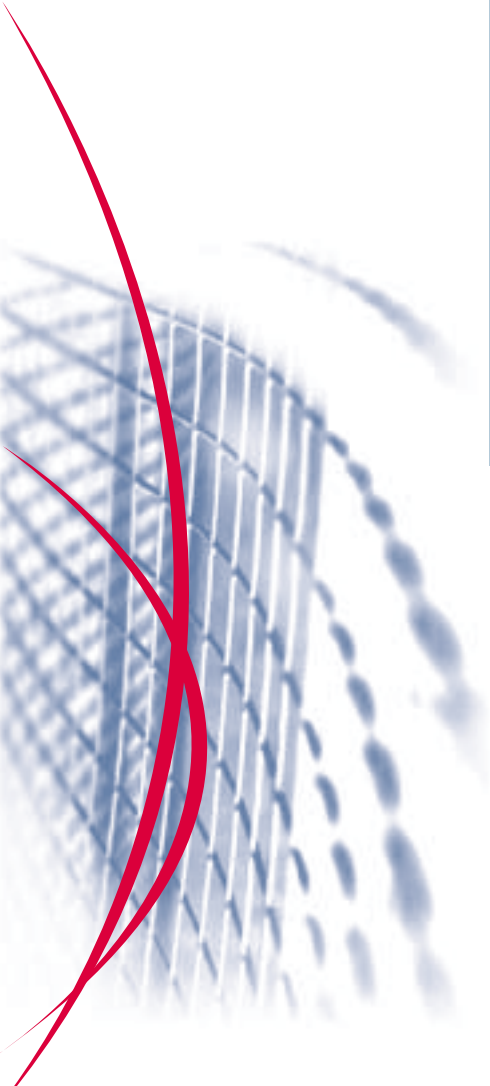


Semi-Annual Report

June 30, 2004

- Asia Focus Fund
- China & Hong Kong Fund
- Global Innovators Fund



Guinness Atkinson Funds Semi-Annual Report

June 30, 2004

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LETTER TO SHAREHOLDERS

Dear Guinness Atkinson Funds Shareholders,

Once again it is a pleasure to present to you the semi-annual report for the Guinness Atkinson Funds. This report marks a milestone for the China & Hong Kong Fund which marked the conclusion of its 10th year. Launched on June 30, 1994, this Fund continues to be a leader in its category. The China & Hong Kong Fund ranks number one (of 17), number thirty-two (of 58) and number sixteen (of 71) funds for total return in Morningstar's Pacific/Asia (ex-Japan) category over the 10, 5 and 1 year period ending June 30, 2004. The Fund also received a 4-Star Overall Morningstar Rating™ among 68 funds (derived from a weighted average of the Fund's three-, five- and ten-year risk adjusted return measures).

Fund Name	Calendar Year to Date	1 Year Average Annualized	3 Years Average Annualized	5 Years Average Annualized	10 Years Average Annualized	Since Inception Average Annualized
Asia Focus Fund Inception: 4/29/1996	-6.52%	30.74%	14.90%	.85%	n/a	-3.92%
China & Hong Kong Fund Inception: 6/30/1994	-4.05%	35.32%	6.23%	4.70%	5.14%	5.14%
Global Innovators Fund Inception: 12/15/1998	3.03%	19.58%	-6.38%	-5.22%	n/a	1.27%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Funds may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com. Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower.

LETTER TO SHAREHOLDERS

The year to date total returns have not been as favorable as a year ago; while the Global Innovators Fund has produced a positive return over the period, the China & Hong Kong and Asia Focus Funds are both in negative territory year to date. Despite this, all three of the Funds are up for the 12 month period ending June 30. The table above provides comprehensive performance information for the Funds.

Edmund Harriss and Tim Guinness each provide a discussion about the operations and performance of the Funds over the last six months in their letters to shareholders contained in this report.

We would like to take this opportunity to mention the latest addition to the Guinness Atkinson Funds, the Global Energy Fund, which launched on June 30. We encourage you to take a moment to review this Fund. Information, including a research report titled **The Future of Energy** is available at the Guinness Atkinson Funds web site, www.gafunds.com. We believe that the world demand of energy is growing rapidly while the supply is reaching the limits of production. The convergence of supply and demand will, we believe, increase the cost of energy and stimulate the development of alternative energy sources.

The world is facing dramatic change on a number of fronts including the rapid development of China and the rest of Asia, the continued transformation of the global economy as companies embrace (or fail) to adapt to the New Economy and the potential depletion of the world's supply of fossil fuels. Everyday we see evidence of these changes, not just in business and the economy but in politics and culture. We believe these, and other, changes will have a profound impact on the future. The markets react in the short-term to a variety of whims, but in the long run these profound changes should have a significant impact. As always we will manage the Funds with an eye on the long term.

We appreciate the opportunity to serve you and the other shareholders in the Guinness Atkinson Funds.

Sincerely,



Timothy Guinness



James Atkinson

LETTER TO SHAREHOLDERS

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Morningstar Ratings reflect a fund's historical risk-adjusted performance in comparison to similar funds as of June 30, 2004 and are subject to change every month. Morningstar Ratings are based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of any sales charges, loads or redemption fees, and place more emphasis on downward variations and rewarding consistent performance. The top ten percent (10%) of funds in each category receive five (5) stars, the next twenty-two percent (22%) receive four (4) stars, the next thirty-five percent (35%) receive three (3) stars, the next twenty-two percent (22%) receive two (2) stars and the bottom ten percent (10%) receive one (1) star. The Guinness Atkinson China & Hong Kong Fund was rated against the following numbers of U.S.-domiciled Pacific/Asia (ex-Japan) funds over the following time periods: 68, 58 and 17 funds for three, five and ten years respectively. With respect to these Pacific/Asia (ex-Japan) funds, the China Hong Kong Fund received 3-Star, 4-Star and 4-Star ratings for the three, five and ten year periods respectively.

Morningstar Rankings represent a fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest percentile rank is one (1) and the lowest is one hundred (100). Morningstar Rankings are based on Morningstar total returns, which includes both income and capital gains or losses, and are not adjusted for sales charges or redemption fees.

The Funds invest in foreign securities which involves greater volatility and political, economic and currency risks and differences in accounting methods.

ASIA FOCUS FUND for the period ended June 30, 2004

1. Performance

AVERAGE ANNUALIZED TOTAL RETURNS					
	6 Months (actual)	1 Year (actual)	3 Years	5 Years	Since Inception
Fund	-6.52%	30.74%	14.90%	0.85%	-3.92%
Benchmark Index:					
MSCI AC Far East Free Ex Japan	-1.55%	29.67%	10.58%	-2.18%	-4.52%
S&P 500	3.44%	19.10%	-0.69%	-2.20%	8.65%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Funds may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com. Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower.

The Fund has been through a difficult six month period following the strong performance of last year and has fallen further than its benchmark. Investors have become decidedly more nervous in 2004 as uncertainties about China (of which more is written about in the China & Hong Kong Fund letter), interest rates, oil prices and geopolitical risks have piled on top of one another. As a result, money has moved into more defensive markets or out of Asia altogether. And yet, in spite of the stock market gains in 2003, there has been no collapse in prices. With Asian economies still expected to grow at double the rate of the developed world and where stock market valuations are still relatively cheap, we expect that as uncertainties recede the region will once again start to perform.

The only markets that rose in the first half of the year have been the south Asian markets of Malaysia, Singapore and the Philippines. These were treated as safe havens when equity markets generally sold off in April and May. In Asia, the falling markets were led by China and Thailand. China fell very abruptly on policy changes designed to rein in excessive investment in

ASIA FOCUS FUND

the aluminium, cement, steel and auto sectors that has starved other sectors where capital is sorely needed such as power and transportation. Thailand, too, has had a poor six months driven mainly by profit-taking as growth momentum has slowed.

Asian economies however, remain in good shape in spite of the rising tide of uncertainty that has blighted world markets this year. Export growth has been robust and capital has continued to flow into the region. In contrast to the run up to the crisis years of 1997/8, all countries have a current account surplus. External debt has been significantly reduced over that time and all have seen significant growth in foreign exchange reserves ensuring ample resources to meet obligations as they fall due, meaning no currency pressures. Inflation remains low, and even in China where inflationary concerns have been building, headline inflation is standing at 5% and may have peaked. Consumer growth has been slow in coming, with the exception of Korea which has to work through a recent period of consumer excess, but banks are generally under-leveraged and having restored their base capital, are now in a position to resume lending.

Therefore, while we may worry about the ability of Korea to generate a domestic recovery or about the shape of demand for electronic equipment from Taiwan there is no sense of an imminent crisis. Rising interest rates in the U.S. will certainly have an effect on external demand and so on export growth but we do not expect Asia to have to follow these rises either in the timing or in degree.

2. Portfolio Position

The portfolio has the bulk of its investments in China, Hong Kong, Korea, Taiwan and Thailand. The Fund has limited exposure to Singapore and Malaysia and recently added a position in Indonesia. The Fund is well-diversified across a dozen sectors with the bulk of assets in the consumer, energy, industrial, materials and technology sectors. We remain focused on Asia's growth story which is presently being driven by exports but should increasingly become a consumer story. We are concentrating on those stocks that have generated improving returns on investment, are growing their earnings and offer value. Markets have been whipped around by global uncertainties while the companies themselves are continuing to report solid results. There have been some downgrades in forecast earnings but these have not been significant. In short, we believe the Fund is

fundamentally well positioned to outperform once investors' nerves settle and the global outlook becomes a little clearer.

3. Outlook & Strategy

Three issues in particular have been hanging over world markets since April this year: Is China's economy going to crash? What happens when U.S. interest rates go up and by how much will they need to rise? How high is the oil price set to rise? The visibility on the first two of these issues at least is beginning to improve.

Investment in China is slowing and broad money growth has slowed to within the Central Bank's target for the first time in almost two years. The next area to watch out for is whether lending can be resumed to businesses currently starved of working capital. Without a resumption of lending companies are likely to hit trouble and banks may see a rise in non-performing loans. Nevertheless, progress is being made, the government is alive to the companies' liquidity needs and a crash looks very unlikely. Likewise, with U.S. interest rates it has been difficult to gauge the true picture of underlying demand with forecasts oscillating between continued softness and unexpected strength. Alan Greenspan has been adamant that as matters now stand interest rates rising at a measured pace is what markets should expect.

Greater clarity on these issues should allow investors to recalibrate their assessments of what is offering growth and value. We believe that Asia's profile looks attractive and that this is a key reason why Asia has not collapsed but has survived a period of intense volatility. Asian economies appear sound and banks around the region are now emerging from their post-crisis hibernation with strong balance sheets and a renewed willingness to lend. Consumers have generally been cautious and therefore policy is geared favourably toward that sector. This is especially so since we expect to see export growth moderate in coming months. Earnings' growth is looking robust and while expectations can always be downgraded we have only seen a moderate scaling back and then only in cyclical sectors such as technology and petrochemicals. Recently announced company results have tended still to meet or exceed expectations.

The fund strategy therefore, is to position the fund in fundamentally sound companies generating good returns on investment, which are growing

ASIA FOCUS FUND

earnings and are exposed to the key growth areas of Asia. These are the companies that should out perform when the current risk aversion subsides.



Edmund Harriss
Portfolio Manager

The MSCI AC Far East Free Ex Japan Index is a market-capitalization weighted index of over 450 stocks traded in eight Asian markets, excluding Japan. The Standard & Poor's 500 Index is a market-capitalization weighted index composed of 500 widely held common stocks of U.S. companies. These indices are unmanaged, not available for investment and do not incur expenses.

The Fund invests in foreign securities which involves greater volatility and political, economic and currency risks and differences in accounting methods.

Please refer to the Schedule of Investments for details on fund holdings. Fund holdings are subject to change at any time are not recommendations to buy or sell any security.

FUND HIGHLIGHTS at June 30, 2004 (Unaudited)
GUINNESS ATKINSON ASIA FOCUS FUND

		Fund Managers:
# of Holdings in Portfolio:	45	Edmund Harriss;
Portfolio Turnover:	19.7%	Timothy W.N. Guinness
% of Stocks in Top 10:	41.9%	

Top 10 Holdings (% of net assets)			
Samsung Electronics	9.8%	Yanzhou Coal Mining Co., Ltd.	3.6%
Esprit Holdings, Ltd.	4.2%	POSCO	3.6%
Techtronic Industries Co.	4.1%	China Steel Corp.	3.4%
Taiwan Semiconductor Manufacturing Co, Ltd.	3.8%	Huaneng Power International, Inc.	2.8%
Denway Motors, Ltd.	3.8%	CNOOC, Ltd.	2.8%

Top 5 Sectors (% of net assets)		Top 5 Countries (% of net assets)	
Electrical Components & Equipment	10.7%	Hong Kong	26.2%
Banks	8.9%	South Korea	24.4%
Iron / Steel	8.1%	Taiwan	14.8%
Oil & Gas	7.2%	China	14.6%
Agriculture	6.0%	Thailand	10.5%

SCHEDULE OF INVESTMENTS IN SECURITIES
at June 30, 2004 (Unaudited)

GUINNESS ATKINSON ASIA FOCUS FUND

Shares	COMMON STOCKS: 99.8%	Value
China: 14.6%		
416,000	Anhui Conch Cement Co., Ltd.	\$ 461,360
2,076,000	China Telecom	725,311
878,000	Huaneng Power International, Inc.	782,366
1,288,000	PetroChina Co., Ltd.	594,496
1,420,000	Sinopec Shanghai Petrochemical	473,361
918,000	Yanzhou Coal Mining Co., Ltd.	<u>1,000,442</u>
		<u>4,037,336</u>
Hong Kong: 26.2%		
1,000,000	Brilliance China Automotive Holdings, Ltd.	294,889
604,000	Chen Hsong Holdings, Ltd.	340,738
1,846,000	CNOOC, Ltd.	781,045
2,892,000	Denway Motors, Ltd.	1,047,483
257,840	Esprit Holdings, Ltd.	1,153,735
697,000	Giant Wireless Technology	137,739
914,000	Global Bio-Chem Technology Group Co., Ltd.	662,102
114,250	Global Bio-Chem Technology Group Co., Ltd., warrants, Exp 5/31/04*	7,471
30,400	HSBC Holdings Plc	457,975
1,792,000	Skyworth Digital Holdings, Ltd.	471,002
422,000	Suface Mount Technology Holdings, Ltd.	228,108
713,000	Techtronic Industries Co.	1,138,123
1,503,905	Victory City International Holdings, Ltd.	<u>544,715</u>
		<u>7,265,125</u>
Indonesia: 1.5%		
1,400,000	Bank Danamon Indonesia Tbk PT	<u>420,633</u>
Malaysia: 4.0%		
39,000	British American Tobacco (Malaysia) Berhad	518,289
280,000	IOI Corp. Berhad	<u>600,526</u>
		<u>1,118,815</u>

See accompanying Notes to Financial Statements.

Shares	COMMON STOCKS: 99.8% Continued	Value
Singapore: 3.8%		
76,368	Jardine Cycle & Carriage, Ltd.	\$ 284,077
560,000	Neptune Orient Lines, Ltd.	768,149
		<u>1,052,226</u>
South Korea: 24.4%		
11,500	Daelim Industrial Co.	360,277
22,000	Hana Bank	464,561
15,250	Hyundai Mobis	677,045
38,000	INI Steel Co.	302,882
23,420	Korea Tobacco & Ginseng Corp.	541,163
5,500	LG Electronics, Inc.	260,839
7,700	POSCO	992,903
4,500	Samsun SDI Co., Ltd.	473,172
6,560	Samsung Electronics	<u>2,708,022</u>
		<u>6,780,864</u>
Taiwan: 14.8%		
325,510	Acer, Inc.	457,688
164,000	AU Optronics Corp.	248,633
1,008,325	China Steel Corp.	953,173
110,000	HON HAI Precision Industry	408,740
164,000	Novatek Microelectronics Corp., Ltd.	541,142
557,000	Taishin Financial Holdings Co., Ltd.	458,647
728,329	Taiwan Semiconductor Manufacturing Co., Ltd.*	<u>1,047,894</u>
		<u>4,115,917</u>
Thailand: 10.5%		
282,000	Advanced Info Service Public Co., Ltd.	627,586
247,500	Electricity Generating Public Co., Ltd.	417,645
524,700	Kasikornbank PCL*	667,263
94,000	PTT Exploration & Production Public Co., Ltd.	616,092
99,000	Siam Cement Co., Ltd.	<u>590,756</u>
		<u>2,919,342</u>
	Total Common Stocks (cost \$22,635,299)	<u>27,710,258</u>
	Total Investments in Securities (cost \$22,635,299): 99.8%	27,710,258
	Other Assets less Liabilities: 0.2%	<u>61,659</u>
	Net Assets: 100.0%	<u>\$27,771,917</u>

* Non-income producing security.

See accompanying Notes to Financial Statements.

SCHEDULE OF INVESTMENTS BY INDUSTRY**at June 30, 2004 (Unaudited)****ASIA FOCUS FUND**

Industry	% of Net Assets
Commercial Banks	11.5%
Diversified Operations	9.7
Electric-Integrated	6.3
Distribution/Wholesale	6.2
Mach Tools&Rel Products	6.0
Oil Comp-Integrated	5.3
Electric-Generation	5.3
Auto-Cars/Light Trucks	5.2
Oil Comp-Exploration & Production	4.8
Cellular Telecom	4.2
Coal	3.6
Telecom Services	3.3
Oil Refining & Marketing	3.3
Petrochemicals	2.8
Real Estate Operations/Development	2.5
Audio/Video Products	2.3
Rental Auto/Equipment	2.2
Machinery-General Industrial	2.1
Agricultural Biotech	2.1
Textile-Products	1.9
Building Products-Cement	1.8
Transport-Marine	1.5
Electronic Components-Misc	1.4
Steel-Producers	1.2
Wireless Equipment	1.1
Computers-Other	0.9
Building-Heavy Construction	0.8
Retail-Apparel/Shoe	0.3
Airlines	0.2
Total Investments in Securities	99.8
Other Assets less Liabilities	0.2
Net Assets	<u>100.00%</u>

See accompanying Notes to Financial Statements.

CHINA & HONG KONG FUND for the period ended June 30, 2004

1. Performance

AVERAGE ANNUALIZED TOTAL RETURNS					
	6 Months (actual)	1 Year (actual)	3 Years	5 Years	10 Years
Fund	-4.05%	35.32%	6.23%	4.70%	5.14%
Benchmark Index:					
Hang Seng Composite	-1.92%	36.03%	N/A	N/A	N/A
Hang Seng	-0.77%	33.21%	1.65%	1.17%	6.74%
S&P 500	3.44%	19.10%	-0.69%	-2.20%	11.81%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Funds may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com. Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower.

In the first six months of this year stock markets have been significantly more volatile than in 2003. Chinese and Hong Kong equities began in the first three months of the year where they had left off, but during April as uncertainties crowded in, many investors did not wait around to find out what was going on and China-related stocks slumped before rebounding once again to recover most of their losses. In light of these events the Fund performed creditably and, as we shall discuss later, looks set for further gains.

The major change this year was the recognition by the Chinese government that investment in certain sectors was growing at an unsustainable pace. Money was pouring into plants to produce steel, cement, aluminium and autos; there was also a sharp pickup in local urban re-development projects. None of these were co-ordinated and thus much of this new investment was going into overlapping projects, which left unchecked, would ensure that many would never cover their costs. It is important to note however, that

CHINA & HONG KONG FUND

while it is indisputable there has been overheating in certain sectors, it is very hard to make the argument that there is an economy-wide bubble. Chinese domestic stock markets have been depressed for the last three years; real estate prices, with the exceptions of certain sub-areas within Shanghai and Beijing, have been rising at a normal rate; and inflation remains low at 5% with core inflation around 1%.

Many external commentators and investors took one look at China's policy changes and concluded that draconian measures would be enforced and a crash would follow. It has not turned out like that, hence the recovery in stock prices. The measures that are still in place consist of restricting further lending to the sectors identified above, where investment has been excessive. Instead, they seek to boost lending to sectors starved of capital such as power, transport and water. Key to understanding what is going on is the realization that China does not want to slow its economy since it depends on growth to create jobs; instead it is seeking to correct the glaring misallocation of capital that is causing major imbalances.

The latest position shows that these measures appear to have been remarkably successful in as much as fixed asset investment has slowed, broad money growth has fallen back to a sustainable 16%, in line with nominal economic growth and within the Central Bank's target. At the same time, the export and consumer sectors have seen continued growth, as was intended. The effect of this on the stock market has been to bring in a period of stability following the turbulence of April and May. Investors are now looking for some of these measures to be rolled back in the fairly near future.

2. Portfolio Position

The portfolio is positioned similarly to how it was at the end of 2003 with the main focus being on China-related businesses operating in the export manufacturing and consumer areas. Exposure to the problem sectors was low before the restraining measures were put in place but this has been increased following the sell-down in May. Hong Kong stocks and stocks generally considered more defensive have performed a little better in the first half of the year but the portfolio has remained oriented toward China's growth, which we believe is the true story. Recent economic data and stock performance would tend to support that view and when the uncertainty rolls back with some of the administrative measures we expect these to be the stocks that will perform.

3. Outlook & Strategy

World equity markets, not just those in China and Hong Kong, have been hit by a veritable barrage of fears and uncertainties about the effect of Chinese policy measures; about the impact of rising interest rates; and the continued strength in oil prices. We would expect visibility on at least the first two of these issues to improve in the coming months but we should warn investors that volatility will remain with us for some time yet.

In China we expect to see an easing of policy measures controlling lending and in particular easier access to working capital loans. Without a resumption of working capital lending companies are likely to hit trouble and banks may see a rise in non-performing loans. The good news is that Central Government is already alive to this issue. Inflation is also something to watch but with raw materials prices off their highs and an expected bumper harvest to check rising food prices, it looks as though inflation may already have peaked. This means that an interest rate rise, which was going to be modest anyway, has been deferred. The risk to all this is that once policy is eased we will see a renewed pickup in investment, forcing the re-imposition of controls resulting in a period of stop-start activity. Overall however, it does appear that the battle is being won even if it is as yet too early to announce victory.

We are concerned that new capacity coming on stream from over-investment will hurt corporate margins in certain sectors, which have held up hitherto. The investment strategy then, remains focused on China's ongoing consumer and export growth story. The middle class is still growing in number and in affluence and this is dependent not upon the investment we have been so worried about, but upon China's export manufacturing sector. As long as China is the manufacturing centre of preference for mass-market goods, this sector of society will continue to develop. Next year quotas on textile and clothing production will be lifted under the terms of China's entry into the World Trade Organization. At the same time barriers to China's economy are being lifted to foreign entrants. Finally, China-related stocks are still not expensive trading in aggregate on a multiple of less than 12 times forward earnings, which the consensus expects to grow by more than 20%.



Edmund Harriss
Portfolio Manager

CHINA & HONG KONG FUND

The Hang Seng Composite Index is a market-capitalization weighted index that comprises the top 200 companies listed on the Hong Kong Stock Exchange, based on the average market-capitalization for the past twelve months. The Hang Seng Composite Index commenced on January 3, 2000 and therefore does not have five-year returns or returns since the Fund's inception. The Hang Seng Index is a barometer of the Hong Kong Stock Market which comprises 33 constituent stocks, whose aggregate market-capitalization accounts for about 70% of the total market-capitalization of the Stock Exchange of Hong Kong Limited. The Standard & Poor's 500 Index is a market-capitalization weighted index composed of 500 widely held common stocks of U.S. companies. These indices are unmanaged, not available for investment and do not incur expenses.

The Fund invests in foreign securities which involves greater volatility and political, economic and currency risks and differences in accounting methods.

Please refer to the Schedule of Investments for details on fund holdings. Fund holdings are subject to change at any time and are not recommendations to buy or sell any security.

FUND HIGHLIGHTS at June 30, 2004 (Unaudited)
GUINNESS ATKINSON CHINA & HONG KONG FUND

		Fund Managers:
# of Holdings in Portfolio:	46	Edmund Harriss;
Portfolio Turnover:	8.8%	Timothy W.N. Guinness
% of Stocks in Top 10:	48.8%	

Top 10 Holdings (% of net assets)			
HSBC Holdings Plc	7.5%	China Mobile (Hong Kong), Ltd.	4.2%
Esprit Holdings, Ltd.	6.2%	Petrochina Co., Ltd.	4.0%
Techtronic Industries Co.	6.0%	Denway Motors, Ltd.	3.8%
CLP Holdings, Ltd.	5.0%	Huaneng Power International, Inc.	3.7%
CNOOC, Ltd.	4.8%	Yanzhou Coal Mining Co., Ltd.	3.6%

Top 5 Sectors (% of net assets)		Top Country (% of net assets)	
Oil & Gas	13.4%	Hong Kong	72.9%
Electric	11.6%	China	26.8%
Banks	11.5%		
Holding Companies - Diversified	9.7%		
Telecommunications	8.6%		

SCHEDULE OF INVESTMENTS IN SECURITIES
at June 30, 2004 (Unaudited)

GUINNESS ATKINSON CHINA & HONG KONG FUND

Shares	COMMON STOCKS: 99.7%	Value
Agricultural Biotechnology: 2.1%		
2,700,000	Global Bio-Chem Technology Group Co., Ltd.	\$ 1,955,882
337,500	Global Bio-Chem Technology Group Co., Ltd., warrant, Exp 5/31/07*	22,069
		<u>1,977,951</u>
Airlines: 0.2%		
560,000	China Southern Airlines Co., Ltd.	<u>220,782</u>
Audio/Video Products: 2.3%		
8,400,000	Skyworth Digital Holdings, Ltd.	<u>2,207,820</u>
Auto – Cars/Light Trucks: 5.2%		
4,390,000	Brilliance China Automotive Holdings, Ltd.	1,294,562
10,214,000	Denway Motors, Ltd.	<u>3,699,515</u>
		<u>4,994,077</u>
Building – Heavy Construction: 0.8%		
313,000	Cheung Kong Infrastructure	<u>754,454</u>
Building Products – Cement: 1.8%		
1,596,000	Anhui Conch Cement Co., Ltd.	<u>1,770,025</u>
Cellular Telecommunications: 4.2%		
1,335,000	China Mobile (Hong Kong), Ltd.	<u>4,039,464</u>
Coal: 3.6%		
3,222,000	Yanzhou Coal Mining Co., Ltd.	<u>3,511,356</u>
Commercial Banks: 11.5%		
50,770	Dah Sing Banking Group, Ltd.*	83,320
253,850	Dah Sing Financial Holdings	1,497,151
481,310	HSBC Holdings Plc	7,250,922
379,400	Wing Hang Bank, Ltd.	<u>2,252,209</u>
		<u>11,083,602</u>
Computers: 0.9%		
7,500,000	Group Sense International, Ltd.	<u>836,587</u>
	See accompanying Notes to Financial Statements.	

CHINA & HONG KONG FUND

Shares	COMMON STOCKS: 99.7% Continued	Value
Distribution/Wholesale: 6.2%		
1,342,071	Esprit Holdings, Ltd.	<u>\$ 6,005,254</u>
Diversified Operations: 9.7%		
1,288,000	China Merchants Holdings International Co., Ltd.	1,733,946
252,000	Hutchison Whampoa	1,720,484
412,000	Shanghai Industrial Holdings, Ltd.	758,018
536,500	Swire Pacific, Ltd. - Class A	3,473,694
579,000	Wharf Holdings, Ltd.	<u>1,662,865</u>
		<u>9,349,007</u>
Electric – Generation: 5.3%		
2,000,000	Datang International Power Generation Co., Ltd.	1,551,372
3,970,000	Huaneng Power International, Inc.	<u>3,537,576</u>
		<u>5,088,948</u>
Electric – Integrated: 6.3%		
886,000	CLP Holdings, Ltd.	4,850,562
299,000	Hong Kong Electric Holdings	<u>1,238,238</u>
		<u>6,088,800</u>
Electronic Components – Miscellaneous: 1.4%		
2,502,000	Suface Mount Technology Holdings, Ltd.	<u>1,352,432</u>
Machinery – General Industrial: 2.1%		
3,510,000	Chen Hsong Holdings, Ltd.	<u>1,980,114</u>
Machinery Tools & Related Products: 6.0%		
3,636,000	Techtronic Industries Co.	<u>5,803,950</u>
Medical – Drugs: 0.0%[†]		
1,240,000	Far East Pharmaceutical Technology	<u>10,811</u>
Oil Comp: 10.1%		
3,570,000	China Petroleum & Chemical Corp.*	1,304,498
10,957,000	CNOOC, Ltd.	4,635,921
8,256,000	PetroChina Co., Ltd.	<u>3,810,681</u>
		<u>9,751,100</u>
Oil Refining: 3.3%		
3,326,000	Sinopec Zhenhai Refining & Chemical Company, Ltd.	<u>3,198,261</u>

See accompanying Notes to Financial Statements.

Shares	COMMON STOCKS: 99.7% Continued	Value
Petrochemicals: 2.7%		
3,840,000	Sinopec Beijing Yanhua Petrochemical Co., Ltd.	\$ 1,243,149
4,204,000	Sinopec Shanghai Petrochemical	<u>1,401,414</u>
		<u>2,644,563</u>
Real Estate Operator/Developer: 2.5%		
270,000	Cheung Kong	1,990,499
200,000	Hopewell Holdings	402,587
20,000	Hopewell Holdings, warrants, Exp 8/5/06*	<u>2,692</u>
		<u>2,395,778</u>
Rental Auto/Equipment: 2.2%		
1,531,000	Cosco Pacific, Ltd.	<u>2,129,783</u>
Retail – Apparel/Shoe: 0.3%		
820,000	Glorious Sun Enterprises, Ltd.	<u>249,694</u>
Steel – Producers: 1.2%		
3,480,000	Maanshan Iron & Steel	<u>1,126,604</u>
Telecom Services: 3.3%		
9,200,000	China Telecom Corp., Ltd.	<u>3,214,288</u>
Textiles: 1.9%		
5,111,090	Victory City International Holdings, Ltd.	<u>1,851,239</u>
Transportation: 1.5%		
921,000	China Shipping Container Lines Co., Ltd.*	330,635
1,876,000	China Shipping Developmental Co., Ltd.	<u>1,118,449</u>
		<u>1,449,084</u>
Wireless Equipment: 1.1%		
5,072,000	Giant Wireless Technology	<u>1,002,313</u>
	Total Common Stocks (cost \$66,367,657)	<u>96,088,141</u>
	Total Investments in Securities (cost \$66,367,657): 99.7%	96,088,141
	Other Assets less Liabilities: 0.3%	<u>280,724</u>
	Net Assets: 100.0%	<u><u>\$96,368,865</u></u>

* Non-income producing security.

† Less than 0.1% of net assets.

See accompanying Notes to Financial Statements.

GLOBAL INNOVATORS FUND for the period ended June 30, 2004

1. Performance

AVERAGE ANNUALIZED TOTAL RETURNS				
	6 Months (actual)	1 Year (actual)	3 Years	Since Inception
Fund	3.03%	19.58%	-5.22%	1.27%
Benchmark Index:				
S&P 500	3.44%	19.10%	-0.69%	1.11%
NASDAQ Composite	2.22%	26.78%	-1.35%	0.24%

* Price return, excludes dividends

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Funds may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com. Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower.

We're pleased to report the Global Innovators Fund has enjoyed a satisfactory first six months of 2004, having regard to the returns achieved by its benchmark indices, with a return of 3.03%. This compares favourably to the return of the NASDAQ Index of 2.22%; and a little below the return for the S&P 500 Index of 3.44%. It is pleasing to note that the total return since launch now exceeds that of BOTH its benchmark indices which is, of course, our longer term aim.

The period under review saw an evolution of the portfolio away from the very high multiple stocks that bounced strongest during the 9-12 months after the market turned in spring 2003 and towards a portfolio with an earnings multiple in line with that of the S&P 500, but with higher long run earnings growth prospects.

To achieve this we restructured the portfolio quite considerably.

Outright sales included AOL Time Warner, Affymetrix, Cisco, Walt Disney, EMC, Incyte, JDS Uniphase, Millenium Pharmaceuticals, Monsanto, Qwest, Flextronics, Intel, Walmart, Daimler Chrysler, Glaxo Smithkline, Schwab and Fedex. In addition it was decided to sell out of any Sanofi stock we acquired post its take over of Aventis which the fund held.

New purchases included Axiom, L3 Communications, Aventis (but see its subsequent takeover referred to above), Nucor, Cable & Wireless, Honda, Toyota, Samsung, and Costco.

At the same time, retained holdings were trimmed or added to to bring them to equal weighted positions.

The Portfolio is now down to 28 holdings. (We will not reduce the number significantly from here). But we have now achieved a portfolio that on the 9 July, by our calculations, had a price-to-earnings ratio (2004) of 18.2X (very similar to the S&P 500 at 9th July of 17.9X) and whose earnings are projected to recover by 80% in 2004. Furthermore the stocks held by the portfolio are on average 29.9% undervalued versus the market when we applied our discounted cash flow model to the individual constituents.

The better performing holdings have been Nucor, Axiom, Sabre, Check Point Software and L3 Communications. The worse performing holdings have been Taiwan Semiconductor, Oracle, Nvidia, Vodafone and Nokia.

The changes over the last six months have not resulted in dramatic changes to the sectoral or geographic weightings of the portfolio. The most notable changes have been in the reduction of the exposure to telecommunications; and in exposure to financials and with the sale of AOL the elimination of the last of our pure “internet” exposure. These have been balanced by modest increases in exposure to software; media/entertainment, consumer and basic materials.

Geographically there has been a reduction in the US and Europe exposure and an increase particularly to Japan and Asia ex Japan.

Guinness Atkinson Investment Process.

In managing the Global Innovators Fund we seek companies that exhibit New Economy characteristics using stocks that are in or have once been in the Wired 40 as our starting point. We pay close attention to four factors in screening all stocks considered for purchase. These four factors are: (a) value, meaning a disciplined quantitative methodology used to rank all companies on similar basis projecting their internal cash flows using consensus forecast and historic trend data and applying a common overall market determined discount rate to imply fair value and compare this to actual price); (b) business quality (quantitatively ranking companies for the attractiveness of their return on capital metrics); (c) improving results

GLOBAL INNOVATORS FUND

(1 and 3 month earnings estimates revisions); and (d) good recent market price performance (looking particularly for above trend momentum and rising volatility). This screening approach is supported by appropriate due diligence both on the quality of the quantitative inputs to the screening process, and of a more traditional form. Also top down “thematic” judgements will be used in the process of evaluating potential Fund purchases and a regular sell discipline involving review of large movers in the portfolio is also employed

We hope that over the months and years to come investors will find their faith in our fund management and in the prospects for this fund with its focus on the future in particular will be rewarded.



Tim Guinness
Portfolio Manager

The Standard & Poor’s 500 Index is a market-capitalization weighted index composed of 500 widely held common stocks of U.S. companies. The NASDAQ Composite Index is a market-capitalization weighted price-only index that tracks the performance of domestic common stocks traded on the Nasdaq market, as well as National Market System-traded foreign common stocks and ADRs. These indices are unmanaged, not available for investment and do not incur expenses.

The Fund invests in foreign securities which involves greater volatility and political, economic and currency risks and differences in accounting methods.

Price to earnings ratio is a common tool for comparing the prices of different common stocks and is calculated by dividing the current market price of a stock by the earnings per share.

Please refer to the Schedule of Investments for details on fund holdings. Fund holdings are subject to change at any time are not recommendations to buy or sell any security.

FUND HIGHLIGHTS at June 30, 2004 (Unaudited)
GUINNESS ATKINSON GLOBAL INNOVATORS FUND

		Fund Managers:
# of Holdings in Portfolio:	28	Timothy W.N. Guinness;
Portfolio Turnover:	42.9%	Edmund Harriss
% of Stocks in Top 10:	36.0%	

Top 10 Holdings (% of net assets)			
Honda Motor, Ltd.	3.7%	Nucor Corp.	3.6%
Dell, Inc.	3.7%	Sun Microsystems, Inc.	3.6%
Samsung Electronics	3.7%	Oracle Corp.	3.5%
First Data Corp.	3.6%	Check Point Software Technologies	3.5%
Cemex SA de CV	3.6%	Microsoft Corp.	3.5%

Top 5 Sectors (% of net assets)		Top 5 Countries (% of net assets)	
Software	14.0%	United States	59.6%
Telecommunications	9.0%	United Kingdom	6.6%
Computers	7.3%	South Korea	3.7%
Auto Manufacturers	7.2%	Mexico	3.6%
Semiconductors	6.3%	Israel	3.5%

SCHEDULE OF INVESTMENTS IN SECURITIES
at June 30, 2004 (Unaudited)

GUINNESS ATKINSON GLOBAL INNOVATORS FUND

Shares	COMMON STOCKS: 91.1%	Value
Advertising Agencies: 3.4%		
29,470	WPP Group Plc	<u>\$ 1,509,748</u>
Aerospace/Defense: 3.5%		
23,000	L-3 Communications Holdings, Inc.	<u>1,536,400</u>
Auto Manufacturers: 7.2%		
68,300	Honda Motor Company ADR	1,661,056
18,800	Toyota Motor Corp.	<u>1,534,456</u>
		<u>3,195,512</u>
Blast Furn/Mill: 3.6%		
20,900	Nucor Corp.	<u>1,604,284</u>
Communications Equipment: 2.4%		
73,542	Nokia Corp.	<u>1,069,301</u>
Computer Systems Design: 3.6%		
368,090	Sun Microsystems, Inc.*	<u>1,597,510</u>
Computer Related Services: 3.3%		
59,400	Acxiom Corp.	<u>1,474,902</u>
Data Processing and Preparation: 3.6%		
36,264	First Data Corp.	<u>1,614,473</u>
Electrical Components & Equipment: 3.7%		
7,900	Samsung Electronics Co., Ltd.	<u>1,625,425</u>
Electronic Computers: 3.7%		
45,700	Dell, Inc.*	<u>1,636,974</u>
Fire, Marine, and Casualty Insurance: 3.3%		
20,795	American International Group, Inc.	<u>1,482,268</u>

See accompanying Notes to Financial Statements.

Shares	COMMON STOCKS: 91.1% Continued	Value
National Commercial Banks: 6.3%		
29,800	Citigroup, Inc.	\$ 1,385,700
28,574	State Street Corp.	<u>1,401,269</u>
		<u>2,786,969</u>
Newspaper Publishing: 3.5%		
43,342	News Corp. Ltd. ADR	<u>1,535,174</u>
Passenger Transportation Arrangement: 3.3%		
53,490	Sabre Holdings Corp.	<u>1,482,208</u>
Pharmaceutical Preparations: 3.2%		
11,000	Aventis S.A.	836,770
17,600	Pfizer, Inc.	<u>603,328</u>
		<u>1,440,098</u>
Prepackaged Software: 10.5%		
58,200	Check Point Software Technologies, Ltd.*	1,570,818
54,028	Microsoft Corp.	1,543,040
131,930	Oracle Corp.*	<u>1,573,925</u>
		<u>4,687,783</u>
Radio & TV Communications Equipment: 3.2%		
37,808	Sony Corp.	<u>1,438,594</u>
Radiophone Communications: 3.2%		
63,648	Vodafone Group Plc	<u>1,406,621</u>
Ready-Mixed Concrete: 3.6%		
55,263	Cemex SA de CV	<u>1,608,153</u>
Semiconductors: 6.3%		
68,200	Nvidia Corp.*	1,398,100
167,913	Taiwan Semiconductor Manufacturing Co., Ltd.	<u>1,395,354</u>
		<u>2,793,454</u>
Telecommunications Services: 3.4%		
215,500	Cable & Wireless Plc	<u>1,527,895</u>

See accompanying Notes to Financial Statements.

GLOBAL INNOVATORS FUND

Shares	COMMON STOCKS: 91.1% Continued	Value
Variety Store: 3.3%		
35,300	Costco Wholesale Corp.	<u>\$ 1,449,771</u>
	Total Common Stocks	
	(cost \$38,418,504)	<u>40,503,517</u>
	Total Investments in Securities	
	(cost \$38,418,504): 91.1%	40,503,517
	Other Assets less Liabilities: 8.9%	<u>3,955,753</u>
	Net Assets: 100.0%	<u><u>\$44,459,270</u></u>

* Non-income producing security.

See accompanying Notes to Financial Statements.

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STATEMENTS OF ASSETS AND LIABILITIES

at June 30, 2004 (Unaudited)

	Asia Focus Fund	China & Hong Kong Fund	Global Innovators Fund
Assets			
Investments in securities, at cost	\$ 22,635,299	\$ 66,367,657	\$ 38,418,504
Investments in securities, at value	\$ 27,710,258	\$ 96,088,141	\$ 40,503,517
Cash	—	—	3,989,196
Cash denominated in foreign currency (cost of \$6,602, \$50,180, \$0, respectively)	6,506	50,185	—
Receivables:			
Securities sold	—	702,545	—
Fund shares sold	1,163	14,000	3,007
Dividends and interest	119,051	255,768	74,618
Tax Reclaim	—	—	10,742
Prepaid expenses	21,141	24,940	11,733
Total assets	<u>27,858,119</u>	<u>97,135,579</u>	<u>44,592,813</u>
Liabilities			
Cash overdraft	12,032	559,997	—
Payables:			
Unrealized loss on forward foreign currency contracts	—	86	—
Due to advisor	25,445	86,282	36,013
Accrued administration expense	5,730	19,555	1,817
Accrued expenses	29,746	75,215	72,508
Deferred trustees' compensation	13,249	25,579	23,205
Total liabilities	<u>86,202</u>	<u>766,714</u>	<u>133,543</u>
Net Assets	<u>\$ 27,771,917</u>	<u>\$ 96,368,865</u>	<u>\$ 44,459,270</u>
Number of shares issued and outstanding (unlimited shares authorized no par value)			
	<u>3,124,374</u>	<u>5,973,004</u>	<u>3,535,329</u>
Net asset value per share	<u>\$ 8.89</u>	<u>\$ 16.13</u>	<u>\$ 12.58</u>
Components of Net Assets			
Paid-in capital	\$109,225,557	\$114,701,589	\$ 90,597,891
Undistributed net investment income (loss)	140,395	1,722,864	(72,128)
Accumulated net realized loss on investments and foreign currency	(86,668,866)	(49,775,910)	(48,151,506)
Net unrealized appreciation (depreciation) on:			
Investments	5,074,959	29,720,484	2,085,013
Foreign Currency	(128)	(162)	—
Net Assets	<u>\$ 27,771,917</u>	<u>\$ 96,368,865</u>	<u>\$ 44,459,270</u>

See accompanying Notes to Financial Statements.

STATEMENTS OF OPERATIONS

For the six months ended June 30, 2004 (Unaudited)

	Asia Focus Fund	China & Hong Kong Fund	Global Innovators Fund
Investment Income			
Income			
Dividends*	\$ 483,868	\$ 1,803,838	\$ 310,289
Interest	<u>462</u>	<u>2,338</u>	<u>644</u>
Total income	<u>484,330</u>	<u>1,806,176</u>	<u>310,933</u>
Expenses			
Advisory fees (Note 3)	182,066	570,732	212,875
Administration fees (Note 3)	45,517	142,683	11,826
Transfer agent fees	27,514	66,292	72,206
Custody fees	19,504	28,038	2,601
Fund accounting fees	18,044	30,650	14,993
Audit fees	10,669	10,767	11,228
Legal fees	9,395	17,557	10,999
Trustees' fees	7,615	13,594	9,405
Reports to shareholders	7,533	20,361	19,996
Registration expense	5,693	10,456	6,943
Interest expense	5,488	6,008	3,753
Insurance expense	3,144	10,036	4,102
Miscellaneous	<u>1,753</u>	<u>2,134</u>	<u>2,134</u>
Total expenses	<u>343,935</u>	<u>929,308</u>	<u>383,061</u>
Net investment income (loss)	<u>140,395</u>	<u>876,868</u>	<u>(72,128)</u>
Realized and unrealized gain (loss) on investments and foreign currency			
Net realized gain (loss) on:			
Investments	2,006,153	562,474	(1,468,646)
Foreign currency	(32,688)	(2,061)	—
Net unrealized gain (loss) on:			
Investments	(4,580,036)	(6,509,243)	3,002,688
Foreign currency	<u>(348)</u>	<u>(163)</u>	<u>—</u>
Net realized and unrealized gain (loss) on investments and foreign currency	<u>(2,606,919)</u>	<u>(5,948,993)</u>	<u>1,534,042</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(2,466,524)</u>	<u>\$(5,072,125)</u>	<u>\$ 1,461,914</u>

* Net of foreign tax withheld of \$50,752 for Asia Focus Fund and \$19,994 for Global Innovators Fund.

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

	Asia Focus Fund	
	Six Months Ended June 30, 2004*	Year Ended December 31, 2003
Increase (decrease) in net assets from:		
Operations		
Net investment income (loss)	\$ 140,395	\$ 244,712
Net realized gain (loss) on:		
Investments	2,006,153	2,508,291
Foreign currency	(32,688)	(232,309)
Net unrealized gain (loss) on:		
Investments	(4,580,036)	10,250,784
Foreign currency	(348)	(4,228)
Net increase (decrease) in net assets resulting from operations	<u>(2,466,524)</u>	<u>12,767,250</u>
Capital share transactions		
Proceeds from shares sold	10,060,050	44,459,406
Proceeds from shares transferred due to mergers	—	—
Cost of shares redeemed	(15,992,005)	(37,677,486)
Redemption fee proceeds (Note 3)	9,444	137,499
Net increase (decrease) from capital share transactions	<u>(5,922,511)</u>	<u>6,919,419</u>
Total increase (decrease) in net assets	(8,389,035)	19,686,669
Net assets		
Beginning of year	<u>36,160,952</u>	<u>16,474,283</u>
End of year	<u>\$27,771,917</u>	<u>\$36,160,952</u>
Accumulated net investment income (loss)	\$ 140,395	\$ —
Capital share activity		
Shares sold	1,018,870	6,115,337
Shares issued on merger	—	—
Shares redeemed	<u>(1,697,484)</u>	<u>(5,152,897)</u>
Net increase (decrease) in shares outstanding	<u>(678,614)</u>	<u>962,440</u>

* Unaudited.

See accompanying Notes to Financial Statements.

China & Hong Kong Fund		Global Innovators Fund	
Six Months Ended June 30, 2004*	Year Ended December 31, 2003	Six Months Ended June 30, 2004*	Year Ended December 31, 2003
\$ 876,868	\$ 1,564,186	\$ (72,128)	\$ (334,301)
562,474 (2,061)	(1,926,993) (7,754)	(1,468,646) —	(1,236,492) —
(6,509,243) (163)	42,612,213 1	3,002,688 —	16,126,769 —
<u>(5,072,125)</u>	<u>42,241,653</u>	<u>1,461,914</u>	<u>14,555,976</u>
13,336,775 —	36,949,642 9,581,080	739,717 —	1,724,346 —
(28,455,776) 19,358	(29,161,486) 16,771	(7,520,650) 415	(12,406,081) 811
<u>(15,099,643)</u>	<u>17,386,007</u>	<u>(6,780,518)</u>	<u>(10,680,924)</u>
<u>(20,171,768)</u>	<u>59,627,660</u>	<u>(5,318,604)</u>	<u>3,875,052</u>
<u>116,540,633</u>	<u>56,912,973</u>	<u>49,777,874</u>	<u>45,902,822</u>
<u>\$ 96,368,865</u>	<u>\$116,540,633</u>	<u>\$44,459,270</u>	<u>\$49,777,874</u>
\$ 1,722,864	\$ 845,996	\$ (72,128)	\$ —
762,684 —	2,840,447 968,053	59,134 —	164,601 —
<u>(1,721,957)</u>	<u>(2,469,845)</u>	<u>(601,934)</u>	<u>(1,199,022)</u>
<u>(959,273)</u>	<u>1,338,655</u>	<u>(542,800)</u>	<u>(1,034,421)</u>

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period

Asia Focus Fund	Six Months Ended June 30, 2004 ⁽¹⁾	Year Ended December 31,				
		2003	2002	2001	2000	1999
Net asset value, beginning of period	\$9.51	\$5.80	\$6.18	\$5.16	\$9.51	\$6.73
Income from investment operations:						
Net investment income (loss)	0.05	0.06	(0.05)	0.01	—	0.05
Net realized and unrealized gain (loss) on investments	(0.67)	3.61	(0.37)	1.01	(4.35)	2.81
Total from investment operations	(0.62)	3.67	(0.42)	1.02	(4.35)	2.86
Less distributions:						
From net investment income	—	—	—	—	—	(0.08)
Total distributions	—	—	—	—	—	(0.08)
Redemption Fee Proceeds	— ⁽²⁾	0.04	0.04	—	—	—
Net asset value, end of period	\$8.89	\$9.51	\$5.80	\$6.18	\$5.16	\$9.51
Total return	(6.52)% ⁽³⁾	63.97%	(6.15)%	19.77%	(45.74)%	42.43%
Ratios/supplemental data:						
Net assets, end of period (millions)	\$27.8	\$36.2	\$16.5	\$17.1	\$14.2	\$37.7
Ratio of expenses to average net assets:						
Before fees waived	1.89% ⁽⁴⁾	2.16%	2.62%	3.08%	2.67%	2.39%
After fees waived	1.89% ⁽⁴⁾	1.95%	1.98%	1.98%	1.98%	1.98%
Ratio of net investment income (loss) to average net assets:						
Before fees waived	0.77% ⁽⁴⁾	0.75%	(1.26)%	(0.89)%	(0.71)%	0.07%
After fees waived	0.77% ⁽⁴⁾	0.96%	(0.62)%	0.21%	(0.02)%	0.48%
Portfolio turnover rate	19.74% ⁽³⁾	114.90%	188.96%	43.91%	61.77%	67.24%

⁽¹⁾ Unaudited.

⁽²⁾ Amount represents less than \$0.01 per share.

⁽³⁾ Not annualized.

⁽⁴⁾ Annualized.

See accompanying Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period

China & Hong Kong Fund	Six Months Ended June 30, 2004 ⁽¹⁾	Year Ended December 31,				
		2003	2002	2001	2000	1999
Net asset value, beginning of period	\$16.81	\$10.17	\$11.67	\$15.75	\$17.65	\$10.77
Income from investment operations:						
Net investment income	0.17	0.20	0.13	0.09	0.05	0.23
Net realized and unrealized gain (loss) on investments	(0.85)	6.44	(1.66)	(3.79)	(1.28)	6.91
Total from investment operations	(0.68)	6.64	(1.53)	(3.70)	(1.23)	7.14
Less distributions:						
From net investment income	—	—	—	(0.38)	(0.67)	(0.26)
From net realized gains	—	—	—	—	—	—
Total distributions	—	—	—	(0.38)	(0.67)	(0.26)
Redemption Fee Proceeds	— ⁽²⁾	— ⁽²⁾	0.03	—	—	—
Net asset value, end of period	\$16.13	\$16.81	\$10.17	\$11.67	\$15.75	\$17.65
Total return	(4.05)% ⁽³⁾	65.29%	(12.85)%	(23.45)%	(6.97)%	66.27%
Ratios/supplemental data:						
Net assets, end of period (millions)	\$96.4	\$116.5	\$56.9	\$76.8	\$118.5	\$163.4
Ratio of expenses to average net assets	1.63% ⁽⁴⁾	1.81%	2.02%	1.85%	1.76%	1.86%
Ratio of net investment income to average net assets	1.54% ⁽⁴⁾	2.01%	1.08%	0.56%	0.13%	1.45%
Portfolio turnover rate	8.77% ⁽³⁾	28.57%	60.95%	31.54%	38.83%	29.49%

⁽¹⁾ Unaudited.

⁽²⁾ Amount represents less than \$0.01 per share.

⁽³⁾ Not annualized.

⁽⁴⁾ Annualized.

See accompanying Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period

Global Innovators Fund	Six Months Ended June 30, 2004 ⁽¹⁾	Year Ended December 31,				
		2003	2002	2001	2000	1999
Net asset value, beginning of period	\$12.21	\$8.98	\$13.04	\$18.38	\$23.52	\$13.95
Income from investment operations:						
Net investment loss	(0.02)	(0.08)	(0.08)	(0.14)	(0.19)	(0.12)
Net realized and unrealized gain (loss) on investments	0.39	3.31	(3.98)	(5.20)	(3.45)	9.69
Total from investment operations	0.37	3.23	(4.06)	(5.34)	(3.64)	9.57
Less distributions:						
From net investment income	—	—	—	—	—	— ⁽²⁾
From net realized gains	—	—	—	—	(1.50)	—
Total distributions	—	—	—	—	(1.50)	— ⁽²⁾
Redemption Fee Proceeds	— ⁽²⁾	— ⁽²⁾	— ⁽²⁾	—	—	—
Net asset value, end of period	\$12.58	\$12.21	\$8.98	\$13.04	\$18.38	\$23.52
Total return	3.03% ⁽³⁾	35.97%	(31.13)%	(29.05)%	(16.78)%	68.68%
Ratios/supplemental data:						
Net assets, end of period (millions)	\$44.5	\$49.8	\$45.9	\$79.3	\$153.0	\$164.0
Ratio of expenses to average net assets:						
Before fees waived	1.62% ⁽⁴⁾	1.76%	2.03%	1.46%	1.23%	1.38%
After fees waived	1.62% ⁽⁴⁾	1.56%	1.35%	1.35%	1.24%	1.35%
Ratio of net investment loss to average net assets:						
Before fees waived	(0.31)% ⁽⁴⁾	(0.90)%	(1.34)%	(0.89)%	(0.79)%	(0.92)%
After fees waived	(0.31)% ⁽⁴⁾	(0.70)%	(0.66)%	(0.78)%	(0.80)%	(0.89)%
Portfolio turnover rate	42.91% ⁽³⁾	0.00%	54.15%	50.03%	27.41%	39.82%

⁽¹⁾ Unaudited.

⁽²⁾ Amount represents less than \$0.01 per share.

⁽³⁾ Not annualized.

⁽⁴⁾ Annualized.

See accompanying Notes to Financial Statements.

Note 1

Organization

Guinness Atkinson Funds (the “Trust”), formerly the Investec Funds, was organized on April 28, 1997 as a Delaware business trust and registered under the Investment Company Act of 1940 as a non-diversified, open-end management investment company. Currently, the Trust offers four separate series all of whose long-term objective is capital appreciation: Guinness Atkinson Asia Focus Fund (the “Asia Focus Fund”), formerly Investec Asia Focus Fund, Guinness Atkinson China & Hong Kong Fund (the “China & Hong Kong Fund”), formerly Investec China & Hong Kong Fund, and Guinness Atkinson Global Innovators Fund (the “Global Innovators Fund”), formerly Investec Wired® Index Fund, and Guinness Atkinson Global Energy Fund (“the Global Energy Fund”). The first three of which (each a “Fund” and collectively, the “Funds”) are covered by this report. The China & Hong Kong Fund began operations on June 30, 1994, the Asia Focus Fund began operations on April 29, 1996, and the Global Innovators Fund began operations on December 15, 1998. The Global Energy Fund began operations on June 30, 2004.

Note 2

Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the Funds. These policies are in conformity with accounting principles generally accepted in the United States of America.

A. Security Valuation. Investments in securities traded on a principal exchange (U.S. or foreign) or Nasdaq are valued at the official closing price on each day that the exchanges are open for trading; securities traded on an exchange or Nasdaq for which there have been no sales, and other over-the-counter securities are valued at the mean between the bid and asked prices. Securities for which quotations are not readily available are valued at their respective fair values as determined in good faith by, or under procedures established by, the Board of Trustees. Due to the inherent uncertainty of valuation, those estimated values of not readily marketable securities may differ significantly from the values that would have been used had a ready market for the securities existed. The differences could be material. Short-term investments are stated at

cost, which when combined with accrued interest, approximates market value. Realized gains and losses from securities transactions are calculated using the identified cost method.

Foreign securities are recorded in the financial statements after translation to U.S. dollars based on the applicable exchange rate at the end of the period. The Funds do not isolate that portion of the results of operations resulting from changes in the currency exchange rate from the fluctuations resulting from changes in the market prices of investments.

Foreign dividend income is translated using the exchange rate in existence on the date the income is accrued. Exchange gains and losses related to the translation of interest income are included in dividend income on the accompanying Statement of Operations.

B. Forward Foreign Currency Exchange Contracts. The Funds may utilize forward foreign currency exchange contracts (“forward contracts”) to hedge against foreign exchange fluctuations on foreign denominated investments under which they are obligated to exchange currencies at specific future dates and at specified rates. All commitments are “marked-to-market” daily and any resulting unrealized gains or losses are included as unrealized appreciation (depreciation) on foreign currency denominated assets and liabilities. The Funds record realized gains or losses at the time the forward contract is settled. Risks may arise upon entering these contracts from the potential inability of a counter party to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar or other currencies. Counterparties to these contracts are major U.S. financial institutions.

C. Security Transactions, Dividend Income and Distributions. Security transactions are accounted for on the trade date. Dividend income and distributions to shareholders are recorded on the ex-dividend date.

D. Federal Income Taxes. The Funds intend to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, and to distribute all of their taxable income to their shareholders. Therefore, no federal income tax provision is required.

E. Concentration of Risk. The Asia Focus Fund invests substantially all of its assets in the Asian region. The China & Hong Kong Fund invest substantially all of its assets in securities that are traded in China or Hong Kong or that are issued by companies that do a substantial part of their business in China. The consequences of political, social, or economic changes in the countries or business sectors in which the

securities are offered or the issuers conduct their operations may affect the market prices of the Funds' investments and any income generated, as well as the Funds' ability to repatriate such amounts.

F. Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 3

Commitments and other related party transactions

The Trust, on behalf of each Fund, entered into an Investment Advisory Agreement with Guinness Atkinson Asset Management, LLC (the "Advisor") on April 26, 2003, which provided the Funds with investment management services under an investment advisory agreement. Prior to April 26, 2003, Investec Asset Management U.S. Limited ("Investec") served as the Trust's investment advisor. The Advisor furnishes all investment advice, office space, facilities, and most of the personnel needed by the Funds. As compensation for its services, the Advisor is entitled to a monthly fee at the following annual rates based upon the average daily net assets of the Funds:

Asia Focus Fund	1.00%
China & Hong Kong Fund	1.00%
Global Innovators Fund	0.90% on the first \$100 million 0.75% on the next \$100 to \$500 million and 0.60% on assets over \$500 million

The Funds are responsible for their own operating expenses. Effective April 26, 2003, the Advisor has contractually agreed to limit the Funds' total operating expenses, through April 25, 2005, by reducing all or a portion of their fees and reimbursing the Funds' for expenses so that its ratio of expenses to average daily net assets will not exceed the following levels:

Asia Focus Fund	1.98%
China & Hong Kong Fund	1.98%
Global Innovators Fund	1.88%

Prior to April 26, 2003, the operating expense limit for the Global Innovators Fund was 1.35% and there was no operating expense limit for the China & Hong Kong Fund.

Expenses reimbursed by the Advisor will be limited to three years from the year of the reimbursement, and are subject to the Funds' ability to effect such reimbursement and remain in compliance with applicable expense limitations.

Under certain circumstances, a redemption fee of 1-2% will be charged to shareholders of the Funds who redeem shares purchased less than 30 or 90 days prior to redemption.

U.S. Bancorp Fund Services, LLC (the "Administrator") acts as the Funds' administrator under an administration agreement. The Administrator prepares various federal and state regulatory filings, reports and returns for the Funds; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Funds' custodian, transfer agent and accountants; coordinates the preparation and payment of the Funds' expenses and reviews the Funds' expense accruals. For its services, the Administrator receives a monthly fee from each Fund at the following annual rates with a minimum of \$20,000 (excluding the China & Hong Kong Fund):

Fund	Asset Based Fee
China & Hong Kong Fund	0.25% of average daily net assets subject to \$40,000 annual minimum.
Asia Focus Fund	0.25% of average daily net assets
Global Innovators Fund	0.05% of average daily net assets.

For the six months ended June 30, 2004, the following Administration fees were incurred:

Asia Focus Fund	\$ 45,517
China & Hong Kong Fund	\$142,683
Global Innovators Fund	\$ 11,826

Quasar Distributors, LLC (the "Distributor") acts as the Funds' principal underwriter in a continuous public offering of the Funds' shares. The Distributor is an affiliate of the Administrator.

On August 14, 1998, the Trust approved a Deferred Compensation Plan for Trustees (the “Plan”). Trustees can elect to receive payment in cash or defer payments provided for in the Plan. If a trustee elects to defer payment, the Plan provides for the creation of a deferred payment account (Phantom Share Account). This account accumulates the deferred fees earned, and the value of the account is adjusted at the end of each quarter to reflect the value that would have been earned if the account had been invested in designated investments. The Funds recognize as trustee expense amounts accrued as meetings are attended plus the change in value of the Phantom Share Account.

For the six months ended June 30, 2004, the change in the value of the phantom share account included unrealized depreciation were as follows:

Asia Focus Fund	\$287
China & Hong Kong Fund	\$762
Global Innovators Fund	\$751

Certain officers of the Funds are also officers and/or Directors of the Advisor and Administrator.

Note 4

Investment Transactions

The following table presents purchases and sales of securities during the six months ended June 30, 2004, excluding short-term investments, to indicate the volume of transactions in each Fund.

Fund	Purchases	Sales
Asia Focus Fund	\$ 7,054,735	\$12,076,086
China & Hong Kong Fund	9,830,256	20,755,112
Global Innovators Fund	20,091,677	30,434,403

Note 5

Forward foreign currency contracts

In order to hedge their portfolios and to protect them against possible fluctuations in foreign exchange rates pending the settlement of securities transactions, the Funds may enter into forward currency contracts which obligate them to exchange currencies at specified future dates. At the maturity of a forward contract, the Funds may either make delivery of the foreign currency from currency held, if any, or from the proceeds of the portfolio securities sold. It may also terminate its obligation to deliver the foreign currency at any time by purchasing an offsetting contract. The forward value of amounts due are netted against the forward value of the currency to be delivered, and the net amount is shown as a receivable or payable in the financial statements. Open forward contracts at June 30, 2004 were as follows:

Funds	Currency	Payable	Currency Deliverable	Delivery Date	Unrealized Loss
China & Hong Kong Fund	US\$	\$702,459	Hong Kong Dollar 5,479,534	07/02/04	(\$86)

Note 6

Tax Matters

As of June 30, 2004, the tax basis of investments were as follows:

	Asia Focus Fund	China & Hong Kong Fund	Global Innovators Fund
Cost of investment for tax purposes	\$22,643,366	\$66,940,429	\$43,045,887
Gross unrealized appreciation	6,335,786	32,940,429	482,602
Gross unrealized (depreciation)	(1,268,894)	(3,204,201)	(3,024,972)
Net unrealized appreciation (depreciation) on investment	5,066,892	29,147,712	(2,542,370)

As of December 31, 2003, the following funds have capital loss carryforwards available to offset future realized capital gains:

Capital losses expiring in:	Asia Focus Fund	China & Hong Kong Fund	Global Innovators Fund
2005	\$(14,746,462)	\$ —	\$ —
2006	(62,854,581)	(35,994,195)	—
2007	(7,599,516)	—	—
2008	—	—	—
2009	(2,794,130)	—	(17,621,884)
2010	(638,053)	(3,556,242)	(19,915,748)
2011	—	(10,213,093)	(4,517,845)
Total	(88,632,742)	(49,763,530)	(42,055,477)

For the China & Hong Kong Fund (\$3,332,384) of the (\$10,213,093) capital loss carryforward expiring in 2011 was acquired in the reorganization with the Mainland China Fund.

Note 7

Fund Reorganization

On April 25, 2003, China & Hong Kong Fund (the “Acquiring Fund”) acquired the assets and assumed the liabilities of Mainland China Fund (the “Acquired Fund”) in a tax-free reorganization in exchange for shares of the Acquiring Fund, pursuant to a plan of reorganization approved by the Acquired Fund’s shareholders. The number and value of shares issued by the Acquiring Fund are presented in the Schedules of Changes in Net Assets. Net assets and unrealized depreciation as of the reorganization date were as follows:

Total net assets of Acquired Fund	Total net assets of Acquiring Fund	Total net assets of Acquiring Fund after acquisition	Acquired Fund unrealized depreciation
\$9,296,766	\$53,077,636	\$62,374,402	\$287,235

Note 8

Proxy Voting Procedures

The Advisor of the Funds votes proxies relating to portfolio securities in accordance with procedures that have been approved by the Board of Trustees of the Funds. You may obtain a description of these procedures, free of charge, by calling “toll-free” 800-915-6566. This information is also available through the Securities and Exchange Commission’s website at <http://www.sec.gov>.

TRUSTEE AND OFFICER INFORMATION (Unaudited)

Name, Address, and Age	Position(s) Held with Trusts	Date Elected†	Principal Occupation(s) During the Past 5 Years	Number of Portfolios In Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Timothy W.N. Guinness 19 Lord North Street London, SW1P 3LD U.K. (57)	Trustee	August 1998	Chairman of Guinness Asset Management Ltd., investment adviser in London, since 2003. Chairman/CIO of Guinness Atkinson, since November 2002. Joint Chairman of Investec Asset Management Ltd. September 1998 to March 2003	4 Guinness Atkinson Funds	Investec Global Strategy Fund Limited, Investec International Accumulation Fund Limited, Investec Select Funds Plc, Investec High Income Trust Plc, SR Europe Investment Trust Plc. Atlantis Japan Growth Fund Ltd., New Boathouse Capital Ltd. Guinness Asset Management Ltd.
James I. Fordwood* 21550 Oxnard Street, Suite 750 Woodland Hills, CA 91367 (57)	Trustee	April 1994	CFO and Managing Member of Prima Marketing LLC (network of convenience stores)	4 Guinness Atkinson Funds	J.L. Energy, Inc., Intoil, Inc., Fior D'Italia.
Dr. Gunter Dufey* 21550 Oxnard Street, Suite 750 Woodland Hills, CA 91367 (64)	Trustee	April 1994	Pacific International Business Associates, a consulting firm in Singapore since 2002. Professor (em.) of MBS at The University of Michigan, where he served from 1968-2002.	4 Guinness Atkinson Funds	Independent director, four subsidiaries of GMAC in the United States and Canada.
Dr. Bret A. Herscher* 21550 Oxnard Street, Suite 750 Woodland Hills, CA 91367 (44)	Trustee	April 1994	President of Pacific Consultants, a technical and technology management consulting company serving the Electronic industry and venture capital community that he co-founded.	4 Guinness Atkinson Funds	Strawberry Tree Inc.

* Not an "interested person", as that is defined by the 1940 Act.

† Trustees and officers of the Fund serve until their resignation, removal or retirement.

Name, Address, and Age	Position(s) Held with Trusts	Date Elected†	Principal Occupation(s) During the Past 5 Years	Number of Portfolios In Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
J. Brooks Reece, Jr.* 21550 Oxnard Street, Suite 750 Woodland Hills, CA 91367 (57)	Trustee	April 1994	Vice President of Adcole Corp. a manufacturer of precision measuring machines and sun angle sensors for space satellites.	4 Guinness Atkinson Funds	Adcole Far East Ltd.
Jim Atkinson 21550 Oxnard Street, Suite 750 Woodland Hills, CA 91367 (47)	President	April 2003	Chief Executive Officer and Director of Guinness Atkinson since November 2002. Principal of ORBIS Marketing, a mutual fund marketing and advertising firm since November 2001. President of MAXfunds.com from September 2000 to March 2001. Managing Director of Guinness Flight Global Asset Management US (1993-2000).	N/A	N/A
Eric M. Banhazl 2020 E. Financial Way, Suite 100 Glendora, CA 91741 (47)	Treasurer and Secretary	April 1994	Senior Vice President, U.S. Bancorp Fund Services, LLC, since July 2001. Executive Vice President of the Investment Company Administration LLC (1990-July 2001).	N/A	N/A

* Not an "interested person", as that is defined by the 1940 Act.

† Trustees and officers of the Fund serve until their resignation, removal or retirement.

Information

Board of Trustees

J. Brooks Reece, Jr., Chairman
Dr. Gunter Dufey
James I. Fordwood
Timothy W.N. Guinness
Dr. Bret A. Herscher

Contact Guinness Atkinson Funds

P.O. Box 701
Milwaukee, WI 53201-0701
Shareholder Services: 800-915-6566
Literature Request: 800-915-6565
Website: www.gafunds.com
Email: mail@gafunds.com

Guinness Atkinson Funds			
Fund	Cusip	Ticker	Fund#
Asia Focus Fund	402031 10 8	IASMXX	1096
China & Hong Kong Fund	402031 20 7	ICCHKX	1094
Global Innovators Fund	402031 30 6	IWIRXX	1095
Global Energy Fund	402031 40 5	GAGEX	1098

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