



## CLOSE FINSBURY GLOBAL INVESTMENT FUNDS PLC

# Technology Fund

### Objective

To maximise the total return over the longer term in US Dollar terms from a well-diversified portfolio of equities, (and, if considered appropriate, convertible securities) by investing on a global basis in quoted companies involved in the technology industry (but excluding the biotechnology sector) primarily quoted on stock markets in the Member States of the European Union, Norway, Switzerland, The United States, Canada, Japan, Hong Kong, Australia, Korea, Taiwan and Israel.

Available in an ISA ✓

Available in a PEP ✓

### Benchmark

Morgan Stanley Capital International World Net (US\$) Index

### Top 10 Holdings (%)

Rational Software Corp	2.9%
Borland Software	2.9%
Advanced Fibre Communications	2.7%
Microsoft	2.3%
Xilinx	2.1%
Tecnomatix Technologies	1.9%
Synopsys	1.9%
Peregrine Systems	1.9%
Intersil Holding	1.9%
Taiwan Semiconductor	1.8%
<b>Total</b>	<b>22.3%</b>

### Share Price Total Return on £100

6 months	£87.72
1 year	£63.43
Since launch	£266.76

Source: Standard & Poor's Micropal, Bid-Bid, Gross (old basis), Calculation Indexed

### Fund Details

Fund Manager:	Michael Bourne, Reabourne Technology Investment Management Limited
Fund Size:	£6.9 million US\$ 9.7 million
NAV:	£1.67 US\$ 2.20
Launch Date:	25 <sup>th</sup> September 1998
Launch Price:	£0.59* US\$ 1.00*
Min. Investment:	£2,500
Initial Charge:	4.5% (UK investors only)
Annual Management Charge:	1.5% (payable by the Fund)
Incentive Fee:	20% of the amount NAV growth has exceeded the growth in the benchmark (high watermark)
Yield:	N/A
Dealing & Valuation:	Daily
Sedol No:	309502
ISIN No:	IE0004384305
Bloomberg Code:	FINTECI ID
Figures as at 30 <sup>th</sup> June 2001. * Adjusted for the 10 for 1 share split which took place in August 2000	

### Asset Allocation:

#### Portfolio split by geographical sector

United States	51.9%
Cash	12.3%
United Kingdom	9.7%
Israel	6.0%
Canada	4.9%
Other European	3.7%
Netherlands	3.1%
Taiwan	3.1%
France	2.4%
Japan	1.6%
Korea	1.1%
Australia	0.2%
<b>Total</b>	<b>100.0%</b>

### Share Performance (%)

	6 Months	1 Year	Since Launch
Close Finsbury GIF Technology Fund	-17.4	-41.1	+120.4
MSCI World Net (US\$)	-10.6	-20.3	+19.6
Micropal Offshore Sector Average*	-27.9	-54.5	+47.9

Source: Standard & Poor's Micropal, Bid to Bid, Gross (old basis), Based in US Dollar, calculation indexed

\* Mpal OS SC Technology Global

### Fund Manager's Commentary

The weakness that has been seen in recent periods in the US technology sector has now become a global epidemic with European companies reporting fundamental weakness.

During the month we had profit warnings from a number of European companies such as Philips, Infineon, Alcatel and, perhaps most noticeably, Nokia. US companies also continue to have their share of disappointments and perhaps the most newsworthy item here was the \$12 billion charge taken by Nortel. Also in the US, Microsoft won its appeal against the company having to be broken up and there was another interest rate cut, this time of 25 basis points.

While the fundamental news is depressing and likely to remain so during the next quarter, we think that the sector is showing signs of bottoming. The reason for this is that a lot of good news is discounted in the valuations and while some stocks are still falling on negative news, a number of companies such as PMC Sierra and Agere have actually risen following negative news. It is also encouraging to see significant insider buying in a number of companies on a reasonably substantial scale. For example, there has been significant insider buying in Tecnomatix, which is a holding in the Fund and also at Northgate Information Solutions, another of the Fund's investments. Perhaps management teams of these companies know something that the thundering herd does not.

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**CLOSE FINSBURY ASSET MANAGEMENT LIMITED**  
**DIFFERENT BY DESIGN**

**Risk warning** The price of shares and any income from them may fall as well as rise. Past performance is not necessarily a guide to future performance and investors may not get back the full amount invested. Shares in the technology sector can prove volatile and above average price movements can be expected. When a subscription or a transaction in the underlying fund involves a foreign exchange, it may be subject to fluctuations of currency values, which may affect the value of an investment. The returns to investors may, therefore, be affected by changes in the relative value of currencies. The information contained is on Close Finsbury Global Investment Funds PLC, which is managed by Close Finsbury Asset Management Limited, regulated by IMRO.

Source: Close Finsbury Global Investment Funds PLC except Manager Commentary – provided by the individual Fund Managers  
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✪ Calls to this number are recorded for monitoring purposes