third NASDAQ Biotechnology Index, one third Russell 2000 Healthcare Index, one third Lehman's UK & Europe Biotechnology Index

Figures, which are total return (sterling), have been re-based to 100 at launch (31/03/2001).

Source: Close Finsbury Asset Management Limited

Review of Investments *(continued)*

Universal Life Sciences Fund, 'B' Share Class

Performance Table

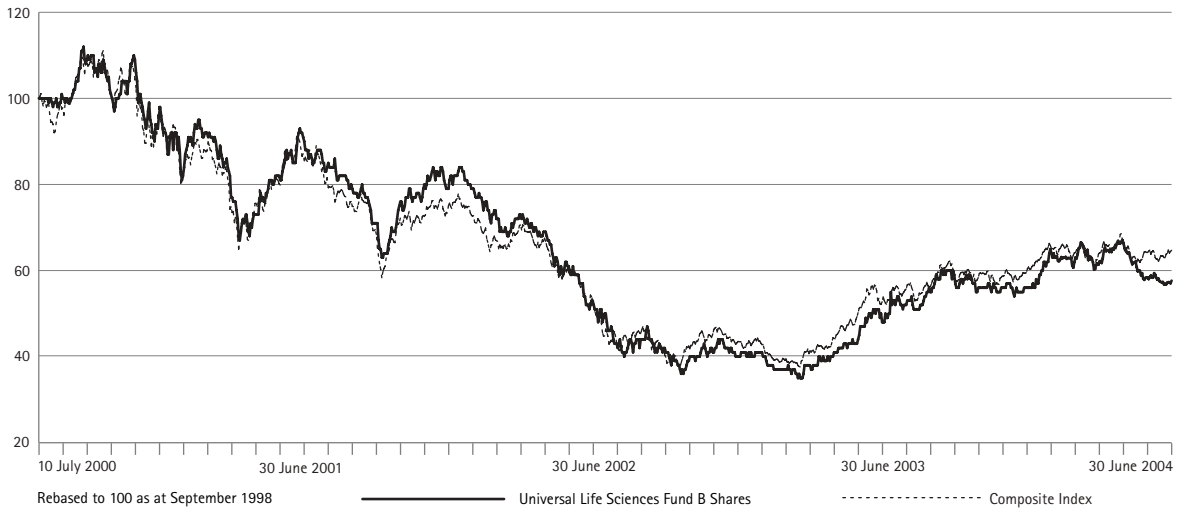
	Six Months		Since Launch (10/07/00)	
	% increase/(decrease)	Quartile	% increase/(decrease)	Quartile
Universal Life Sciences Fund	2.5	3	(42.4)	2
Benchmark Index*	5.8	–	(–34.0)	–

*Benchmark Index: one third NASDAQ Biotechnology Index, one third Russell 2000 Healthcare Index, one third Lehman's UK & Europe Biotechnology Index

All figures are total return (sterling).

Source: Close Finsbury Asset Management Limited. Quartile rankings from Standard & Poor's Micropal.

Performance Graph



*Benchmark Index: one third NASDAQ Biotechnology Index, one third Russell 2000 Healthcare Index, one third Lehman's UK & Europe Biotechnology Index

Figures, which are total return (sterling), have been re-based to 100 at launch (10/07/00).

Source: Close Finsbury Asset Management Limited.

Review of Investments *(continued)*

Universal Life Sciences Fund

Outlook

At the time of writing, overall stock markets are under pressure although this is not unusual at this time of year. The new cyclical nature of the sector can lead to out performance in turbulent times, although the high-risk nature of individual shares can mean a poor performance for the smaller companies, which are inevitably more controversial. The US elections and the lack of a new FDA commissioner may also weigh on the sector.

New drugs represent a cost-effective way of treating diseases in an overall environment of increasing health costs. The pharmaceutical industry is suffering from intensive generic competition and the proportion of sales from unlicensed products has been increasing. This has resulted in an increased interest in products originating from the biotechnology sector and the competition for new products is intensifying.

According to our estimates, the market capitalisation of the biotechnology sector is less than that of Merck and Pfizer combined, while the biotechnology pipeline is five times bigger than that of two companies. Such good value is unlikely to go unnoticed by the pharmaceutical industry and we expect that corporate activity and further significant licensing deals will continue to reward long-term investors in the sector.

Close Finsbury Asset Management Limited
Manager

Michael Bourne/Dr Huaizheng Peng
Reabourne Technology Investment Management Limited
Sub-Investment Manager



Review of Investments *(continued)*

Universal Life Sciences Fund

Investment Portfolio as at 30 June 2004

Holding	Investments	Valuation GBP'000	% of Net Assets
Australia			
215,000	Psivida	93	2.5
Canada			
88,000	Prometic Life Sciences	58	1.5
13,000	Cardiome Pharma	40	1.1
		98	2.6
Denmark			
26,253	Pharmexa	44	1.2
3,200	Genmab	26	0.7
		70	1.9
Germany			
10,000	GPC Biotech (includes Rights)	60	1.6
22,900	Evotec Biosystems	60	1.6
		120	3.2
Ireland			
2,000	Icon	48	1.3
Israel			
3,800	Teva Pharmaceutical	142	3.8
Netherlands			
26,155	Crucell	121	3.2
6,900	Qiagen	45	1.2
		166	4.4
Sweden			
50,000	Vitrolife	91	2.4
Switzerland			
900	Basilea Pharmaceutica	33	0.9

Review of Investments *(continued)*

Universal Life Sciences Fund

 Holding 	 Investments 	 Valuation GBP'000 	 % of Net Assets
United Kingdom			
100,000	Ark Therapeutics	100	2.7
19,240	Shire Pharmaceutical	93	2.5
819,335	Tepnel Life Sciences	63	1.7
8,920	Cambridge Antibody Technology	46	1.2
120,000	Medical Solutions	46	1.2
24,900	Phytopharm	41	1.1
30,500	Alizyme	40	1.1
57,400	Pharmagene	24	0.6
175,000	Xenova	20	0.5
100,000	Antisoma	17	0.5
209,402	PPL Therapeutics	13	0.3
52,500	Xenova Warrants 2008	2	0.1
		505	13.5
United States			
53,000	Palatin Technologies	123	3.3
4,000	Martek Biosciences	122	3.3
19,600	Dyax	121	3.2
4,700	Gen-Probe	121	3.2
5,400	Covance	114	3.1
9,600	Epix Medical	113	3.0
19,100	Pharmacyclics	105	2.8
9,550	Protein Design Laboratories	100	2.7
5,650	Pharmaceutical Product Development	99	2.6
12,000	Dov Pharmaceutical	93	2.5
2,000	Varian Medical Systems	86	2.3
6,400	Telik	84	2.2
28,000	Discovery Partners International	77	2.1
16,500	Decode Genetics	76	2.0
3,800	American Medical Systems	71	1.9
2,400	Cephalon	71	1.9
1,900	Forest Laboratories	60	1.6
1,800	Celgene	58	1.6
5,800	Zymogenetics	58	1.6
41,250	La Jolla Pharmaceutical	57	1.5
12,070	Kosan Biosciences	54	1.4
14,000	Access Pharmaceuticals	47	1.3

Review of Investments *(continued)*

Universal Life Sciences Fund

Holding	Investments	Valuation GBP'000	% of Net Assets
United States <i>(continued)</i>			
333,334	Avax Technologies	47	1.3
400,000	Cyprotex	44	1.2
10,000	Lexicon Genetics	44	1.2
7,450	Cell Genesys	42	1.1
70,600	Pharsight	41	1.1
10,000	Cell Therapeutics	40	1.1
11,000	Metabasis Therapeutics	40	1.1
16,200	Acacia Research	38	1.0
52,162	Matritech	35	0.9
30,000	Avanir Pharmaceuticals	28	0.7
13,500	Inkine Pharmaceutical	28	0.7
10,000	Macropore Biosurgery	23	0.6
50,000	Avax Technologies Warrants 2009 'A'	-	-
50,000	Avax Technologies Warrants 2009 'B'	-	-
9,550	Deltagen	-	-
5,556	Matritech Warrants A	-	-
10,479	Matritech Warrants B	-	-
		2,360	63.1
Total Value of Investments		3,726	99.6
Net Current Assets		14	0.4
Net Asset Value		3,740	100.0

Review of Investments *(continued)*

Universal Life Sciences Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Purchases

Rank	Company	Consideration (GBP'000)
1	Ark Therapeutics	133
2	Dov Pharmaceutical	107
3	Genzyme	106
4	Gilead Sciences	95
5	Vitrolife	92
6	Pharmacyclics	84
7	Discovery Partners	79
8	Forest Laboratories	77
9	Cephalon	75
10	Able Laboratories	65
11	Medical Solutions	56
12	Avax Technologies	55
13	Alnylam Pharmaceutic	54
14	Shire Pharmaceutical	54
15	Celgene	53
16	Gen-Probe	53
17	Alkermes	51
18	Zymogenetics	51
19	Psivida	50
20	Cell Therapeutics	47
21	Icon	44
22	Metabasis Therapeutics	42
23	Access Pharmaceutical	42
24	Tularik	42
25	Telik	42
26	Pharmexa	40
27	GTX	39
28	Chiron	39
29	Pharsight	39
30	Basilea Pharmaceutical	38
31	Inkine Pharmaceutical	35
32	Avanir	35
33	Lexicon Genetics	35
34	Prometic	33
35	Cardiome Pharmaceutical	30
36	La Jolla Pharmaceutical	27
37	Palatin	24

Review of Investments *(continued)*

Universal Life Sciences Fund

Statement of Significant Purchases and Sales

for the period ended 30 June 2004

Sales

Rank	Company	Consideration (GBP'000)
1	Genzyme	163
2	Vicuron	125
3	Amgen	116
4	Gilead Sciences	95
5	Pharmacycl	92
6	Alkermes	88
7	Actelion	84
8	Dyax	84
9	Chiron	77
10	Able Laboratories	76
11	Varian Medical Systems	75
12	Neurocrine Biosciences	75
13	Cytc	71
14	Amylin Pharmaceuticals	70
15	Alizyme	61
16	Alnylam Pharmaceutical	60
17	Tularik	59
18	Ariad Pharmaceuticals	58
19	GPC Biotech	54
20	American Medical Systems	53
21	Crucell	47
22	Epix Medical	45
23	Ilex Oncology	45
24	Progenics Pharmaceuticals	43
25	Maxim Pharmaceutical	38
26	Aphton Corporation	37
27	Acambis	34
28	Encysive Pharmaceuticals	34
29	Icos	33
30	Ciphergen Biosystems	32
31	GTX	32
32	Conceptus	30
33	Genmab	30
34	Cerep	29
35	Dawnrays Pharmaceutical	29
36	Genencor International	27
37	Dov Pharmaceutical	27
38	Cell Genesys	24



Statement of Development of Funds For the period ended 30 June 2004

Notes	UK		UK Gilt		Continental		Far East		Japanese		North American		Pharmaceutical		Technology		Universal		Total		
	Equity	Portfolio	Fund	Portfolio	European	Portfolio	Equity	Portfolio	Equity	Portfolio	American	Portfolio	Fund	Portfolio	Fund	Portfolio	Life Sciences	Portfolio	Fund	Portfolio	
	GBP'000	GBP'000	GBP'000	GBP'000	EUR'000	EUR'000	US\$'000	US\$'000	YEN'000	YEN'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	GBP'000	GBP'000	US\$'000	US\$'000	
Operating Income	56	122	87	830	10,463	165	60	9	1	1,590	803										
Operating Expenses	(60)	(52)	(76)	(774)	(34,152)	(354)	(158)	(153)	(52)	(2,142)	(1,282)										
(Deficit)/Surplus for the period	(4)	70	11	56	(23,689)	(189)	(98)	(144)	(51)	(552)	(479)										
Net Realised Gain/(Loss)	(55)	(21)	(10)	3,016	1,010,765	1,361	(75)	1,459	2	14,900	(4,369)										
Net Currency (Loss)/Gain	-	-	-	(114)	(1,741)	-	5	2	(12)	(145)	(8)										
Net Unrealised (Loss)/Gain on Investments	141	(6)	341	(8,139)	(959,957)	(492)	506	(1,259)	108	(17,349)	18,860										
Changes in Net Assets as a Result of Operations	82	43	342	(5,181)	25,378	680	338	58	47	(3,146)	14,004										
Net Asset Value at the start of the period	3,437	848	3,785	39,425	8,839,782	29,747	12,787	13,711	4,026	197,807	63,546										
Distributions paid in current period	-	(37)	-	-	-	-	-	-	-	(66)	(38)										
Translation Adjustment	-	-	-	-	-	-	-	-	-	(1,264)	493										
Value of Shares issued during the period	1,670	10,210	5	30,936	634,186	1,800	345	5,339	961	67,515	47,094										
Value of Shares redeemed during the period	(192)	(449)	(433)	(9,975)	(9,085,385)	(13,239)	(1,399)	(8,181)	(1,294)	(120,298)	(6,229)										
Net Asset Value at the end of the period	4,997	10,615	3,699	55,205	413,961	18,988	12,071	10,927	3,740	140,548	118,870										

The figures for the half year ended 30 June 2004 are unaudited.

Signed on behalf of the Board of Directors on 20 August 2004

Alex Hammond-Chambers, Chairman **Paul Daly**, Director

Statement of Net Assets as at 30 June 2004

	Notes		UK	UK Gilt	Continental	Far East	Japanese	North	Technology	Universal	Total	
	Equity	Fund	Equity	Equity	Equity	Equity	Equity	Equity	Portfolio	Life Sciences	Total	
	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Fund	
	GBP'000	GBP'000	EUR'000	US\$'000	US\$'000	YEN'000	US\$'000	US\$'000	US\$'000	GBP'000	US\$'000	
											2004	
											2003	
Assets												
Financial Assets	4,745	9,440	3,663	53,260	391,246	23,278	11,317	10,926	3,726	139,276	114,239	
Debtors	54	850	2	548	7,726	24	10	184	105	2,667	2,504	
Cash at Bank	210	337	48	1,819	20,436	3,620	848	4	23	7,569	5,255	
	264	1,187	50	2,367	28,162	3,644	858	188	128	10,236	7,759	
Current Liabilities												
Creditors due within												
1 year	(12)	(12)	(14)	(422)	(5,447)	(7,934)	(104)	(187)	(114)	(8,964)	(3,128)	
Net Current	252	1,175	36	1,945	22,715	(4,290)	754	1	14	1,272	4,631	
(Liabilities)/Assets	4,997	10,615	3,699	55,205	413,961	18,988	12,071	10,927	3,740	140,548	118,870	
Net Assets												
Capital												
Share Capital	4,997	10,615	3,699	55,205	413,961	18,988	12,071	10,927	3,740	140,548	118,870	
Number of Shares												
Outstanding	4	3,011	3,265	24,226	2,220	17,766	6,204	5,739	920	5,227		
Class A Shares												
Class B Shares												
Net Asset Value												
per Share	5	1.6599	1.1331	2.2788	186	1.0688	1.9456	1.9040	0.7902	0.5764		
Class A Shares												
Class B Shares												

The figures for the half year ended 30 June 2004 are unaudited.

Signed on behalf of the Board of Directors on 20 August 2004

Alex Hammond-Chambers, Chairman Paul Daly, Director

Notes to the Financial Statements

1. Accounting Policies

The significant accounting policies adopted by the Company are as follows:

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention adjusted to take account of the revaluation of investments.

FRS 18 "Accounting Policies" is applied in these accounts. The directors have reviewed the company's accounting policies and confirm that they are appropriate for the company's circumstances.

(b) Valuation of Investments

Quoted investments held at the balance sheet date are valued at the mid market price or if no mid market price is available at the last traded price.

Profits or losses on the sale of investments are computed on an average cost basis. Cost includes all transactions fees incurred in purchasing the investments. Unrealised and realised gains and losses are included in the Company's Statement of Development of Funds.

(c) Income

Dividends and interest arising on the investments are recognised as income of the Company on an ex dividend or interest date, and for deposits of the Company, on an accruals basis.

(d) Foreign Exchange

Purchases and sales of investments in currencies other than those of each Fund have been translated into the currency of the relevant Fund at the rates of exchange ruling at the date of the transaction. Similarly, the market value of the investments and other assets and liabilities of each Fund have been translated at the rates of exchange for each Fund ruling at the balance sheet date.

For the purpose of determining the total Statement of Development of Funds on page 55 and the total of Assets and Liabilities on page 56, any figures stated in currencies other than US Dollars have been converted to US Dollars at the rate of exchange ruling at the balance sheet date.

Forward foreign exchange contracts are valued at forward foreign exchange rates at the balance sheet date.

Realised and unrealised foreign exchange gains and losses are included in the Company's Statement of Development of Funds.

(e) Taxation

The Company is a specified collective investment undertaking as defined in Section 734, Taxes Consolidation Act, 1997 and is therefore not liable to Irish Corporation Tax on its income and capital gains.

(f) Basis of Presentation

The format and certain wordings of the Financial Statements have been adapted from those contained in the Companies (Amendment) Act 1986 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an Investment Fund.

(g) Cashflow Statements

The Company has not prepared a cashflow statement as in the opinion of the directors similar information is included in the Statement of Development of Operations.

Notes to the Financial Statements *(continued)*

2. Cash at Bank

	United Kingdom Equity Fund GBP'000	UK Gilt Fund GBP'000	Continental European Equity Fund EUR'000	Far East Equity Fund US\$'000
Cash at bank	210	337	48	1,819
Percentage of NAV	4.20%	3.17%	1.30%	3.29%
	Japanese Equity Fund YEN'000	North American Equity Fund US\$'000	Pharmaceutical Fund US\$'000	Technology Fund US\$'000
Cash at bank	20,436	3,620	848	4
Percentage of NAV	4.94%	19.06%	7.03%	0.03%
	Universal Life Sciences Fund GBP'000	Total US\$'000		
Cash at bank	23	7,569		
Percentage of NAV	0.61%	5.39%		

All cash deposits were held BNP Paribas.

3. Exchange Rates

The following spot foreign exchange rates were used to convert the investments and other assets and liabilities in currencies other than the currency of the Company at 30 June 2004.

	Spot
British Sterling	0.551998
Euro	0.822560
Japanese Yen	108.8430

Notes to the Financial Statements *(continued)*

4. Share Capital

Management Shares

The Company has an authorised share capital of 30,000 Management shares of €1.269738 each, all of which have been issued and are paid up to one quarter of their nominal value. Management shares do not entitle the holders to any dividend and on a winding up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Fund. The Management share capital of €38,092 does not form part of Shareholders' Funds and has not been included in the Net Asset Value of the Company.

Participating Shares

The Company has an authorised share capital of 500 million participating shares of no par value. At 30 June 2004 the Company had issued 79,013,443 shares of no par value. The capital of the Company is equal to the Net Asset Value of the Company.

	United Kingdom Equity Fund GBP'000	UK Gilt Fund A GBP'000	UK Gilt Fund B GBP'000	Continental European Equity Fund EUR'000
Shares outstanding at start of period	2,126	832	-	3,653
Shares issued during the period	1,002	9,591	457	5
Shares redeemed during the period	(117)	(443)	-	(393)
Number of shares outstanding	3,011	9,980	457	3,265

	Far East Equity Fund US\$'000	Japanese Equity Fund YEN'000	North American Equity Fund US\$'000	Pharmaceutical Fund US\$'000
Shares outstanding at start of period	16,048	55,890	28,468	6,738
Shares issued during the period	12,442	3,913	1,675	173
Shares redeemed during the period	(4,264)	(57,583)	(12,377)	(707)
Number of shares outstanding	24,226	2,220	17,766	6,204

	Technology Fund US\$'000	Universal Life Sciences A Fund GBP'000	Universal Life Sciences B Fund GBP'000
Shares outstanding at start of period	7,305	960	5,833
Shares issued during the period	2,602	91	1,361
Shares redeemed during the period	(4,168)	(131)	(1,967)
Number of shares outstanding	5,739	920	5,227

Notes to the Financial Statements *(continued)*

5. Comparative Net Asset Value and Net Asset Value per Share

	Net Asset Value 2004	Net Asset Value 2003	Net Asset Value 2002	Net Asset Value per Share 2004	Net Asset Value per Share 2003	Net Asset Value per Share 2002
	GBP'000	GBP'000	GBP'000	GBP	GBP	GBP
United Kingdom Equity Fund	4,997	2,475	2,472	1.6599	1.4117	1.3369
UK Gilt A Fund	10,154	-	-	1.0174	-	-
UK Gilt B Fund	461	-	-	1.0087	-	-
	Net Asset Value 2004	Net Asset Value 2003	Net Asset Value 2002	Net Asset Value per Share 2004	Net Asset Value per Share 2003	Net Asset Value per Share 2002
	EUR'000	EUR'000	EUR'000	EUR	EUR	EUR
Continental European Equity Fund	3,699	3,863	8,434	1.1331	0.9054	1.1071
	Net Asset Value 2004	Net Asset Value 2003	Net Asset Value 2002	Net Asset Value per Share 2004	Net Asset Value per Share 2003	Net Asset Value per Share 2002
	US\$'000	US\$'000	US\$'000	US\$	US\$	US\$
Far East Equity Fund	55,205	21,765	12,582	2.2788	1.8284	1.9485
North American Equity Fund	18,988	29,799	5,912	1.0688	0.9063	0.9639
Pharmaceutical Fund	12,071	12,307	13,787	1.9456	1.7240	1.6811
Technology Fund	10,927	10,380	5,879	1.9040	1.4139	1.2937
	Net Asset Value 2004	Net Asset Value 2003	Net Asset Value 2002	Net Asset Value per Share 2004	Net Asset Value per Share 2003	Net Asset Value per Share 2002
	YEN'000	YEN'000	YEN'000	YEN	YEN	YEN
Japanese Equity Fund	413,961	3,411,346	1,879,348	186	126	134.6
	Net Asset Value 2004	Net Asset Value 2003	Net Asset Value 2002	Net Asset Value per Share 2004	Net Asset Value per Share 2003	Net Asset Value per Share 2002
	GBP'000	GBP'000	GBP'000	GBP	GBP	GBP
Universal Life Sciences Fund A	727	671	485	0.7902	0.6829	0.6894
Universal Life Sciences Fund B	3,013	3,988	5,526	0.5764	0.4949	0.4982

Notes to the Financial Statements *(continued)*

6. Cashflow Statement

No cashflow statement has been prepared as, in the opinion of the Directors, the Company is exempt from the requirements of FRS1, to include a cashflow statement as part of its financial statements because it qualifies as a small company under section 8 of the Companies (Amendment) Act, 1986.

7. Derivatives and Other Financial Instruments

In pursuing their investment objectives the Funds invest in transferable securities, primarily equities, with the aim of spreading risk. To the extent permitted by the investment objectives, restrictions and policies set forth in the Funds' Prospectus, the Funds may also participate in various derivative-based transactions. Derivative securities are instruments or agreements whose value is derived from an underlying security or index.

Investment in equities, bonds and derivative expose the Funds to varying risks, including interest rates, market, liquidity, credit/counterparty and foreign currency risks. A description of the specific risks and the policies for managing these risks are included below.

An analysis of the types of securities held at the year end is contained in each respective Funds Schedule of Investments. Investments held at the period end are representative of the type of investments held during the period.

(a) Interest rate risk

The Fund did not hold fixed interest rate debt securities at the period end (with the exception of the UK Gilt Fund) and as such, are not materially exposed to interest rate risk.

(b) Foreign exchange risk

Foreign exchange risk exists where assets and liabilities are denominated in currencies other than the base currency of the Fund with the effect that the Balance Sheet (Statement of Net Assets) and Profit and Loss Account (Statement of Development of Funds) may be affected by currency movements.

A substantial portion of the net assets of the relevant Funds, with the exception of the North American Equity Fund, United Kingdom Equity Fund, the Japanese Equity Fund and the UK Gilt Fund are denominated in currencies other than their respective base currencies. Investments which comprise the majority of net assets of each Fund are denominated in the currency of the country's classification on the Schedule of Investments for the relevant Fund, unless otherwise indicated. This is set out in the Schedule of Investments.

The Funds may enter into futures and forward foreign currency exchange contracts to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in a foreign currency. Forward foreign currency exchange contracts may also be used to secure a particular exchange rate for a planned purchase or sale of securities.

(c) Market risk

In addition to the effects of movements in interest rate and foreign exchange values, the Funds are exposed, particularly through their equity portfolios to market risks influencing investment valuations.

The investment advisors consider the asset allocation of the portfolios in order to minimise the risks whilst continuing to follow the investment objectives.

Notes to the Financial Statements *(continued)*

7. Derivatives and Other Financial Instruments *(continued)*

(d) Liquidity risk

Generally, the Funds assets are composed of actively traded and highly liquid securities. The liquidity risks associated with the need to satisfy shareholders' requests for redemptions are mitigated by maintaining a constant pool of cash to satisfy usual levels of demand.

The Funds avoid entering into derivative contractual arrangements that produce an exposure not covered by sufficient liquid assets or a total investment exposure in excess of total shareholders' funds. The risk management guidelines adopted by the manager require coverage to be composed of cash reserves or physical securities.

(e) Credit risk

The Funds will be exposed to a credit risk on parties with whom they trade and will also bear the risk of settlement default. The Funds minimise concentration of credit risk by undertaking transactions with a large number of customers and counterparties on recognised and reputable exchanges.

(f) Fair values of financial assets and financial liabilities

All of the financial assets of the relevant Funds are held at market value which approximates to fair value.

8. Dividends

The Board declared a dividend of GBP 36,535 (GBP 0.007472) per share on the UK Gilt Fund which was paid on the 30 April 2004 to shareholders on the register of members as at 16 April 2004. No other dividend was declared or paid for any other of the Sub-Funds during the period.

9. Soft Commission Arrangements

The Investment Adviser to the Far East Equity Fund, Jade Absolute Fund Managers Limited, has entered into soft commission agreements with E*Trade Institutional Securities Limited and Bloomberg.

Also the Investment Adviser to the North American Equity Fund, Vontobel Asset Management, Inc, has entered into soft commission agreements with E*Trade Institutional Securities.

10. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on 20 August 2004.



CLOSE FINSBURY
DIFFERENT BY DESIGN

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